


2016

Registration Document




GROUPE Casino
NOURRIR UN MONDE DE DIVERSITÉ

Contents

AUTORITÉ DES MARCHÉS FINANCIERS AMF

The original French version of this translated Registration Document was filed with the *Autorité des Marchés Financiers* (AMF) on 6 April 2017 under number D. 17-0340, in accordance with Article L. 212-13 of the AMF's General Regulations. It may be used in connection with a financial transaction provided that is accompanied by an Information Memorandum approved by the *Autorité des Marchés Financiers*. It was prepared by the issuer and its signatories assume responsibility for it.

This document is a free translation from French into English and has no other value than an informative one. Should there be any difference between the French and the English version, only the text in French language shall be deemed authentic and considered as expressing the exact information published by the Casino Group.

Presentation of the Casino Group

1.1. FINANCIAL HIGHLIGHTS

Continuing operations

(€ millions)	**2016**	2015 restated	2014[1]	2016/2015 change (€)	2016/2015 organic change
Net sales	36,030	35,312	48,493	+2.0%	+5.4%
EBITDA[2]	1,697	1,689	3,191	+0.5%	+2.3%
Trading profit	1,034	997	2,231	+3.8%	+3.8%
Net profit (loss) from continuing operations, Group share	33	(65)	253		
Net profit (loss) from discontinued operations, Group share	2,645	21	(2)		
Consolidated net profit (loss), Group share	2,679	(43)	251		
Underlying net profit[3], Group share	341	357	556		

(1) Key figures reported in 2014 and therefore not restated to reflect discontinued operations.
(2) EBITDA = Earnings before interest, taxes, depreciation and amortisation = Trading profit + depreciation and amortisation expense.
(3) Underlying net profit corresponds to net profit from continuing operations adjusted for the impact of other operating income and expenses, the impact of non-recurring financial items, and non-recurring income tax expense/benefits (see section 2.1.4).

Gross capital expenditure related to continuing operations

Gross capital expenditure in France covers both food retailing and property operations. The Group's property rotation policy translates into both gross capital expenditure and sales of property.

(€ millions)	**2016**	2015	2014[2]
Capital expenditure	1,160	1,222	1,563
of which France	631	619	753[1]
of which International	486	555	810
of which E-commerce	43	47	-
As a % of net sales	*3.2%*	*3.5%*	*3.2%*

(1) In 2014, Cdiscount's gross capital expenditure was reported under "France".
(2) Key figures reported in 2014 and therefore not restated to reflect discontinued operations.

Debt and equity

(€ millions)	**2016**	2015	2014
Equity (before appropriation)	14,440	12,419	15,608
Net debt	3,367	6,073	5,733[1]
Net debt to EBITDA ratio	2.0x	2.6x[2]	1.8x

(1) The Group reviewed its definition of net debt in 2015, mainly in relation to net assets held for sale as part of its debt reduction plan and to debt corresponding to "minority puts". 2014 net debt was adjusted accordingly.
(2) EBITDA reported in 2015.

1.2. SIGNIFICANT EVENTS OF THE PERIOD

On 14 January 2016, the Group indicated that it was reviewing a plan to dispose of its Thailand-listed subsidiary Big C.

On 7 February 2016, the Casino Group announced that it had signed a contract to sell its stake in Big C Thailand for €3.1 billion to Thailand-based TCC group.

On 21 March 2016, the Group confirmed its deleveraging strategy following Standard & Poor's decision to downgrade Casino's credit rating to BB+/stable outlook.

On the same day, the Group announced that it had sold its stake in Big C Thailand, hence enabling a reduction in net debt of €3.3 billion, with a capital gain of €2.4 billion.

On 29 April 2016, the Casino Group announced that it had sold its stake in Big C Vietnam to the Central group for €1 billion. The Group's debt reduction following this sale represents €4.2 billion.

On 3 May 2016, the Casino Group exercised its call option on the €500 million bond convertible into Monoprix shares.

On 12 May 2016, on the announcement of the merger between Cnova Brazil and Via Varejo, the Casino Group announced its plan to launch a voluntary tender offer for the ordinary shares of Cnova N.V. for a price of USD 5.5 per share. On 8 August 2016, this project was confirmed following the signature of the final agreements governing the merger between Cnova Brazil and Via Varejo.

On 25 May 2016, the Casino Group and the Baud family came to a financial agreement to end their legal dispute which had been ongoing since 2007. The agreement also provided that Casino would acquire the family's 50% stake in Geimex, owner of the international rights to the Leader Price brand.

On 13 June 2016, the Casino Group announced the success of its bond tender offer launched on 10 June, with a total of €537.4 million in bonds from various tranches bought back.

On 22 August 2016, Régis Schultz joined Monoprix as Chairman and member of the Executive Committee of the Casino Group.

On 19 September 2016, the Conforama and Casino groups announced that they had created a joint central purchasing agency for non-food products. Known as Mano, this agency will aim to optimise purchases of household appliances for both groups as from 2017.

On 28 September 2016, the Casino Group announced the success of its bond tender offer launched eight days earlier, with a total of €333.3 million in bonds bought back.

On 23 November 2016, the Board of Directors of Casino approved Brazilian subsidiary CBD's plan to sell Via Varejo.

On 30 November 2016, the Casino and Conforama groups stepped up their purchasing partnership by creating SICA, a shared international purchasing agency that will start operations in 2017.

On 6 December 2016, the Casino Group filed a draft public tender offer for Cnova N.V. shares. On 23 December 2016, the two groups announced the launch of this transaction, which was completed on 31 January 2017.

1.3. BUSINESS AND STRATEGY

1.3.1. Major milestones in the Group's history

The Casino banner dates back to 1898, when Geoffroy Guichard created Société des Magasins du Casino and opened the first store in Veauche in central France. Just three years later, in 1901, the first Casino brand products were launched, thus pioneering the private-label concept.

The Group expanded rapidly until the eve of the Second World War, opening more than 500 stores in ten years. It initially focused on the Saint-Étienne and Clermont-Ferrand areas and during the 1930s expanded its reach to the Côte d'Azur. In 1939, the Group managed a total of nine warehouses, 20 plants and nearly 2,500 outlets.

From 1950 onwards, the Group embarked on a policy of diversifying its formats and activities. The first self-service store opened in 1948, the first Casino supermarket in 1960, the first Casino cafeteria in 1967 and the first Géant hypermarket in 1970.

At the end of the 1970s, Casino began to expand outside France by launching a chain of cafeterias in the United States and then acquiring 90 cash & carry stores under the Smart & Final banner in 1984.

The mid-1980s marked a turning point in the Group's expansion. It adopted a redeployment strategy aimed at achieving critical mass to improve its resilience in an increasingly competitive retail industry.

This strategy consisted first and foremost of expanding its operations in France and refocusing on its core business as a retailer. Between 1985 and 1996, it acquired control of two retail companies in eastern and southern France, Cédis and La Ruche Méridionale, signed partnership agreements with the Corse Distribution group and with Coopérateurs de Normandie-Picardie, and took over Rallye's retail business comprising hypermarkets, supermarkets and cafeterias (1992).

The Group also launched a programme to refurbish its hypermarkets and modernise its convenience store network, with the aim of repositioning both its corporate image and the image of its banners. Casino created Spar France in 1996 and acquired a stake in Monoprix-Prisunic in 1997. It also took a majority stake in the Franprix and Leader Price banners in 1997, making it the leading retailer in Paris.

As a result of these developments, on the eve of the new millennium, Casino had become one of France's leading retail groups.

Leveraging its strong domestic position, the Group then decided to strengthen its international presence and embarked on an active international expansion policy in 1998.

From 1998 to 2002, it acquired a large number of retail companies in Latin America (Libertad in Argentina, Disco in Uruguay, Éxito in Colombia, GPA in Brazil and Cativen in Venezuela), Asia (Big C in Thailand and Big C in Vietnam), the Netherlands (Laurus, now Super de Boer) and the Indian Ocean region (Vindémia in Reunion, Madagascar, Mayotte and Mauritius).

It also moved into Poland and Taiwan, opening its first Polish hypermarket in Warsaw in 1996 followed by a Leader Price store in 2000, and its first hypermarket in Taiwan in 1998.

Since 2000, Casino has strengthened its presence in France in the most buoyant formats and expanded in its most promising international markets.

In France, Casino has adapted its business mix to meet changing market trends.

The Group has strengthened its positioning in convenience and discount formats through major acquisitions. In 2000, it acquired a stake in online retailer Cdiscount and raised its interest in Monoprix to 50%. The strategic agreement with Galeries Lafayette, renewed in 2003 and 2008, led to the signing of a memorandum of settlement in July 2012 concerning the acquisition by Casino of the 50% interest in Monoprix held by Galeries Lafayette. The acquisition was completed after the agreement was approved by the relevant competition authorities. Since 2009, Casino has also owned 100% of both Franprix Holding and Leader Price Holding.

In addition, Casino has begun to develop other businesses connected with retailing, such as financial services and commercial real estate. In 2001, it joined forces with LaSer Cofinoga to create Banque du Groupe Casino. In July 2010, it signed a partnership agreement in financial products and services with Groupe Crédit Mutuel-CIC, which was scheduled to increase its interest in Banque Casino to 50%, with Casino owning the remaining 50%. In 2005, the Group's commercial galleries were spun off into a new company, Mercialys, which was floated on the stock exchange, and has been accounted for by the equity method since 21 June 2013, the date of the Annual General Meeting at which Casino's loss of control was recorded.

In the international markets, Casino first began to refocus its business on two core regions, Latin America and Southeast Asia. From 2005 to 2007, the Group acquired joint control of the GPA Group in Brazil, and became majority shareholder of Éxito in Colombia and Vindémia in the Indian Ocean region. In 2010, the partnership between GPA and Casas Bahia, the leading non-food retailer in Brazil, and Big C's acquisition of Carrefour Thailand (42 stores) significantly increased the Group's footprint in these two regions.

In 2006, Casino sold its Polish retailing businesses and its 50% interest in its Taiwanese subsidiary Far Eastern Géant, followed by its interest in the U.S. banner Smart & Final in 2007. In 2009, Casino sold its 57% interest in Dutch retailer Super de Boer.

In 2010, the Venezuelan government ordered the nationalisation of Éxito hypermarkets operating in Venezuela. Casino therefore sold 80% of its subsidiary Cativen to the Bolivarian Republic of Venezuela and retained the remaining 20% in the context of an operational partnership.

In 2012, Casino took control of GPA, the leading retailer in Brazil and the country's biggest private employer, thus becoming GPA's only controlling shareholder.

In 2013, Casino obtained exclusive control of the Monoprix group, hence continuing the development strategy initiated in 1996 with a focus on convenience formats.

In 2014, the Group created Cnova to centralise all E-commerce activities. This new entity launched an initial public offering on NASDAQ Global Select in November of the same year. Also in 2014, Casino and Intermarché signed a purchasing cooperation agreement effective from 2015.

In 2015, Casino strengthened its organisational structure by combining all of its Latin American operations under its Colombian subsidiary Éxito. The Group sold to Éxito (i) a 50% interest in its French holding company, which holds voting shares in its Brazilian subsidiary GPA representing around 18.8% of GPA's share capital, and (ii) 100% of Libertad, a Group subsidiary in Argentina. In December 2015, Casino announced a plan to reduce its debt by more than €2 billion in 2016, later increased to €4 billion.

In 2016, the Group exceeded the objectives of its debt reduction plan following the sale of its operations in Thailand and Vietnam, in March and April respectively, for a total of €4.2 billion. In May, the Casino Group announced the combination of Cnova Brazil with Via Varejo, as well as its plan to launch a voluntary tender offer for the ordinary shares of Cnova N.V. held by the public for a price of USD 5.5 per share. In November, the Board approved GPA's decision to focus on developing its food operations and to start negotiations for the sale of its investment in Via Varejo. Also during the month, the Conforama and Casino groups created a joint central purchasing entity for non-food products in France known as Mano, and stepped up and extended their purchasing partnership by creating the SICA shared international purchasing agency.

In January 2017, Casino and Cnova N.V. announced the final results of the tender offer for the ordinary shares of Cnova N.V. in the United States and France. Following this transaction, Casino, Guichard Perrachon holds 98.88% of Cnova's share capital and 99.41% of the voting rights.

1.3.2. Business and strategy

A. Group profile in 2016

Casino is a leading food retailer in France and abroad. At 31 December 2016, it had a total of 12,969 stores in various formats and across various channels[(1)].

Following the disposal of its operations in Asia, the announcement of plans to sell its electronics business in Latin America (Via Varejo) and the streamlining of its E-commerce activities, the Group now reports on three segments:

- France Retail: the Casino, Monoprix, Franprix-Leader Price and Vindémia banners;
- Latam Retail: the GPA, Éxito, Grupo Disco Uruguay and Libertad food banners;
- E-commerce: Cdiscount.

The France Retail segment accounts for 53% of net sales and 49% of trading profit. Casino operates 117 Géant Casino hypermarkets[(2)], 414 Casino Supermarkets[(2)], 647 Monoprix stores[(2)], 858 Franprix stores, 796 Leader Price discount stores, 6,065 convenience stores and 185 stores in the Indian Ocean region (Vindémia)[(3)].

In Latin America, Casino mainly operates in four countries (Brazil, Colombia, Argentina and Uruguay) and has 3,114 stores across all formats. The Latin American operations are grouped together in the Latam Retail segment, which represents 42% of net sales and 51% of trading profit.

Lastly, the E-commerce segment (Cnova) accounts for 5% of net sales and reported a trading loss of €11 million in 2016.

(1) Excluding Via Varejo.
(2) Excluding international affiliates.
(3) Vindémia, whose head office is located in Reunion, is included in the France Retail segment.

Since 2014, the Casino Group has formed a number of purchasing partnerships with various retailers. The first was with Intermarché in 2014 for the purchase of national brands exclusively in France. This alliance has enabled both partners to optimise purchasing and, at the national level, to improve the services offered to suppliers, for national brand products from multinational companies, in both the food and non-food segments. In November 2015, the Casino and Dia groups formed a strategic international alliance covering purchasing and services, resulting in the creation of the ICDC Services joint venture. The purpose of ICDC Services is to improve both groups' competitiveness with regard to major suppliers of national-brand food products and to coordinate purchasing negotiations for their private labels in Europe. In September 2016, the Conforama and Casino groups announced that they had created a joint central purchasing entity for non-food products, which would be operational in time for the 2017 purchasing round. Named Mano, the agency is designed to optimise purchasing in France for both groups from the main international suppliers of household appliances (both white and brown goods). Lastly, in November, the Conforama and Casino groups stepped up their partnership by creating SICA, a shared international purchasing entity that also includes other Steinhoff International Group banners.

In 2016, consolidated net sales totalled €36 billion, an organic increase of 5.7%[1] compared with 2015[2] and underlying net profit, Group share amounted to €341 million.

In 2016, the key macro indicators on the Group's main markets evolved as follows:

Bloomberg data at 4 April 2017	Change in household consumption (volume)	Change in the consumer price index
France	+1.8%	+0.3%
Colombia	+2.2%	+7.5%
Brazil	-4.3%	+8.8%

B. Business and strategy – France Retail

Casino is one of the leading food retailers in France, with an 11.5% market share[3]. The Group stands out in the French retail industry for its multi-format structure and the prevalence of convenience and discount stores in its network. Casino also pursues a strategy of differentiating its banners to meet evolving customer expectations.

France Retail generated net sales of €18,939 million in 2016 and trading profit of €508 million.

The French retailing market is gradually evolving, driven by changing consumer lifestyles and socio-demographic trends such as an ageing population, smaller families, family members leading separate lives and the growing individualisation of lifestyles. This has led to a greater diversity of retail formats and concepts, a broader and more segmented product offering and more individualised contact with consumers.

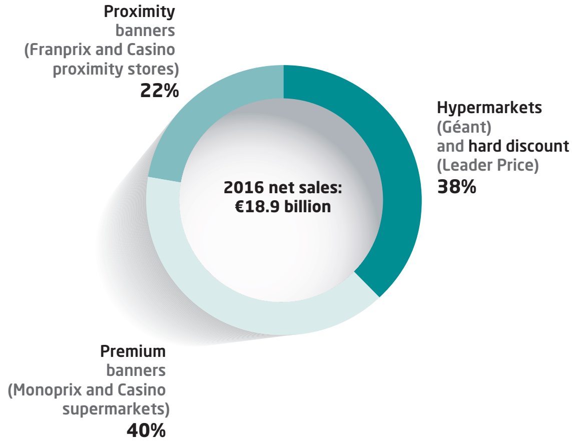
In this environment, the multi-format structure of its portfolio, characterised by the prevalence of premium, proximity and discount, give the Group a major competitive advantage.

At end-2016, the Group operated a total of 9,855 stores in France covering all food retailing formats.

Number of stores by format (at 31 December 2016)[4]

Format/ positioning	Number of stores
HYPERMARKETS	129
URBAN AND RURAL SUPERMARKETS	447
TOWN-CENTRE SUPERMARKETS	745
CONVENIENCE - NATIONAL (SUPERETTES)	6,065
CONVENIENCE - PARIS REGION	858
DISCOUNT	796
OTHER OPERATIONS (Foodservices, drive-in, etc.)	630
INDIAN OCEAN REGION	185

Breakdown of France Retail net sales by format (at 31 December 2016)



The profile of the stores' portfolio in France presents a balanced mix in terms of activities, brands and formats.

Casino has chosen to develop a precision retailing approach to most effectively meet the expectations of all of its customers. This strategy is reflected in a targeted positioning for each banner, sustained development of private-label products and a personalised marketing approach.

(1) Excluding fuel and calendar effects.
(2) 2015 data have been adjusted for the divested operations in Asia. In addition, following the end-2016 decision to sell Via Varejo, and in accordance with IFRS 5, Via Varejo has been reclassified under discontinued operations and is no longer included in the Group's financial statements in 2016.
(3) Source: Kantar.
(4) Including international affiliates (of which 12 Géant Casino hypermarkets, 33 Casino Supermarkets and 98 Monoprix stores).

Sustained development of private-label products

The Casino Group was a pioneer in private-label products, launching own-brand products as early as 1901. In 1931, it released its first advertisement for private-label products with the slogan "Casino, above all a great brand". In 1959, the Group began to put sell-by dates on its products, well before regulations required it and, in 1984, introduced a double money-back guarantee on its products (satisfied or reimbursed twice over).

Since 2005, the Group has stepped up the development of its own label by expanding the offering and launching theme-based ranges with a focus on taste and nutrition as well as continuous innovation.

The strength of the brand now lies in its competitive pricing, depth of assortment and ability to regularly renew its product lines.

The Casino brand portfolio covers broad product ranges designed to meet the specific needs of each of its customers. The ranges include Casino Délices for gourmet food lovers, Casino Bio for consumers seeking organic products and Casino Bien Pour Vous for consumers with special dietary needs, such as gluten-free products. Club des Sommeliers covers wines and includes a range of premium products under the Club des Sommeliers Grandes Réserves label. Tous Les Jours is a value-line label offering a range of daily food and non-food basics suited to today's modern consumer.

The Group's private-label policy also stands out for its commitment to sustainable development. Casino was the first retailer to sign the government-sponsored voluntary code of commitment to nutritional progress in 2008. It was also among the first French retailers to measure the environmental impacts of its products, introducing the Casino Carbon Index in 2008 and then the Environmental Index in 2011.

A targeted positioning for each banner

Each banner has a distinct sales strategy, giving it a unique positioning recognised by consumers.

Hypermarkets

Géant Casino is a hypermarket banner whose positioning is based on delivering an enjoyable, comfortable shopping experience in human-scale stores with low prices. Géant is now a popular banner with a very competitive offering.

At end-2016, Géant operated 129 hypermarkets, of which seven affiliates in France and 12 affiliates abroad.

Géant Casino's market share widened by 0.1 points over the last Kantar period in 2016 (P13).

Géant confirmed its recovery during the year as a result of its past price repositioning strategy. According to panellists, at end-2016, Géant had become co-leader in terms of prices in the hypermarket segment in France.

In the non-food segment, Géant continued to reposition its offering in the more buoyant apparel, housewares and leisure segments. Alongside this plan, store space is being reorganised and scaled down to improve net sales per square metre[(2)].

The Group owns most of its hypermarkets. A key factor setting Géant apart from its competitors is a value creation strategy at its locations, which consists of:

- tailoring the size of hypermarkets to new consumer trends;
- using the space freed up by hypermarkets to extend and renovate shopping malls.

The strategy works seamlessly alongside initiatives to revitalise the hypermarket model with more compact stores and an optimised non-food offering.

Hypermarkets[(1)] generated net sales of €4,723 million in 2016, while Géant Casino generated net sales of €4,432 million.

Leader Price

Leader Price is positioned as a major player in France's discount food retailing sector, guided by a focus on meeting two key criteria: very low prices and good-quality products.

The banner targets price-sensitive consumers without compromising on quality, offering a comprehensive food range of 4,500 items primarily representing its Leader Price private label, which is recognised for its good value for money. This offering is supplemented by key national-brand products.

In 2016, the banner maintained its market share of 2.6%[(2)] by leveraging its positioning as a French discounter across its 796 stores, which focus on essentials such as tidy displays and fast checkout service.

The banner also began rolling out its new concept during the year, with 22 store renovations and 26 openings.

Leader Price reported net sales of €2,526 million in 2016 and business volume[(3)] of €2,767 million, up 2.7% compared with 2015 excluding calendar effects.

Monoprix

Monoprix is the leading town-centre retailer, with 745 stores in France and abroad at end-2016.

The banner's expertise in town-centre retailing is reflected in the prime positioning of its stores in all French towns and cities, with some exceptional locations. With an average selling area of 1,700 square metres, Monoprix stores are designed to cater to an active urban clientele. They stand out for their unique offering, which is both diversified (30,000 food and non-food items) and innovative thanks to a wide range of private-label products.

Monoprix has also developed other formats:

- Naturalia is the leading specialist retailer of natural and organic products in the Paris region, with 146 stores offering more than 6,000 items;

(1) Including Géant Casino and mainly the business of the four Codim stores in Corsica.
(2) Source: Kantar.
(3) Total net sales generated by each banner from integrated stores and franchises and excluding fuel.

- monop' is an ultra-proximity concept. With a selling area of 150 to 600 square metres, these practical, welcoming stores provide a varied offering that enables customers to meet their daily needs and make pleasure purchases. monop' operates in busy urban areas and on motorways. Its 120 stores cater to an active, urban clientele;
- monop'daily combines fast food with ultra-freshness. With an average selling area of 50 to 100 square metres, it offers a broad range of snacks, ready meals, dairy products, beverages, fruit and desserts, enabling customers to choose a different menu every day;
- monop'station is a relatively new concept that first opened in late 2011. This new proximity concept dedicated to travellers focuses on the main monop' and monop'daily items for the specific needs of travellers in the distinctive context of railway.

In 2016, Monoprix pursued an active expansion policy across all its formats, opening a total of 60 new stores including five international affiliates.

Monoprix's omni-channel business continued to grow in 2016, with more than 2 million home deliveries made each year.

Monoprix reported €4,230 million in net sales in 2016, with business volume[1] of €4,340 million.

Casino Supermarkets

Casino Supermarkets operate in town centres and rural areas, with a network of 447 stores. They are concentrated in three main regions – southeastern France, the Rhone Valley and Greater Paris – which account for more than 60% of total stores (excluding affiliates).

Casino Supermarkets have an average selling area of 1,650 square metres offering mainly food products, including Casino-brand goods.

In 2016, Casino Supermarkets increased their market share for the ninth consecutive period, finishing 0.1 points higher in the last Kantar period of 2016 (P13).

The banner's positioning is based on a strong commitment around taste, fresh products, choice and customer service.

A total of 11 Casino Supermarkets were opened in France in 2016.

In 2016, Casino Supermarkets generated net sales of €3,301 million and business volume[1] of €3,019 million, up 4.2% compared with 2015 excluding calendar effects.

Franprix

Franprix is based mainly in Paris (since 1958) and more recently in the centre of large cities in the Rhone Valley and Mediterranean basin. An ultra-proximity format with an average selling area of 420 square metres, it offers a full range of food products that addresses daily customers' needs, with a balanced mix between the major national brands and the competitively priced Franprix and Leader Price labels.

Franprix has established itself as a powerful, differentiated concept in the Parisian proximity segment. In 2015, it launched the new Mandarine concept: friendly, qualitative, easy-to-use and pleasant stores. The concept's popularity has benefited Franprix customer traffic, which rose by 0.7%[2] in 2016.

Ease of access and flexible opening hours also contribute to the success of the Franprix banner, which further developed its loyalty card in 2016.

At end-2016, Franprix operated a total of 858 stores, including 392 franchises.

In 2016, Franprix net sales totalled €1,586 million, with business volume[1] coming in at €1,726 million, down 3.8% compared with 2015 excluding calendar effects.

Proximity stores

The main proximity banners are Petit Casino, Casino Shop, Vival and Spar.

Petit Casino is the Group's historic convenience format. It projects a friendly, welcoming image and offers an extensive range of food products including high-quality fresh produce. The banner is an integral part of local life in urban and suburban areas.

Vival operates mainly in villages and also projects a friendly, welcoming image. Alongside a food offering comprising mainly Casino-brand goods, it also offers many other useful day-to-day services, including a loyalty programme, debit card payments from €1, payments by meal voucher, home delivery, parcel collection, gas canister collection, in-store postal service and fresh bread. Spar operates in holiday resorts and urban and suburban areas, offering a range of convenience food products as well as additional services, such as a loyalty programme, debit card payments from €1, payments by meal voucher, online shopping, home delivery, parcel collection, newspapers and self-service.

Recognised expertise in franchising is one of the key strengths of the convenience business model. The number of franchised stores has now reached more than 4,640, mainly under the Spar and Vival banners.

In 2016, the banner opened new franchised stores and continued to renovate existing outlets.

During the year, the Group also confirmed its leadership in supplying food items to service stations. Since April 2013, it has supplied food items to more than 1,100 Total service stations.

The Group now operates 6,065 convenience stores and continues to consolidate its network while actively managing its store base.

In 2016, the Convenience & Other segment[3] reported consolidated net sales of €2,575 million and business volume[1] of €2,945 million, up 0.1% compared with 2015 excluding calendar effects.

(1) Total net sales generated by each banner from integrated stores and franchises and excluding fuel.
(2) Same-store basis, excluding calendar effects.
(3) Includes cafeterias, property, other operations and the Indian Ocean region.

The Indian Ocean region

The Group operates in the Indian Ocean region through its Vindémia subsidiary.

Vindémia has a very strong market position in Reunion, which accounts for a significant share of its sales, but also operates in Madagascar, Mayotte and Mauritius.

Vindémia has a multi-format positioning with Jumbo hypermarkets, Score and Spar supermarkets, Cash discount stores, Supermaki, Douka Bé and SNIE convenience stores and Vival franchised stores. It has a total of 185 stores under operations, including 95 franchised outlets.

Other business

The Group has developed a number of other businesses that complement its retail operations:

Real estate activities

Group-related property activities are discussed in section 1.4.

Casino Restauration

Casino Restauration was historically positioned in the fast-food segment through its chain of Casino cafeterias.

In recent years, it has been repositioning through innovative concepts such as family restaurants (À la Bonne Heure), theme-based restaurants (Villa Plancha), take-away food (Coeur de Blé), corporate food service (R2C: Restauration Collective Casino) and events catering (Saveurs d'Événements).

Banque Casino

Created in 2001, Banque Casino provides consumer finance programmes and insurance, products, to customers in Géant hypermarkets, Casino Supermarkets and on the Cdiscount website. It has almost one million customers.

In October 2011, Banque Casino launched a debit card available to the general public, in partnership with MasterCard.

Banque Casino is accounted for by the equity method in Casino's consolidated financial statements.

C. Business and strategy – Latam Retail

The Casino Group operates in Brazil, Colombia, Argentina and Uruguay through 3,114 stores. It holds leadership positions in most of these markets.

The Group's Latin American subsidiaries are combined in the Latam Retail segment (GPA group, Éxito, Grupo Disco Uruguay and Libertad food banners), which accounted for 42% of consolidated net sales and 51% of trading profit in 2016.

The portfolio of international assets has been thoroughly remodelled since 2006. Casino now operates in countries with high growth potential, young populations and a share of modern retail that is still low.

In July 2015, Casino decided to modify its organisational structure by combining all of its Latin American operations. Hence, in August 2015, it sold to Éxito:

- a 50% interest in its French holding company, which holds voting shares in its Brazilian subsidiary GPA representing around 18.8% of GPA's share capital. This transaction reduced its interest from 41.3% to 32.8%;
- 100% of Libertad (Group subsidiary in Argentina).

Casino and Éxito entered into shareholders' agreements to organise control of GPA.

Drawing on the power of its brands and its positions in Latin America, this new organisation under the Éxito banner will allow the Group to pursue its growth strategy at a sustained pace and develop its commercial footprint in the region.

In March and April 2016, the Casino Group sold its operations in Thailand and Vietnam. The plan is in line with its asset rotation strategy of selling mature assets and acquiring, key assets. A plan to sell the Brazilian electronics business, Via Varejo, was also announced in November.

The Group's Latin American subsidiaries hold leadership or co-leadership positions in their main markets thanks to their long-established banners and close-to-the-customer relations.

Food retailing net sales in Latin America totalled €15,248 million in 2016, an organic increase of 11.4%[1], while trading margin came in at 3.5%.

Colombia[2]

Casino has operated in Colombia since 1999 through its Éxito subsidiary, Colombia's leading food retailer. At end-2016, Éxito had 1,873 stores in 109 cities across the country, excluding Aliados affiliates. The Group's portfolio is compared of hypermarkets and supermarkets, but it also operates in the convenience and discount segments. Grupo Éxito also stands out for its multi-channel model, with the development of online shopping through the Éxito.com and Carulla.com websites.

Éxito seeks to consolidate its presence in large cities, increase its penetration in small and mid-sized urban markets and develop convenience formats. In terms of positioning, it continues to expand its presence in the discount format through the Surtimax banner. At year-end, it had 1,307 Surtimax Aliados stores, of which 542 were opened in 2016.

Éxito also has a well-developed real estate activity that leases 370,000 square metres of floor space. In September 2016, Éxito announced the creation of a joint venture with FIC company in the form of the Viva Malls real estate investment vehicle, with 434,000 square metres of gross leasable area (GLA).

Éxito has been fully consolidated since 1 May 2007. Casino held a 55.3% interest in its share capital at end-2016.

In 2016, Grupo Éxito (Colombia, Uruguay and Argentina) contributed €4,499 million to Casino's consolidated net sales.

Éxito has been listed on the Bogotá Stock Exchange since 1994.

(1) Excluding fuel and calendar effects.
(2) Company information available at www.grupoexito.com.co.

Hypermarkets

- **Éxito: 86 stores**

Éxito is a hypermarket banner with stores in 42 cities. Its food and non-food product offering is tailored to the needs of all segments of the Colombian population. Éxito stands out for the quality of its private-label apparel range, which enjoys a very good reputation with customers. The stores also provide a variety of services including the "Éxito Points" loyalty programme, mobile phone and travel deals and financial services, such as credit cards and insurance.

Supermarkets: 166 stores

- **Éxito Super and Vecino: 84 stores**

The Éxito brand also includes two different supermarket banners: Éxito Super (39 stores in 15 cities offering a range of primarily food products) and Éxito Vecino (45 stores in 29 cities offering a wider assortment of non-food products).

- **Carulla: 82 stores**

Carulla is renowned for its high quality. It markets a premium offering featuring targeted gourmet and exclusive products as well as a range of services. The network operates mainly in Colombia's two largest cities: Bogotá and Medellín.

Convenience: 109 stores

- **Éxito Express: 91 stores**

Éxito Express is a new "minimarket" convenience format offering fast-moving consumer goods and fresh produce, as well as a few household cleaning and multimedia products.

- **Carulla Express: 18 stores**

Carulla Express is the second of Grupo Éxito's "minimarket" formats. Positioned in the premium segment, it provides take-away products such as sandwiches, fresh fruit and cakes and pastries.

Discount: 1,510 stores

- **Surtimax: 136 proprietary stores**

Surtimax is a convenience format located mostly in suburban areas. The stores offer a comprehensive range of basic products at low prices, mainly under the Surtimax private label. They are primarily food stores, but also carry some non-food lines.

During 2016, Éxito continued to expand its network of Aliados independent franchises. By the end of the year, it had a total of 1,307 franchised stores.

- **Surtimayorista: 2 stores**

Grupo Éxito also has two pilot cash & carry stores.

- **Super Inter: 67 proprietary stores**

Éxito acquired 50 Super Inter stores between October 2014 and April 2015. The chain has since expanded rapidly, opening 17 new stores. The Super Inter chain is located in the Cali and Coffee regions and sells a highly developed line of fresh produce.

Uruguay

The local market leader since 2000, Casino has three store banners that enjoy high brand recognition: Disco, Devoto and Géant. These banners became Éxito subsidiaries in 2011.

Casino operated a total of 79 stores at end-2016.

Supermarkets

- **Disco: 29 stores**

Originally a chain of family supermarkets, Disco enjoys strong recognition throughout the country and focuses on competitive pricing. Disco stores are conveniently located and much appreciated by consumers. These two key strengths are reflected in its signature: "With you every day".

- **Devoto: 24 stores**

Also originally family owned, the Devoto banner has a portfolio of modern stores including some with an extensive non-food range. With its signature "Price and quality. Always", Devoto clearly states its strong positioning focused on affordability, but also on product quality and customer service.

Hypermarkets

- **Géant: 2 stores**

With its signature "The lowest price", Géant hypermarkets offer a broad range of products at very low prices.

Convenience stores

- **Devoto Express: 24 stores**

The first ten Devoto Express stores were opened in 2015, showcasing a new convenience format. The banner opened 14 additional stores in 2016. With an average selling area of 170 square metres per store, the banner offers customers competitive prices.

Argentina

Casino has been present in Argentina since it acquired Libertad in 1998. The Group has since developed the Libertad chain of hypermarkets.

Libertad also operates two convenience formats: Mini Libertad and Petit Libertad.

The banner had a total of 27 stores in 2016.

Hypermarkets

- **Libertad: 15 stores**

Libertad is the leading hypermarket chain outside the capital, operating mainly in large inland cities. Each hypermarket is part of a shopping mall.

- **Mini Libertad/Petit Libertad: 12 stores**

With an average selling area of approximately 160 square metres per store, Mini Libertad stands out as the foremost food convenience format in large cities such as Cordoba. In late 2016, Libertad also launched the premium convenience concept format, Petit Libertad.

Brazil(1)

Casino has operated in Brazil since 1999 through its Grupo Pão de Açúcar (GPA) subsidiary. GPA is a historic player in the Brazilian food retail market, and over the past few years has adapted its positioning to meet changing consumer needs. Although hypermarkets and supermarkets still dominate, GPA now has a multi-format, multi-banner portfolio that caters to a clientele drawn from all socio-economic backgrounds. It has also been developing innovative private-label goods, which are much appreciated by consumers, including Qualità, an umbrella brand for food products, and Taeq, a health and well-being range.

(1) Company information available at www.gpari.com.br.

In 2009, GPA acquired Globex, the second-largest retailer of consumer electronics and household appliances in Brazil through its Ponto Frio banner. By taking control in 2010 of Casas Bahia, the leading non-food retailer in Brazil, GPA became the unrivalled leader in consumer electronics and household appliances, with the two banners consolidated in its Via Varejo subsidiary to take a 23.6% share of the brick-and-mortar market (excluding hypermarket sales and E-commerce) at end-2016.

In 2012, Casino became GPA's only major shareholder and GPA has accordingly been fully consolidated by Casino since 2 July 2012. At end-2013, Casino owned a 38.1% stake in GPA.

In April 2014, Casino increased its interest in GPA from 38% to 41.3%.

In July 2015, Casino sold to Éxito a 50% interest in its French holding company, which holds voting shares in GPA representing around 18.8% of GPA's share capital. The Annual General Meeting and the Board of Directors of Éxito approved the transaction in August 2015, subsequent to which Casino's interest in GPA declined to 32.8% from 41.3% previously.

In November 2016, the Board approved GPA's decision to focus on the development of its food operations[1] by starting negotiations for the sale of its investment in Via Varejo (store operations and websites).

At end-2016, GPA operated a total of 1,059 food retail stores[1], with strong market positions in the two most economically buoyant states, São Paulo and Rio de Janeiro. GPA also manages 260,000 square metres of shopping mall.

In 2016, the GPA food banners contributed €10,749 million to Casino's consolidated net sales.

GPA has been listed on the São Paulo Stock Exchange since 1995 and the New York Stock Exchange since 1997.

Hypermarkets

- Extra HM: 134 stores

Extra hypermarkets offer a vast range of food products as well as personal and household equipment, aiming to meet the demands of as many consumers as possible at the best prices. This sales strategy makes it possible to cater to all budgets, with regular promotions, a selection of products at unbeatable prices and a fresh-food section. The Extra revitalisation plan launched in 2016 has been a success, with an increase in customer traffic and nine consecutive months of market share gains[2].

Supermarkets

- Pão de Açúcar: 185 stores

Pão de Açúcar premium convenience supermarkets offer a broad array of high-quality products. Always at the leading edge of technology, the banner also offers a range of services to optimally meet the specific needs of a relatively affluent clientele while leveraging the benefits of its widely used fidelity programme.

- Extra SM: 194 stores

Extra SM stores are large supermarkets that provide an extensive food offering as well as a broad non-food range.

Convenience stores

- Minimercado Extra: 207 stores

Minimercado Extra superettes are local convenience stores with a simple, pleasant look. They offer all of the essential products and services, with good value for money.

- Minuto Pão de Açúcar: 77 stores

Launched in June 2014, Minuto Pão de Açúcar is a premium convenience format. With an average selling area of 400 square metres per store, it offers a range of differentiated products in stores combining the convenience, quality and reliability of Pão de Açúcar. The banner promotes sustainable development initiatives and provides tailored customer service.

GPA developed a member programme in 2016, which had some hundred members at year-end.

Drugstores: 155

The Extra format also includes pharmacies and drugstores under the Dograria Extra banner. They are mainly located in Extra shopping centres near hypermarkets.

Cash & carry

Assaí: 107 stores

Assaí is an "Atacarejo" store, a booming sector in Brazil. "Atacarejo" is a combination of "Atacado" meaning wholesaler and "Varejo" meaning retailer. This self-service wholesaler offers a large range of food products and a small selection of non-food products at very low prices.

The Assaí, Extra hypermarket and convenience formats all gained market share in 2016. Pão de Açúcar's market share has remained stable for the past two years.

D. Business and strategy – E-commerce

On 4 June 2014, the Boards of Directors of Casino, CBD, Via Varejo and Éxito approved the main arrangements for setting up the E-commerce business and forming a new unit, Cnova (Cnova N.V., incorporated under Dutch law).

On 24 November 2014, Cnova was listed on NASDAQ Global and on 23 January 2015, on Euronext Paris under the ticker symbol "CNV".

As at 31 October 2016, Cnova's Brazilian subsidiary, Cnova Brazil, was wholly owned by Via Varejo, a Grupo Pão de Açúcar subsidiary. As of the date of this document, Via Varejo no longer holds any direct or indirect interest in Cnova. Similarly, Cnova no longer holds any direct or indirect interest in Cnova Brazil.

Cnova has since refocused on its French E-commerce business, Cdiscount.

As at February 2017, following the 23 December 2016 public tender offer for the ordinary shares of Cnova in the United States and France, Casino, Guichard Perrachon held 98.88% of Cnova's share capital and 99.41% of the voting rights.

In 2016, the company's marketplaces expanded at an accelerated pace, capturing 31.4% of gross merchandise volume (GMV, equivalent to business volume including taxes) in the fourth quarter of 2016, *versus* 28.1% in the prior-year period.

(1) Excluding services stations.
(2) Figures provided by the subsidiary.

With GMV of €3 billion in 2016, Cdiscount offers its 8 million active customers a wide range of products, several quick and easy delivery options and convenient payment methods. Customer service was improved in 2016 with the introduction of:

- same-day delivery for large packages weighing more than 30 kilograms, from Monday to Saturday;
- seven-day and by-appointment delivery for small and medium-sized packages weighing less than 30 kilograms;
- streaming (Cstream), phone (Cdiscount Mobile) and cloud computing (Cdiscount Cloud) services.

In 2016, net sales amounted to €1,856 million, representing 5% of the Casino Group's consolidated total.

At end-2016, Cnova was 64.6% directly owned by the Casino Group and 34.1% directly owned by GPA.

1.4. REAL ESTATE ASSETS

1.4.1. Rolling out the dual retailing and real estate model in France and abroad

The Group's expansion plan in France and abroad is based on a business model combining retailing with real estate. Driven by its anchor food store, the Group develops and operates shopping centres that provide consumers with a complementary offering and create a place to relax and socialise as well as a customer experience that meets local customs and tastes.

Deployment of this dual retailing and real estate strategy is supported by integrated teams in each subsidiary with the requisite skills, including research and design, land acquisition, delegated project management, property development, property letting, property management, legal affairs, asset value enhancement and asset management.

In France, wholly-owned subsidiary L'Immobilière Groupe Casino (IGC) owns store properties and business units in local shopping malls offering goods and services[(1)].

Outside France, the Group holds strong positions in commercial real estate with a total 803,000 square metres of gross leasable area (GLA) in shopping malls at end-2016, of which 45% in Colombia, 32% in Brazil and 21% in Argentina.

1.4.2. Enhancing the value of existing assets through active management

The Casino Group actively manages its property assets in France. At end-2016, the total value of its portfolio of fully consolidated French properties stood at €4 billion[(2)], a figure that is stable compared with end-2015.

To address changing consumer habits, the Casino Group continuously adapts its hypermarket model by reducing selling areas and the percentage of non-food items in the mix, and by optimising other spaces, particularly stock rooms. The cleared space presents an opportunity to increase the size and appeal of shopping malls by hosting specialist mid-sized retailers.

This strategy is also being replicated at certain urban Monoprix and Casino stores, but with the goal of increasing selling areas and developing multi-purpose projects. Two Monoprix sites were sold to Mercialys in 2016 as part of this approach, which contributes to recurring value creation through property development projects.

Property development continued in 2016 with highlights including the delivery of the Carcassonne projects (seven-store extension of a shopping centre), which opened in summer 2016, delivery of the Toulouse Fenouillet project (extension to accommodate 12 new mid-sized surfaces, 50 stores, five restaurants and a food court), which opened in November 2016, and the development of car park areas (restaurants, pizza kiosks, car washes, etc.), as well as the transformation of hypermarkets in Hyères, Angoulême and Amiens.

In order to make Casino Group sites more attractive, a more contemporary and visible identity was rolled out at all Géant Casino sites in partnership with co-owners, including red and white façades and new signage. Shopping malls were also renovated as part of the initiative.

Internationally, the Group continues to develop its retail property activities.

In 2016, Colombia created a property development company in partnership with Bancolombia. The fund has a portfolio of 12 existing assets with a GLA of 308,000 square metres, including hypermarkets and two assets under construction, which should bring the GLA to 434,000 square metres by late 2018.

Brazil and Argentina also display strong development potential.

(1) Casino also holds a non-consolidated minority interest (40.2%) in Mercialys, a leading French retail property investor.
(2) Asset valuation of Group assets in France is calculated including transfer costs. It is based on external appraisals or updates using the customary methods (discounted cash flow, yields), with specific assumptions for each asset type.

Casino Group real estate portfolio at end-2016 (in economic interests)(1)

(€ billions)	**2016**	2015
France(2)	5.6	5.4
of which store properties	4.0	4.1
International(3)	1.0	2.3
TOTAL(4)	**6.6**	**7.7**
of which store properties	4.7	4.7
of which shopping centres	1.9	2.9

(1) Asset valuation calculated on the basis of the Group's percentage interest and 100% for controlled French subsidiaries. It is based on external appraisals or updates using the customary methods (discounted cash flow, yields), with specific assumptions for each country and each asset type.
(2) French property portfolio in economic interests, including 40.2% stake of the value of Mercialys' property assets.
(3) For international properties, valuation is calculated as a percentage interest, and therefore on a pro rata basis in controlled joint ventures.
(4) The change in property asset valuation between 2015 and 2016 primarily reflects the impact of scope changes, including the deconsolidation of Thailand and Via Varejo.

1.4.3. Optimising "non-floor" space

In 2009, Casino created GreenYellow, a wholly-owned subsidiary involved in photovoltaic (PV) energy. The new venture leverages the Group's expertise in property development, construction and operation, as well as the favourable geographic location of its stores, a majority of which are in sunny regions.

GreenYellow is a leading French player in rooftop PV systems, with an installed base of 120 MWp comprising more than 50 installations covering about 600,000 square metres of shopping centre and solar canopy rooftops, mainly on Group sites. These systems save nearly 10,000 tonnes of CO_2 a year and are sufficient to cover the annual consumption of 30,000 households.

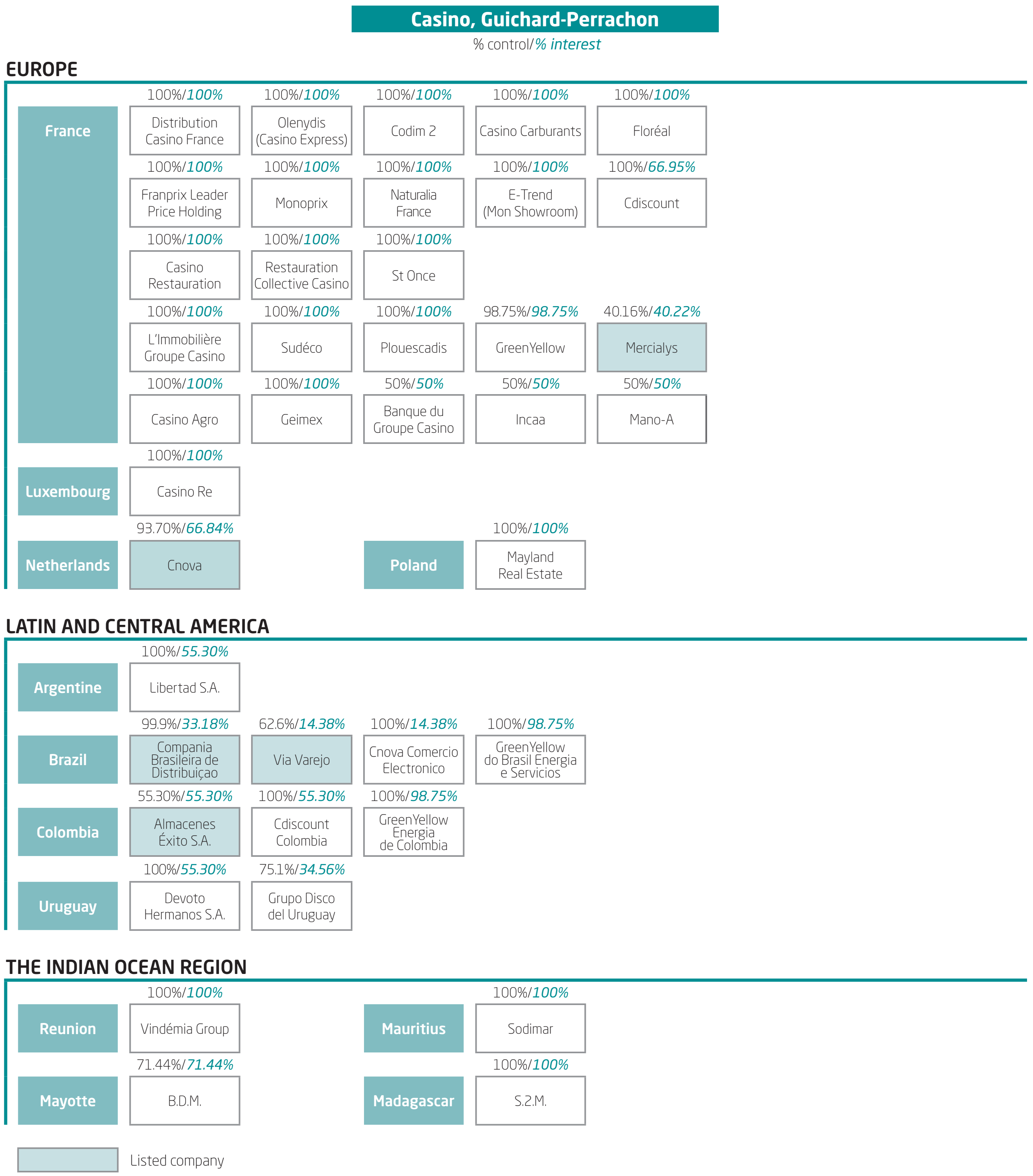
In 2012, GreenYellow also launched a major programme to sustainably reduce energy consumption in Casino Group stores by 25%. At end-2016, 900 energy performance contracts were in place in France and abroad. These contracts save an annual 520 GMWh, or the equivalent of the consumption of a city the size of Bordeaux. All Géant hypermarkets and a significant majority of Casino supermarkets are equipped with energy efficiency solutions, which are also being deployed at other Group units and international stores.

1.5. STOCK MARKET VALUE OF LISTED COMPANIES

At 30 December 2016, Casino's interests in its listed companies had an aggregate value of €4 billion.

Listed company	Share price at 30 Dec. 2016	Market capitalisation *(100%, € millions)*	% direct interest	Casino's share *(€ millions)*
GPA (Brazil)	BRL 5.75	4,242	22.8%	968
Grupo Éxito (Colombia & Uruguay)	COP 14,900	2,107	55.3%	1,165
Cnova (United States)	USD 5.48	1,785	64.6%	1,154
TOTAL				**3,287**
Mercialys	EUR 19.25	1,771	40.2%	711
TOTAL				**3,999**

1.6. SIMPLIFIED ORGANISATION CHART (AT 31 DECEMBER 2016)



Chapter 2

Business report

FINANCIAL HIGHLIGHTS

Financial highlights of 2016 were as follows:

(€ millions)	2015	**2016**	Change (%)	Organic change[1]
Consolidated net sales	35,312	36,030	+2.0%	+5.7[2]
Gross margin	8,497	8,666	+2.0%	
EBITDA[3]	1,689	1,697	+0.5%	+2.3%
Net depreciation and amortisation	(692)	(663)	+4.2%	
Trading profit	997	1,034	+3.8%	+3.8%
Other operating income and expense	(349)	(625)		
Net financial expense, o/w:	(581)	(359)	+38.2%	
Net finance costs	*(240)*	*(324)*	*-34.8%*	
Other financial income and expense, net	*(340)*	*(35)*	*+89.7%*	
Profit before tax	67	50	-26.0%	
Income tax expense	(13)	(34)	n.s.	
Share of profit of equity associates	57	20	-64.3%	
Net profit from continuing operations	111	36	-67.8%	
o/w Group share	*(65)*	*33*	*n.s.*	
Attributable to minority interests	*175*	*2*	*-98.7%*	
Net profit from discontinued operations	47	2,161	n.s	
o/w Group share	*21*	*2,645*	*n.s*	
Attributable to minority interests	*26*	*(484)*	*n.s*	
Consolidated net profit	158	2,196	n.s.	
o/w Group share	*(43)*	*2,679*	*n.s.*	
Attributable to minority interests	*201*	*(482)*	*n.s.*	
Net underlying profit, Group share[4]	357	341	-4.6%	

(1) Based on a comparable scope of consolidation and constant exchange rates, excluding the impact of asset disposals (real estate mutual investment funds).
(2) Excluding fuel and calendar effects.
(3) EBITDA = Earnings before Interest, Taxes, Depreciation and Amortisation.
(4) Net underlying profit corresponds to net profit from continuing operations adjusted for the impact of other operating income and expenses, the impact of non-recurring financial items, and non-recurring income tax expense/benefits (see Appendix).

2.1. BUSINESS REPORT

Main changes in the scope of consolidation and associated effects

- Disposal of operations in Asia.
- Reclassification of Via Varejo and Nova as discontinued operations.

Currency impact

Currency effects were significant in the year, with the Colombian peso and Brazilian real declining against the euro by an average of 9.7% and 4.0%, respectively. However, the closing exchange rates indicated that these currencies were beginning to improve against the euro.

At constant exchange rates, the main aggregates of the consolidated income statement were as follows:

Continuing operations *(€ millions)*	2015	**2016 at CER**
Consolidated net sales	35,312	37,161
EBITDA	1,689	1,762
Trading profit	997	1,080
Underlying net profit, Group share	357	351

2016 highlights include:

- **In France,** the recovery in business and results, with good sales momentum over the year.

  The Group achieved and maintained a 0.1 pts[(1)] gain in market share in 2016. This performance is driven by Géant and Casino Supermarkets. The successful roll-out of the Mandarine concept continued apace at Franprix and Casino Supermarkets developed a more qualitative model. Monoprix saw vigorous expansion, opening 60 new stores in 2016. Leader Price continued its development through franchises.

  Organic sales were up 0.8% in 2016. Gross sales under banners advanced 1.5%[(2)], buoyed by food (up 2.0%[(2)]).

  Results improved, with trading profit up 51% year-on-year to €508 million, including €421 million excluding property development. This performance was driven by good performance of Monoprix and Franprix, improvement in profitability at Casino Supermarkets, profitability resumption at Leader Price and ongoing losses reduction at Géant.

- **Outside France,** the Group delivered organic sales growth. Organic net sales were up 10.8%[(2)] for Éxito, buoyed by all formats. Organic sales in Brazil climbed 11.7%[(2)].

  Extra's relaunch plan is a success and led to an acceleration in market share gains. The Pão de Açúcar banner delivered satisfying growth in 2016.

  The cash & carry banner Assaí saw its organic sales grow by 39.2%. It enjoyed strong growth momentum with 13 new stores opened during the year. In Q4 2016, the cash & carry banner represented 36% of GPA Food's sales.

- **Streamlined structure and plan to pay down debt** to give the Group added financial flexibility. Efforts to simplify the Group's structure began in first-half 2016, with the disposal of operations in Thailand and Vietnam, the restructuring of E-commerce activities and the announcement of the plan to sell Via Varejo, which was classified within discontinued operations in 2015 and 2016.

  A significant amount of debt was paid down by the Group and in France during the year, particularly as a result of these disposals. At 31 December 2016, consolidated net debt stood at €3.4 billion for the Group and at €3.2 billion for France[(3)] (down 47% over the year). France generated €273 million in cash flow after 2015 dividends and coupons payments. This figure incorporates the positive impact of unwinding swaps (bond buybacks and re-setting of debt).

In 2016, Group consolidated net sales rose 2.0% at current exchange rates and 5.2% at constant exchange rates. Exchange rate fluctuations had a 3.2% negative impact, while the impact of changes in the scope of consolidation was negative at -0.2%.

Sales excluding fuel and calendar effects grew organically by 5.7%:

- In France, food retail sales excluding fuel and calendar effects were up 0.8% organically. The recovery in activity was confirmed in France by a gain of 0.1 pts[(4)] in market share over the year:
  - Géant Casino net sales grew by 1.6% organically and the banner continues to increase its market share.
  - Leader Price sales were down slightly over the year on an organic basis, although the banner's market share held firm.
  - Casino Supermarkets delivered a very strong performance, with organic growth of 3.8% over the year, confirming the success of the new, more qualitative business model, with Kantar market share gains over nine consecutives periods.

(1) Cumulative year-to-date according to Kantar P13 data.
(2) Excluding fuel and calendar effects.
(3) Casino Group holding company scope, including the French activities and wholly-owned subsidiaries.
(4) Kantar data.

- Food banners in Latin America reported 11.4% organic sales growth excluding fuel and calendar effects:
  - Éxito group (excluding GPA Food) enjoyed vigorous 10.8%[1] organic growth. The launch of the cash & carry business was successful and other banners in Colombia showed a good performance. The performance in Uruguay and Argentina was satisfactory given the economic environment.
  - GPA Food organic net sales rose 11.7% excluding fuel and calendar effects, driven by Assaí's success and the sales recovery plan of Extra hypermarkets.
- E-commerce grew organically by 8.8% in 2016.

Group trading profit climbed 3.8% in 2016. It stands at €1,034 million (€1,080 million at constant exchange rates) *versus* €997 million the previous year.

- Trading profit in France improved *versus* 2015, at €508 million in 2016, including €421 million relating to retail operations and €87 million relating to property development.
- Latam Retail trading profit was down on 2015 at €538 million, hit by the economic crisis and the forex impact. Sales initiatives in Brazil drove an upturn in net sales, with a negative impact on margin. The margin on the food businesses in Latin America stands at 3.5%.
- EBITDA from E-commerce operations came in at €10 million for 2016, lifted by marketplace growth and the closure of loss-making websites.

The trading margin edged up 5 bps to 2.9%, buoyed by a good performance in France. In comparison to 2015 figures:

- trading margin for the France Retail segment was up 90 bps at 2.7%;
- trading margin for the Latam Retail segment was down at 3.5%;
- trading margin for the E-commerce segment lost 0.6%.

2.1.1. France Retail

(€ millions)	2015	2016
Consolidated net sales	18,890	18,939
EBITDA	726	872
EBITDA margin	*3.8%*	*4.6%*
Trading profit	337	508
Trading margin	*1.8%*	*2.7%*

Food retail sales in France amounted to €18,939 million in 2016 *versus* €18,890 million in 2015, representing organic growth of 0.8% excluding fuel and calendar effects.

France Retail trading profit was up on 2015 at €508 million, or €421 million excluding property development, powered by a good trading performance from Monoprix, Franprix and Casino Supermarkets. Leader Price was profitable in 2016, while Géant scaled back its losses. Property development activities made a lower contribution to EBITDA *versus* 2015, at €87 million compared to €167 million one year earlier.

The trading margin for the food retail business in France was 2.7% in 2016.

Over the full year, the following can be noted per format:

- The good performance of **Géant Casino**[2] confirms the recovery begun in 2015, after a significant adjustment in pricing. Géant Casino gained an additional 0.1 pts[2] of market share over the year without expansion. Net sales on a same-store basis were up 1.6% excluding fuel and calendar effects. Food sales, boosted by the roll-out of the fresh produce area, grew an excellent 2.7%, excluding calendar effect. The banner also reduced by -1.6% its total retail space as part of efforts to rationalise non-food areas.
- At **Leader Price,** same-store sales excluding fuel and calendar effects moved up 0.9% in 2016. This reflects improvement of operating processes and customer services. Leader Price retained its 2.6%[4] market share in 2016. The overhaul of the store network continued throughout the second half. Over the past 12 months, a total of 143 stores were transferred to franchise. In all, 48% of the network operated as franchises at end-December and the new concept had been rolled out at 22 stores.
- **Monoprix** delivered 1.6% organic growth excluding fuel and calendar effects in 2016. Sales in the apparel and home segments recovered during the last quarter, boosted by successful partnerships with designers and sales initiatives. The banner enjoyed brisk expansion, with 60 new stores opened during the period, including international affiliates. A total of 20 new Naturalia organic stores were opened in 2016.
- **Casino Supermarkets** turned in an excellent performance in 2016, delivering 3.8% organic growth excluding fuel and calendar effects. The banner enjoyed renewed sales momentum while developing a more qualitative offering. It expanded its fresh assortment, with new in-store service areas. The supermarkets continued to be refurbished, resulting in much shorter check-out times. Over the year, customer traffic and the average basket increased, and the banner captured an additional 0.1 pts[5] of market share.

(1) Excluding fuel and calendar effects.
(2) Excluding business primarily from the four Codim hypermarkets in Corsica.
(3) Cumulative year-to-date according to Kantar P13 data.
(4) Cumulative year-to-date according to Kantar P13 data.
(5) Kantar P13 data.

- **Franprix** continued to roll out the Mandarine concept in 2016, generating a 0.7% rise in traffic over the year thanks to a more qualitative assortment. The banner is also rolling out new self-service offers and innovative services. The check-out process has been streamlined. At 31 December, 60% of all consolidated stores and franchises had rolled out the new concept and outperformed the rest of the stores. Same-store net sales were slightly lower by 0.5% and store refurbishments accelerated. Franprix has 1.7 million active loyalty card members.
- **Convenience** continued to modernise its banners through its network of 6,065 stores. New services such as beauty and roasted meals were available in stores in 2016. The remainder of the offer is a mix of essential basics and local assortment. Dynamic evolution of the network led to 77% of stores operating as franchises or partnerships at 31 December 2016.

2.1.2. Latam Retail

(€ millions)	2015	2016 at CER	**2016**
Consolidated net sales	14,714	16,379	15,247
EBITDA	980	880	816
EBITDA margin	*6.7%*	*5.4%*	*5.3%*
Trading profit	698	583	538
Trading margin	*4.7%*	*3.6%*	*3.5%*

Latam Retail net sales were €15,247 million in 2016, up 11.4% in organic terms excluding fuel and calendar effects.

In **Brazil, GPA** food sales showed strong organic growth of 11.7% in 2016 excluding fuel and calendar effects, delivering sequential improvement since the beginning of the year. The Group continues adapting the format mix to changes in customer needs.

Extra showed a strong sales recovery in the second half, spurred by sales revitalisation plans. The banner delivered stable organic sales in 2016 excluding fuel and calendar effects.

Assaí posted further strong organic growth of 39.2% excluding fuel and calendar effects, along with higher customer traffic. Fast-paced expansion led to the opening of 13 new stores in 2016, bringing the total number of stores to 107 at 31 December. In Q4 2016, the banner accounted for 36% of the Brazilian group's net sales.

The Éxito group delivered excellent sales and financial performance in 2016. Net sales were up 10.8% on an organic basis, excluding fuel and calendar effects. In Colombia, the cash & carry business notched up its first success. In the second half of the year, the property development business saw the creation of the Viva Malls real estate trust operated in partnership with a financial investor. The banners continued to deliver a satisfactory performance in Argentina and Uruguay, posting strong organic growth. The Group continues to unlock synergies between the three countries, particularly in terms of the apparel and real estate offer.

Latam Retail trading profit was lower in 2016 on the back of extensive promotional initiatives aimed at revitalising sales in banners hit by the wider economic environment. The margin narrowed compared to 2015.

2.1.3. E-Commerce (Cdiscount)

(€ millions)	2015	**2016**
GMV (Gross Merchandise Volume) as reported by Cnova	2,709	2,994
EBITDA	(17)	10
o/w Cdiscount group	*(7)*	*13*
o/w Holding company	*(11)*	*(3)*

E-commerce GMV was up 13.6% on a same-store basis in 2016, at €2,994 million, reflecting:

- an 11% rise in traffic for the mobile channel, which now accounts for 53.0% of all visits;
- a higher contribution from the marketplace, which accounts for 31.4% of GMV in Q4 2016, up 28% *versus* Q4 2015;
- a 22.1% rise in the number of items sold and an increase of 13% in active customers. The number of customers with a "Cdiscount à volonté" membership more than doubled at end-2016 compared to end-2015.

The E-commerce segment posted a positive contribution of €10 million in EBITDA for the year.

2.1.4. Overview of the consolidated financial statements

Pursuant to European Commission Regulation 1606/2002 of 19 July 2002, the consolidated financial statements of the Casino Group have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the European Union at the date of approval of the financial statements by the Board of Directors and applicable on 31 December 2016.

These standards are available on the European Commission website (http://ec.europa.eu/internal_market/accounting/ias/index_en.htm).

The accounting policies described in the notes to the consolidated financial statements have been applied consistently in all periods presented in the consolidated financial statements, after taking account of new standards, amendments and interpretations. These standards, amendments and interpretations had no material impact on the Group's financial performance or position.

Sales

Consolidated net sales excluding taxes for 2016 amounted to €36,030 million compared to €35,312 million in 2015, a rise of 2.0%.

The net sales impact of changes in the scope of consolidation was virtually stable over the year, at a negative 0.2%. The currency effect was a negative 3.2%.

A more detailed review of changes in net sales can be found above in the review of each of the Group's three business segments.

Trading profit

Trading profit in 2016 was €1,034 million, up 3.8% on 2015.

Changes in the scope of consolidation had a positive 4.6% impact, while the currency effect was a negative 4.6%. As a result, the impact on consolidated trading profit is neutral.

A more detailed review of changes in trading profit can be found above in the review of each of the Group's three business segments.

Operating profit

Other operating income and expenses amounted to a net expense of €625 million in 2016 (of which €207 million in the second half of the year) *versus* a net expense of €349 million in 2015.

The net expense of €625 million in 2016 mainly comprising:

- €190 million in asset impairment losses and expenses, related mainly to the reorganisation of the Franprix-LeaderPrice and Supermarchés Casino store bases in France (disposal loss and impairment for a cumulative amount of €88 million and €46 million, respectively for Franprix-Leader Price and Supermarchés Casino);
- €252 million in restructuring costs, including €207 million in France with the following breakdown: €83 million related to restructuration of upstream operations and to the network of stores (o/w €58 million of social costs and €25 million of leases on closed stores) and €124 million related to the implementation of new concepts (o/w €57 million of external costs and €67 million of fixed-assets scrapped);
- €123 million in provisions for litigations and risks, including €104 million for tax risks in Brazil;
- €60 million in other expenses, mainly the dual recognition of Tascom in 2016.

The net expense of €349 million in 2015 mainly comprised:

- Restructuring provisions and expenses totalling €252 million, including €195 million in France and €40 million in Brazil.
- Provisions and expenses for taxes, contingencies and litigation totalling €123 million, mainly for GPA in Brazil (€92 million).
- Net proceeds from scope transactions totalling €72 million.
- Various expenses for €39 million, mainly comprising €23 million in respect of fraud in Cnova Brazil in 2015.

After the impact of other operating income and expenses, operating profit for 2016 was €409 million *versus* €648 million in 2015.

Net financial expense and profit before tax

Net financial expense totalled €359 million in 2016 (€581 million in 2015), reflecting:

- Net finance costs of €324 million, an increase on the 2015 figure (€240 million).
- Other net financial expense of €35 million, compared with other net financial expense of €340 million in the year-earlier period.

Profit before tax was €50 million in 2016 (*versus* €67 million in 2015).

Net profit, Group share

Income tax was €34 million (*versus* €13 million in 2015). After restating for non-recurring items, the normative tax rate was 30.4% (28.9% in 2015).

The share of profit of equity-accounted entities was €20 million (*versus* €57 million in 2015).

Minority interests were €2 million (€175 million for the same period in 2015). After restating for non-recurring items, underlying minority interests were €114 million *versus* €240 million in 2015.

Net profit from continuing operations, Group share was €33 million.

Net profit of consolidated companies, Group share amounted to €2,679 million, owing to the capital gains generated on the disposal of the Group's operations in Thailand and Vietnam.

Underlying net profit, Group share from continuing operations was €341 million. Net profit restatements to establish net underlying profit can be found in the notes.

Underlying diluted **earnings per share** increased to €2.561 in 2016. Diluted earnings per share includes the dilutive effect of the Monoprix mandatory convertible bonds (ORA) and TSSDI deeply subordinated perpetual bonds.

Financial position

Casino Group net debt at 31 December 2016 stood at €3,367 million *versus* €6,073 million at 31 December 2015.

Net debt of Casino in France was €3,200 million at 31 December 2016, down 47% owing to the disposal of operations in Thailand and Vietnam, and more generally to the Group's debt reduction plan.

Cash flow statement for Casino in France

(€ millions)	**2016**
Operating cash flow of the wholly-owned French activities after tax[1]	885
CAPEX	(293)
Dividends received from international subsidiaries and equity associates	77
Dividends paid, and coupons on preferred securities	(567)
FREE CASH FLOW AFTER FINANCIAL EXPENSE AND DIVIDENDS	**102**

(1) Before dividends received from equity associates and international subsidiaries, which are shown separately in this table.

Cash flow from operating activities in France after tax amounted to €885 million and dividends received €77 million. This item covers capex (negative €293 million), dividends paid to shareholders and holders of Casino's subordinated/TSSDI bonds (€396 million), and the interim dividend paid in respect of 2016 (€171 million).

At 31 December 2016, **Casino in France**[1] had €7.4 billion in cash and cash equivalents. This represents a significant **gross cash** portion of €3.6 billion and €3.8 billion in **confirmed undrawn credit facilities.** Outstanding commercial paper at that date amounted to €522 million.

Casino has been rated BB+ (stable outlook) by Standard & Poor's since 21 March 2016 and BBB- (negative outlook) by Fitch Ratings since 14 December 2016.

Consolidated **equity** stood at €8,450 million at end-2016, compared to €5,883 million at end-2015.

2.1.5. Appendix: Reconciliation of reported net profit to underlying net profit

The definition of key non-gaap indicators are available on the Group's website (https://www.groupe-casino.fr/en/investors/regulated-information/), particularly the underlying net profit as below.

Underlying net profit corresponds to net profit from continuing operations, adjusted for the impact of other operating income and expenses (as defined in the "Significant accounting policies" section of the notes to the annual consolidated financial statements), non-recurring financial items and non-recurring income tax expense/benefits.

Non-recurring financial items include fair value adjustments to certain financial instruments at fair value whose market value may be highly volatile. For example, changes to fair value adjustments of financial instruments that do not qualify for hedge accounting and derivatives indexed to the Casino share price, or the share price of listed subsidiaries, are excluded from underlying net profit.

Non-recurring income tax expense/benefits correspond to tax effects related directly to the above restatements and to direct non-recurring tax effects. In other words, the tax on underlying profit before tax is calculated at the standard average tax rate paid by the Group.

Underlying profit is a measure of the Group's recurring profitability.

(€ millions)	2015	Restated items	2015 underlying	**2016**	Restated items	**2016 underlying**
TRADING PROFIT	**997**		**997**	**1,034**		**1,034**
Other operating income and expenses	(349)	349		(625)	625	
OPERATING PROFIT	**648**	**349**	**997**	**409**	**625**	**1,034**
Finance costs, net	(240)		(240)	(324)		(324)
Other financial income and expense[1]	(340)	344	3	(35)	(51)	(87)
Income tax expense[2]	(13)	(206)	(219)	(34)	(155)	(189)
Share of profit of equity associates	57		57	20		20
NET PROFIT FROM CONTINUING OPERATIONS	**111**	**486**	**597**	**36**	**419**	**455**
Attributable to minority interests[3]	*175*	*65*	*240*	*2*	*111*	*114*
Group share	(65)	422	357	33	307	341

(1) The main items restated for other financial income and expenses are the effects of monetary discounting of tax liabilities in Brazil, fair value adjustments of Total Return Swaps on GPA and Big C shares, GPA call options and forwards.
(2) Tax liabilities are restated for tax effects corresponding to the above restated financial items and non-recurring income tax expense/benefits.
(3) Non-controlling interests are restated for amounts associated with the above restated items.

(1) Casino Group holding company scope, including the French activities of wholly-owned subsidiaries.

2.2. PARENT COMPANY INFORMATION

2.2.1. Business

Casino, Guichard-Perrachon, parent company of the Casino Group, is a holding company. Its activities consist of defining and implementing the Group's development strategy and coordinating the businesses of the various subsidiaries, acting jointly with their respective management teams. The Company also manages a portfolio of brands, designs and models licensed to the subsidiaries and is responsible for overseeing the proper application of Group legal and accounting rules by the subsidiaries.

The significant events of the year are presented in Note 1 to the 2016 parent company financial statements.

In 2016, the Company reported net sales (excluding taxes) of €160.7 million, *versus* €139.4 million in 2015, corresponding mainly to trademark and banner royalties, as well as management fees received from subsidiaries.

The Company does not have any branches or specific research and development activities.

2.2.2. Comments on the parent company financial statements

The statutory financial statements have been prepared in accordance with regulation No. 2016-07 of 4 November 2016 issued by the French accounting standards authority (*Autorité des normes comptables* – ANC) on the French generally accepted accounting principles approved by ministerial decree dated 26 December 2016. Pursuant to regulation No. 2015-06 of 23 November 2015, since 1 January 2016, technical deficits arising from merger transactions, which were previously recognized in intangible assets and were not amortised, have been allocated to the underlying assets to which they relate and are subject to the same amortisation/depreciation rules as said assets.

The other accounting policies applied are consistent with those used until now.

These principles and policies are described in the notes to the financial statements, which also include a detailed analysis of the main balance sheet and income statement items, as well as movements during the year.

At 31 December 2016, the Company had total assets of €17,845.6 million and equity of €7,825.4 million.

Non-current assets amounted to €16,718.4 million, mainly corresponding to long-term investments.

At 31 December 2016, total liabilities stood at €8,433.5 million, *versus* €8,924.5 million at year-end 2015, and net debt amounted to €6,879.8 million, *versus* €8,089.1 million in the prior year. A breakdown of loans and other borrowings is provided in Note 13 to the parent company financial statements. No Company assets are pledged as collateral to secure debt. At 31 December 2016, the Company had confirmed undrawn bank credit lines totalling €3,148.7 million.

As required by Article L. 441-6-1 of the French Commercial Code (*Code de commerce*), the following table shows a breakdown of trade payables and amounts due to suppliers by due date at the year-end:

	1 to 30 days before due date		31 to 60 days before due date		61 to 90 days before due date		More than 91 days before the due date		Past due		Total	
(€ millions)	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015
Trade payables and related accounts											**58.52**	**51.40**
Accounts payable	27.42	17.08	0.09	0.36					0.22	2.39	27.85	19.82
Bills payable	0.99	1.43	0.62	0.89						0.09	1.62	2.41
Invoices not yet received											29.06	29.16
Amounts due to suppliers of non-current assets and related accounts											**1.41**	**1.70**
Accounts payable	0.23	0.04	0.03								0.26	0.04
Bills payable	0.97	1.18		0.39	0.04						1.01	1.57
Invoices not yet received											0.13	0.10

In 2016, the Company reported an operating loss of €3.6 million, *versus* operating profit of €6.6 million in 2015.

Net financial income came in at €444.7 million, *versus* a net financial expense of €120.8 million the year before, mainly comprising:

- €1,082.7 million in income from investments in subsidiaries and associates, *versus* €759.2 million in 2015;
- an expense of €46.3 million relating to bond buybacks and financial income of €11.1 million relating to Monoprix mandatory convertible bonds;
- amortisation of bond redemption premiums for €22.0 million;
- impairment losses on shares in an amount of €320.6 million, mainly Distribution Casino France (€256.3 million), Casino Restauration (€38.8 million), Messidor (€14.3 million) and Acherna (€8.0 million);
- reversal of losses on the Total Return Swap (TRS) on GPA shares (€41.2 million);
- a loss on the sale of treasury shares (€0.5 million).

Recurring profit before tax came in at €441.1 million in 2016, *versus* a recurring loss before tax of €114.2 million in 2015.

The Company reported a non-recurring expense of €300.8 million in 2016, compared with non-recurring income of €244.1 million in 2015. It mainly reflects losses on disposal of Vindémia SAS (subsidiary representing the Group's operations in Vietnam) in an amount of €266.4 million, expenses relating to the reorganisation of the E-commerce business for €13.0 million, restructuring costs totalling €8.5 million and late payment interest relating to payment of the Morzan compensation in an amount of €2.8 million.

Profit before tax came to €140.3 million, *versus* €129.8 million in 2015.

As the parent company of the French tax group, Casino, Guichard-Perrachon recorded a tax benefit of €265.2 million in 2016, corresponding to the tax saving arising from netting off the losses of Casino, Guichard-Perrachon and its subsidiaries against the profits of the consolidated Group. After taking this benefit into account, net profit for the year was €405.5 million, compared with €444.0 million in 2015.

2.2.3. Non-deductible expenses

In accordance with the disclosures required by Article 223 *quater* of the French General Tax Code (*Code général des impôts*), readers are informed that the 2016 parent company financial statements include an amount of €56,438 corresponding to non-deductible depreciation recognised against passenger vehicles pursuant to paragraph 4 of Article 39 of the French General Tax Code. Tax in respect of said expenses and charges amounted to €19,432.

2.3. SUBSIDIARIES AND ASSOCIATES

The business performance of the main subsidiaries and controlled companies is described on pages 3 to 21.

A list of consolidated companies is provided on pages 115 to 117.

Information on Casino, Guichard-Perrachon's subsidiaries and associates is provided on pages 145 and 146.

2.3.1. Investments made and control acquired in 2016

The direct interests and direct or indirect control acquired as a result of merger-related asset transfers, acquisitions or company creations in France in 2016 were as follows:

Casino, Guichard-Perrachon

Geimex (100%), Rystène (100%), Sualonic (100%) and Thoryne (100%).

Distribution Casino France group

Casinant (100%), Sumacas Agen (100%), Sumacas Albi (100%), Sumacas Arcachon (100%), Sumacas Blagnac (100%), Sumacas Brive (100%), Sumacas casteneau de Médoc (100%), Sumacas La Gacilly (100%), Sumacas la Tour Bas Elne (100%), Sumacas Landivisiau (100%), Sumacas le Rheu (100%), Sumacas Malestroit (100%), Sumacas Millau (100%), Sumacas Moissac (100%), Sumacas Montussan (100%), Sumacas Perpignan Éolienne (100%), Sumacas perpignan Mercader (100%), Sumacas Ploemeur (100%), Sumacas Plouay (100%), Sumacas Pompaire (100%), Sumacas Sarlat La Caneda (100%) and Sumacas Souillac (100%).

Franprix-Leader Price Holding sub-group

Asnières 57 (100%), Cascara (100%), Casteleader (100%), Grenadis (100%), IMA (100%), Le Plessis Market (100%), Leader Price Bassens (100%), Leader Price Boulazac (100%), Leader Price Cap de Bos (100%), Leader Price Objat (100%), Leader Price Orgues (100%), Leader Price Rhône (100%), Leader Price Saint Just (100%), Leader Price Thiviers (100%), LP Poteau (100%), Menudis (100%), Pavidis (100%), Quatre'o (100%), S.G.A.C. (100%), Segoufis (100%), Société de Distribution Versailles – Versadis (100%), Sogirouvet (100%) and Sojema (100%).

GreenYellow group

Green Yellow Africa (100%), Green Yellow B2C (100%), Green Yellow Participations 21 (100%), Green Yellow Participations 22 (100%), Green Yellow Participations 23 (100%), Green Yellow Vente d'Énergie (100%), Holding d'Exploitation de Centrales Photovoltaïques 21 (100%), Holding d'Exploitation de Centrales Photovoltaïques 22 (100%), Holding d'Exploitation de Centrales Photovoltaïques 23 (100%), Holding d'Exploitation de Centrales Photovoltaïques 24 (100%) and Holding d'Exploitation de Centrales Photovoltaïques 25 (100%).

L'Immobilière Groupe Casino

Parizimmo (100%).

2.3.2. Shareholder agreements

The Company is party to several shareholder agreements. Details of the most significant agreements are as follows:

Franprix-Leader Price

Call and/or put options have been granted on shares in a number of companies that are not wholly owned by the Group. The options, certain of which are associated with shareholder agreements, are exercisable for varying periods up to 2032 at a price based on the operating profits of the companies concerned (see Note 3.4 to the consolidated financial statements).

Almacenes Éxito (Colombia)

Casino obtained a controlling interest in Almacenes Éxito S.A. in May 2007 and has been party to a shareholder agreement since 17 December 2007. The agreement sets out voting rules for electing directors and for certain other decisions, the rules on selling shares and other customary clauses.

On 29 June 2011, Almacenes Éxito S.A. acquired joint control of the Group's Uruguay operations under the Disco and Devoto banners and took a seat on their boards. In December 2011, Almacenes Éxito S.A. and Casino exchanged call and put options on the minority interests in Grupo Disco del Uruguay and Devoto Hermanos S.A., expiring on 31 August 2021, which are themselves subject to a put option granted by Casino to the founding Uruguayan families, and expiring on 21 June 2021 (see below).

Disco Uruguay group (Uruguay)

Casino signed a shareholder agreement with Grupo Disco del Uruguay's founding families when it acquired a stake in the company in September 1998. The agreement expired in September 2008 but the family shareholders continue to benefit from put options granted by Casino, exercisable until 21 June 2021. These put options are described in Note 16 to the parent company financial statements and Note 3.4 to the consolidated financial statements.

Casino sold its majority interests in Grupo Disco del Uruguay and Devoto Hermanos S.A. to Almacenes Éxito S.A. on 29 September 2011, giving Almacenes Éxito S.A. joint control. Under the terms described above, Casino and Almacenes Éxito S.A. exchanged call and put options on the minority interests in Grupo Disco del Uruguay held by the Uruguayan founding families.

Spice Investments Mercosur S.A. (wholly-owned subsidiary of Almacenes Éxito S.A.) is party to a shareholder agreement with the minority shareholders of Disco who under its terms agree not to pursue activities that could compete with Disco's food retail business.

As part of this commitment, the minority shareholders gave a guarantee to Spice Investments Mercosur S.A., pledging their shares in Disco.

The shareholder agreement was valid up until 31 December 2016 and has been renewed until 30 June 2019.

Pão de Açúcar group (Brazil)

As part of the streamlining of the organisation and management of Group businesses in Latin America, on 29 July 2015 Almacenes Éxito S.A. (Éxito), an indirect subsidiary of Casino, Guichard-Perrachon (Casino), bought 50% of the capital of the French-incorporated company Ségisor, which indirectly owns the shares with voting rights in its Brazilian subsidiary, Grupo Pão de Açúcar (GPA), from Casino.

Casino and Éxito signed a shareholder agreement which sets out the control structure of GPA especially through Board membership and the legal representatives of entities in GPA's chain of ownership and control.

Casino also has a put option on the shares held by Éxito in GPA and the entities that make up GPA's chain of ownership and control. The put option is exercisable in the event of a change of control of Éxito at the market price.

2.3.3. Pledged assets

Assets pledged by the Company or companies in the Group do not represent a material percentage of the Group's assets (1.07% of non-current assets or €252 million).

2.3.4. Related party transactions

The Company maintains normal relations with all its subsidiaries in its day-to-day management of the Group, as described on page 22.

Due to the Group's legal and operational organisation structure, all or some of the Group companies may also engage in business relations or provide services to each other.

The Company also receives strategic support from Euris, the ultimate holding company, which is chaired by its majority shareholder Jean-Charles Naouri. Euris provides strategy and development consultancy services on a permanent basis under an agreement signed in 2003 and the amendments thereto. The annual amount paid by the Company for these services in 2016 was €910,000 excluding taxes.

In accordance with the provisions of Article L. 225-40-1 of the French Commercial Code, the Board of Directors has reviewed the agreements entered into and authorised in previous years which remained in force during the past financial year, and concluded that they required no particular observations.

The Board of Directors also authorised the following agreements in 2016 and early 2017 (subject to shareholder approval):

- a commitment letter to Cnova NV regarding the public tender offer on the shares of Cnova NV and the vote in favour of the merger transaction as part of the combination of Cnova Brazil's operations with those of Via Varejo;
- amending act to the real estate partnership agreement entered into with Mercialys;
- amendments No. 2 and No. 3 to the strategic advisory services agreement with Euris.

These agreements are described in further detail in the presentation of the resolutions submitted to the Annual General Meeting and in the Statutory Auditors' special report on related party agreements and commitments (page 285 and page 147, respectively).

No agreements were entered into in 2016, directly or through an intermediary, between a Company subsidiary and (i) the Chief Executive Officer, (ii) a director or (iii) a shareholder holding more than 10% of the Company's voting rights, other than those pertaining to ordinary business operations and concluded under arms' length terms.

Detailed information on related party transactions is provided in Notes 3.3.6 and 14 to the consolidated financial statements.

To strengthen the Company's good governance practices specifically concerning related party agreements, in February 2015 the Board of Directors introduced a formal internal review procedure to be led by the Audit Committee or by a special-purpose committee concerning certain agreements and transactions between the Company or one of its wholly-owned subsidiaries, on the one hand, and a related party on the other. The procedure, which concerns related party agreements in particular, aims to guarantee balanced related party transactions and thereby protect minority interests. Further details are provided in the section "Procedure for the prior review of related party agreements by the Audit Committee", on page 188.

2.4. RECENT EVENTS

- On **31 January 2017,** the Casino Group and Cnova N.V. announced the final results of Casino's tender offers for Cnova N.V. shares. Including the holdings of its subsidiaries, the Casino Group now holds 98.88% of Cnova's share capital and 99.41% of its voting rights.
- On **8 February 2017,** Cnova N.V. announced that it would be withdrawing its shares from Nasdaq. This decision was rendered effective on **3 March 2017.**
- On **28 February 2017,** the Casino Group acknowledged the decision of the Directorate-General for Competition, Consumer Affairs and Prevention of Fraud (DGCCRF) to summon EMCD for unlawful trading practices. EMCD intends to challenge the grounds for this decision before the competent courts.

2.5. OUTLOOK AND CONCLUSION

In 2017, the Group will pursue its priorities:

- Adapting the formats in real time to new consumer trends and developing the most buoyant formats.
- Continuing improvement of operational excellence.

The Group's key objectives for 2017 are the following:

- An improvement in net financial debt/EBITDA ratio.
- In France, Casino Group aims at reaching around 15% growth in trading profit of food retail activity and forecasts a contribution from its property development activities of about €60 million.
- The Group also expects growth of at least 10% in its consolidated trading profit, under current forex conditions.

Chapter 3

Consolidated financial statements
Year ended 31 December 2016

3.1. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2016

(Free translation of a French language original)

This is a free translation into English of the statutory auditors' report issued in the French language and is provided solely for the convenience of English-speaking readers. This report includes information specifically required by French law in such reports, whether qualified or not. This information is presented below the opinion on the consolidated financial statements and includes explanatory paragraphs discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were made for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside the consolidated financial statements.

This report, should be read in conjunction with, and is construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your shareholders' meeting, we hereby report to you, for the year ended December 31, 2016, on:

- the audit of the accompanying consolidated financial statements of Casino, Guichard-Perrachon;
- the justification of our assessments;
- the specific verification required by French law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2016 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without qualifying our opinion, we draw your attention to Note 1.3 to the financial statements entitled "Restatement of comparative information", which sets out the restatements of the comparative information in the consolidated income statement, in respect of discontinued operations and the change in method of presenting the costs of the non-recourse factoring of receivables.

II. Justification of assessments

In accordance with the requirements of article L. 823-9 of the French commercial code *(Code de Commerce)* relating to the justification of our assessments, we bring to your attention the following matters:

Non current assets

The Group is required to make estimates based on assumptions regarding impairment tests of goodwill and other non current assets as described in the note 10.5 of the notes to the consolidated financial statements. The recoverable value of non current assets is estimated using notably cash flow and earnings projections contained in the Group's long-range business plans approved by the management. We examined the consistency of assumptions, the data underlined to these ones and available documentation. Based on those, we assessed the reasonableness of the Group's estimates. We have also validated that the note 10.5 of the note of the consolidated financial statements provides appropriate information about these matters.

Provisions

The Group recognises provisions based on assumptions in order to address risks, as described in the note 13 "Provisions" of the notes to the consolidated financial statements. Our work consisted of a review of the data and assumptions on which were made these estimations and of a review of the calculations. We have also validated the fact that the note 13 to the financial statements provides appropriate information about these matters.

Assets held for sale and discontinued operations

Assets held for sale and discontinued operations are presented and measured according to the procedures described in Note 3.5 to the consolidated financial statements. Our work consisted in assessing the validity of the presentation of the operations concerned and of the related assets and liabilities in the consolidated accounts, and to make sure of the reasonableness of the data and assumptions used as a basis for the measurement of the fair value of the assets involved. We also verified that Note 3.5 to the consolidated financial statements includes the appropriate disclosure.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole and, therefore, contributed to our audit opinion expressed in the first part of this report.

III. Specific verification

As required by law we have also verified in accordance with professional standards applicable in France the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Neuilly-sur-Seine and Lyon, March 9, 2017

The Statutory Auditors

Deloitte & Associés		Ernst & Young et Autres	
Frédéric MOULIN	Gérard BADIN	Yvon SALAÜN	Sylvain LAURIA

3.2. FINANCIAL STATEMENTS

3.2.1. Consolidated income statement

(€ millions)	Notes	2016	2015 restated(1)
CONTINUING OPERATIONS			
Net sales	6.1	36,030	35,312
Cost of goods sold	6.2	(27,364)	(26,814)
Gross margin		8,666	8,497
Other income	6.1	542	526
Selling expenses	6.3	(6,871)	(6,817)
General and administrative expenses	6.3	(1,303)	(1,210)
Trading profit		**1,034**	**997**
As a % of net sales		*2.9%*	*2.8%*
Other operating income	6.5	242	498
Other operating expenses	6.5	(867)	(846)
Operating profit		**409**	**648**
As a % of net sales		*1.1%*	*1.8%*
Income from cash and cash equivalents		110	128
Finance costs		(434)	(369)
Net finance costs	11.3.1	(324)	(240)
Other financial income	11.3.2	286	162
Other financial expenses	11.3.2	(321)	(503)
Profit before tax		**50**	**67**
As a % of net sales		*0.1%*	*0.2%*
Income tax (expense) gain	9.1	(34)	(13)
Share of profit of equity-accounted investees	3.3.3	20	57
Net profit from continuing operations		**36**	**111**
As a % of net sales		*0.1%*	*0.3%*
Attributable to owners of the parent		33	(65)
Attributable to non-controlling interests		2	175
DISCONTINUED OPERATIONS			
Net profit from discontinued operations	**3.5.2**	**2,161**	**47**
Attributable to owners of the parent	3.5.2	2,645	21
Attributable to non-controlling interests	3.5.2	(484)	26
CONTINUED AND DISCONTINUED OPERATIONS			
Consolidated net profit		**2,196**	**158**
Attributable to owners of the parent		2,679	(43)
Attributable to non-controlling interests	12.8	(482)	201

Earnings per share

(€)	Notes	2016	2015 restated(1)
From continuing operations, attributable to owners of the parent	**12.10.2**		
▪ Basic		(0.14)	(0.99)
▪ Diluted		(0.20)	(1.38)
From continuing and discontinued operations attributable to owners of the parent	**12.10.2**		
▪ Basic		23.65	(0.81)
▪ Diluted		23.59	(1.19)

(1) The financial statements published previously have been restated (Note 1.3).

3.2.2. Consolidated statement of comprehensive income

(€ millions)	**2016**	2015
Consolidated net profit	**2,196**	**158**
Items that may be subsequently reclassified to profit or loss(1)	1,656	(2,874)
Cash flow hedges	(3)	-
Foreign currency translation adjustments(2)	1,603	(2,844)
Available-for-sale financial assets	3	-
Hedges of net investments in foreign operations(3)	47	(2)
Share of items of equity-accounted investees that may be subsequently reclassified to profit or loss	22	(30)
Income tax effects	(16)	2
Items that will never be reclassified to profit or loss(1)	(10)	(23)
Actuarial gains and losses	(10)	(34)
Income tax effects	-	12
Other comprehensive income (loss) for the year, net of tax	1,646	(2,897)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR, NET OF TAX	**3,843**	**(2,739)**
Attributable to owners of the parent	*3,352*	*(1,269)*
Attributable to non-controlling interests	*491*	*(1,470)*

(1) The impacts of the disposal of operations in Thailand and Vietnam are presented in Note 3.5.2.
(2) The €1,603 million positive net translation adjustment in 2016 primarily reflects the appreciation of the Brazilian currency for €1,719 million. The €2,844 million negative net translation adjustment in 2015 arose primarily from the depreciation of the Brazilian and Colombian currencies, for €2,381 million and €414 million, respectively.
(3) The €47 million positive change in 2016 relates to reclassification to profit of net investment hedges of Thai and Vietnamese activities following their disposals (Note 3.5.2).

Changes in other comprehensive income are presented in Note 12.7.2.

3.2.3. Consolidated statement of financial position

Assets

(€ millions)	Notes	**31 December 2016**	31 December 2015
Goodwill	10.1	9,595	10,351
Intangible assets	10.2	3,109	3,622
Property, plant and equipment	10.3	8,123	8,769
Investment property	10.4	411	771
Investments in equity-accounted investees	3.3	625	629
Other non-current assets	6.9	1,080	1,858
Deferred tax assets	9.2.1	596	490
Total non-current assets		**23,538**	**26,490**
Inventories	6.6	3,990	4,884
Trade receivables	6.7	880	1,287
Other current assets	6.8	1,542	1,857
Current tax assets		221	189
Cash and cash equivalents	11.1	5,750	4,588
Assets held for sale	3.5	6,120	538
Total current assets		**18,503**	**13,343**
TOTAL ASSETS		**42,042**	**39,833**

Equity and liabilities

(€ millions)	Notes	**31 December 2016**	31 December 2015
Share capital		170	173
Additional paid-in capital, treasury shares and retained earnings		8,280	5,709
Equity attributable to owners of the parent		**8,450**	**5,883**
Non-controlling interests		**5,990**	**6,536**
Total equity	**12**	**14,440**	**12,419**
Non-current provisions for employee benefits	8.2	312	307
Other non-current provisions	13.1	615	538
Non-current financial liabilities	11.2	7,733	9,594
Non-current put options granted to owners of non-controlling interests	3.4.1	41	50
Other non-current liabilities	6.10	618	786
Deferred tax liabilities	9.2.2	1,094	1,225
Total non-current liabilities		**10,413**	**12,500**
Current provisions for employee benefits	8.2	12	9
Other current provisions	13.1	163	187
Trade payables		6,939	8,073
Current financial liabilities	11.2	2,482	2,140
Current put options granted to owners of non-controlling interests	3.4.1	341	102
Current tax liabilities		54	93
Other current liabilities	6.10	2,795	4,126
Liabilities associated with assets held for sale	3.5	4,404	184
Total current liabilities		**17,189**	**14,914**
TOTAL EQUITY AND LIABILITIES		**42,042**	**39,833**

3.2.4. Consolidated statement of cash flows

(€ millions)	Notes	**2016**	2015 restated[1]
Profit before tax from continuing operations		50	67
Profit before tax from discontinued operations	3.5.2	2,198	88
Consolidated profit before tax		**2,248**	**155**
Depreciation and amortisation expense	6.4	663	692
Provision expense	4.5	216	125
Losses/(gains) arising from changes in fair value	11.3.2	(69)	327
Expenses/(income) on share-based payment plans	8.3.1	15	7
Other non-cash items		(18)	(17)
(Gains)/losses on disposals of non-current assets		(1)	(3)
(Gains)/losses due to changes in percentage ownership of subsidiaries resulting in acquisition/loss of control		76	(263)
Dividends received from equity-accounted investees	3.3.1/3.3.2	39	116
Net finance costs	11.3.1	324	240
Non-recourse factoring costs	11.3.2	78	53
Gain on disposal of discontinued operations	3.5.2	(2,893)	-
Adjustments related to discontinued operations		947	519
Net cash from operating activities before change in working capital, net finance costs and income tax		**1,625**	**1,951**
Income tax paid		(226)	(158)
Change in operating working capital	4.1	640	710
Income tax paid and change in operating working capital: discontinued operations		(375)	417
Net cash from operating activities		**1,664**	**2,921**
Of which continuing operations		*1,786*	*1,896*
Cash outflows related to acquisitions of:			
▪ property, plant and equipment, intangible assets and investment property	4.6	(1,160)	(1,222)
▪ non-current financial assets		(118)	(42)
Cash inflows related to disposals of:			
▪ property, plant and equipment, intangible assets and investment property	4.7	368	150
▪ non-current financial assets		11	7
Effect of changes in scope of consolidation resulting in acquisition or loss of control	4.2	(116)	(160)
Effect of changes in scope of consolidation related to equity-accounted investees		(5)	-
Change in loans and advances granted		(48)	(165)
Net cash from/(used in) investing activities of discontinued operations		3,669	(113)
Net cash from/(used in) investing activities		**2,603**	**(1,545)**
Of which continuing operations		*(1,067)*	*(1,432)*

(€ millions)	Notes	**2016**	2015 restated[1]
Dividends paid:			
▪ to owners of the parent	12.9	(521)	(352)
▪ to non-controlling interests	4.8	(78)	(88)
▪ to holders of deeply-subordinated perpetual bonds	12.9	(47)	(48)
Repayment of mandatory convertible bonds	2	(500)	-
Increase/(decrease) in the parent's shares capital		-	-
Transactions between the Group and owners of non-controlling interests	4.3	99	23
(Purchases)/sales of treasury shares		(30)	(82)
Additions to borrowings	4.4	995	2,993
Repayments of borrowings	4.4	(1,955)	(4,349)
Interest paid, net	4.9	(165)	(371)
Net cash from/(used in) financing activities of discontinued operations		(573)	(718)
Net cash from/(used in) financing activities		**(2,775)**	**(2,992)**
Of which continuing operations		*(2,202)*	*(2,274)*
Effect of changes in exchange rates on cash and cash equivalents of continuing operations		458	(614)
Effect of changes in exchange rates on cash and cash equivalents of discontinued operations		304	(433)
CHANGE IN CASH AND CASH EQUIVALENTS		**2,253**	**(2,663)**
Net cash and cash equivalents at beginning of period		4,534	7,197
▪ Of which net cash and cash equivalents of continuing operations	11.1	4,405	7,197
▪ Of which net cash and cash equivalents of discontinued operations	3.5.2	129	-
Net cash and cash equivalents at end of period		6,787	4,534
▪ Of which net cash and cash equivalents of continuing operations	11.1	5,614	4,405
▪ Of which net cash and cash equivalents of discontinued operations	3.5.2	1,174	129

(1) The financial statements published previously have been restated to reflect the change in presentation of net financial expense (Note 1.3) and discontinued operations.

3.2.5. Consolidated statement of changes in equity

(€ millions) (before appropriation of profit)	Share capital	Additional paid-in capital(1)	Treasury shares	Perpetual deeply subordinated bonds (TSSDI)	Retained earnings and profit for the year
AS AT 1 JANUARY 2015	**173**	**4,092**	**(2)**	**1,350**	**2,987**
Other comprehensive income (loss) for the year	-	-	-	-	-
Net profit for the year	-	-	-	-	(43)
Consolidated comprehensive income (loss) for the year	**-**	**-**	**-**	**-**	**(43)**
Issue of share capital	-	1	-	-	-
Purchases and sales of treasury shares	-	-	(78)	-	(2)
Dividends paid(3)	-	-	-	-	(394)
Dividends payable to holders of perpetual deeply subordinated bonds(3)	-	-	-	-	(5)
Share-based payments	-	-	-	-	2
Changes in percentage interest resulting in the acquisition/loss of control of subsidiaries(4)	-	-	-	-	-
Changes in percentage interest not resulting in the acquisition/loss of control of subsidiaries(5)	-	-	-	-	(73)
Other movements	-	-	-	-	(1)
AS AT 31 DECEMBER 2015	**173**	**4,093**	**(80)**	**1,350**	**2,469**
Other comprehensive income (loss) for the year	-	-	-	-	-
Net profit for the year	-	-	-	-	2,679
Consolidated comprehensive income (loss) for the year	**-**	**-**	**-**	**-**	**2,679**
Issue of share capital	-	-	-	-	-
Purchases and sales of treasury shares(6)	(3)	(101)	75	-	(1)
Dividends paid(3)	-	-	-	-	(562)
Dividends payable to holders of perpetual deeply subordinated bonds(3)	-	-	-	-	(9)
Share-based payments	-	-	-	-	8
Changes in percentage interest resulting in the acquisition/loss of control of subsidiaries(4)	-	-	-	-	10
Changes in percentage interest not resulting in the acquisition/loss of control of subsidiaries(5)	-	-	-	-	(173)
Other movements	-	-	-	-	(10)
AS AT 31 DECEMBER 2016	**170**	**3,992**	**(5)**	**1,350**	**4,412**

(1) Additional paid-in capital: premiums on shares issued for cash or contribution in kind, or in connection with mergers or acquisitions, and legal reserves.
(2) Attributable to the shareholders of Casino, Guichard-Perrachon.
(3) See Note 12.9 for dividends paid and payable to holders of ordinary shares and perpetual deeply subordinated bonds. Dividends paid to non-controlling interests during the year primarily concerned Éxito and subsidiaries in Uruguay for €53 million and €21 million, respectively (2015: Éxito, Big C and GPA for €41 million, €23 million and €20 million, respectively).
(4) The €499 million negative impact in 2016 primarily corresponded to the disposal of businesses in Vietnam and Thailand details in Note 3.1.1. In 2015, the €157 million positive impact corresponded to the measurement of non-controlling interests in Disco based on the acquisition-date fair value (Note 3.2.1).
(5) The €641 million negative impact in 2016 mainly reflected (i) exercise of the call option on Monoprix mandatory convertible bonds (-€502 million impact, Note 2); (ii) the public tender offer for Cnova shares (-€193 million impact, Note 2) and (iii) the acquisitions of Éxito and GPA shares described in Notes 3.1.2 and 3.1.3, offset by (iv) creation of the Viva Malls real estate trust in Colombia (€113 million impact, Note 3.1.7) In 2015, the negative impact of €38 million primarily reflected (i) the recognition of the put option granted on Disco shares (-€90 million impact, Note 3.2.1); (ii) the change in put options granted to owners of non-controlling interests in Franprix-Leader Price (-€15 million impact), offset by (iii) the change in the ownership interest of Monoprix in its subsidiary Simonop'1 (€72 million impact, Note 3.2.6).
(6) See Note 12.2.

Cash flow hedges	Net investment hedges	Foreign currency translation reserves	Actuarial gains and losses	Available-for-sale financial assets	Equity attributable to owners of the parent[(2)]	Non-controlling interests	Total equity
15	**(31)**	**(858)**	**(31)**	**11**	**7,707**	**7,901**	**15,608**
-	(1)	(1,202)	(23)	-	(1,226)	(1,671)	(2,897)
-	-	-	-	-	(43)	201	158
-	**(1)**	**(1,202)**	**(23)**	**-**	**(1,269)**	**(1,470)**	**(2,739)**
-	-	-	-	-	1	-	1
-	-	-	-	-	(81)	-	(81)
-	-	-	-	-	(394)	(94)	(488)
-	-	-	-	-	(5)	-	(5)
-	-	-	-	-	2	7	9
-	-	-	-	-	-	157	157
-	-	(1)	-	-	(75)	36	(38)
(3)	-	-	-	-	(4)	(1)	(5)
13	**(31)**	**(2,061)**	**(54)**	**12**	**5,883**	**6,536**	**12,419**
(2)	31	654	(12)	2	673	973	1,646
-	-	-	-	-	2,679	(482)	2,196
(2)	**31**	**654**	**(12)**	**2**	**3,352**	**491**	**3,843**
-	-	-	-	-	-	-	-
-	-	-	-	-	(29)	-	(29)
-	-	-	-	-	(562)	(85)	(646)
-	-	-	-	-	(9)	-	(9)
-	-	-	-	-	8	9	17
-	-	-	-	-	10	(509)	(499)
-	-	(20)	-	-	(193)	(448)	(641)
-	-	-	-	-	(10)	(4)	(14)
11	**(1)**	**(1,427)**	**(66)**	**14**	**8,450**	**5,990**	**14,440**

3.3. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Detailed summary of notes to the financial statements

Information about the Casino, Guichard-Perrachon Group

Casino, Guichard-Perrachon ("the Company") is a French *société anonyme*, listed in compartment A of Euronext Paris. The Company and its subsidiaries are hereinafter referred to as "the Group" or "the Casino Group". The Company's registered office is at 1, cours Antoine Guichard, 42008 Saint-Étienne, France.

The consolidated financial statements for the year ended 31 December 2016 reflect the accounting situation of the Company and its subsidiaries, as well as the Group's interests in associates and joint ventures.

The 2016 consolidated financial statements of Casino, Guichard-Perrachon were approved for publication by the Board of Directors on 6 March 2017.

Note 1. Significant accounting policies

1.1. Accounting standards

Pursuant to European Commission regulation 1606/2002 of 19 July 2002, the consolidated financial statements of the Casino Group have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as adopted by the European Union on the date of approval of the financial statements by the Board of Directors and applicable at 31 December 2016.

These standards are available on the European Commission's website (http://ec.europa.eu/internal_market/accounting/ias/index_en.htm).

The accounting policies set out below have been applied consistently in all periods presented, after taking account of the new standards, amendments to existing standards and interpretations listed below.

These amendments to existing standards and interpretations had no material impact on the Group's financial performance or position.

New standards, amendments to existing standards and interpretations adopted by the European Union and mandatory as from the financial year beginning on 1 January 2016

The European Union has adopted the following standards, amendments to existing standards and interpretations that are applicable in the case of the Group as from the financial year beginning on 1 January 2016. These new standards, amendments and interpretations presented below which are applicable by the Group do not have a material impact on its consolidated financial statements and are to be applied on a prospective basis unless otherwise indicated.

- Annual Improvements to IFRSs – 2010-2012 Cycle, concerning in particular the following standards:
  - IFRS 2 – Share-based Payment
    These amendments provide a clearer definition of "vesting conditions" by separately defining "performance condition" and "service condition".
  - IFRS 3 – Business Combinations:
    These amendments clarify that changes in the fair value of contingent consideration which are not adjustments in the measurement period are to be recognised in profit or loss.
  - IFRS 8 – Operating Segments
    These amendments are applicable on a retrospective basis. They require entities to disclose in the notes to the financial statements the judgements made by Management in applying the aggregation criteria to operating segments.
  - IAS 24 – Related Party Disclosures
    These amendments are applicable on a retrospective basis. They clarify that are included among related parties entities, the case of an entity providing key management personnel services to the reporting entity or to the parent of a reporting entity. In this case, the reporting entity is not required to provide details of the compensation it pays to key management personnel pursuant to IAS 24.17, but must indicate the amount of fees paid to the entity that provides the service.
- Amendments to IAS 1 – Disclosure Initiative

  These amendments clarify requirements in two areas:
  - applying the materiality concept: the amendment states that materiality applies to the whole financial statements including the accompanying notes, and that including information that is not material can obscure useful information;
  - applying professional judgement: the amendment makes minor changes to certain prescriptive language that is perceived as impeding the exercise of judgements.

1.2. Basis of preparation and presentation of the consolidated financial statements

1.2.1. Basis of measurement

The consolidated financial statements have been prepared using the historical cost convention, with the exception of the following:

- assets and liabilities acquired in a business combination, which are measured at fair value in accordance with IFRS 3;
- derivative financial instruments and available-for-sale financial assets, which are measured at fair value. The carrying amounts of assets and liabilities hedged by a fair value hedge which would otherwise be measured at cost are adjusted for changes in fair value attributable to the hedged risk.

The consolidated financial statements are presented in millions of euros. The figures in the tables have been rounded to the nearest million euros and include individually rounded data. Consequently, the totals and sub-totals shown may not correspond exactly to the sum of the reported amounts.

1.2.2. Use of estimates and judgements

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

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

- classification and measurement of Via Varejo's net assets in accordance with IFRS 5 (Note 3.5);
- assessment of the control exercised over Viva Malls in Colombia (Note 3.1.7);
- impairment of non-current assets and goodwill (Note 10.5);
- recoverable amounts of deferred tax assets (Note 9);
- provisions for risks – particularly tax and employee-related risks – and recognition and measurement of the recoverable amount of tax credits (VAT or similar) (Notes 5.1 and 13).

1.3. Restatement of comparative information

The table below shows the impact of discontinued operations (Note 3.5.2), and the revised presentation of non-recourse factoring costs within net financial income/(expense) (Note 11.3).

(€ millions)	2015 reported	Non-recourse factoring costs(1)	Discontinued operations(2)	2015 restated
Net sales	46,145	-	(10,833)	35,312
Trading profit	1,446	-	(449)	997
Operating profit	967	-	(320)	648
Net financial income (expense)	(818)	-	237	(581)
Finance costs, net	*(569)*	*304*	*24*	*(240)*
Other financial income and expenses, net	*(249)*	*(304)*	*213*	*(340)*
Profit before tax	150	-	(83)	67
Income tax (expense) gain	(61)	-	48	(13)
Net profit from continuing operations	**154**	**-**	**(43)**	**111**
Net profit from discontinued operations	**4**	**-**	**43**	**47**
CONSOLIDATED NET PROFIT	**158**	**-**	**-**	**158**
Attributable to owners of the parent	(43)	-	-	(43)
Attributable to non-controlling interests	201	-	-	201

(1) Including €53 million related to continuing operations and €251 million related to discontinued operations (exclusively Via Varejo and Cnova Brazil).
(2) Corresponding to the non-food/E-commerce businesses in Brazil (Via Varejo and Cnova Brazil) and Group operations in Asia.

Note 2. Significant events of the year

Significant events of the year included:

Disposal of operations in Thailand and Vietnam in first-half 2016

The Group's operations in Thailand and Vietnam were sold during the first half of 2016 as part of the deleveraging plan announced in late 2015 (Note 3.1.1).

Rating downgrade

On 21 March 2016, Standard & Poor's announced the downgrade of Casino's rating from BBB- to BB+ outlook stable. The downgrade followed Standard & Poor's announcement on 15 January 2016 that it was placing the BBB- rating under CreditWatch in the context of the Group's problems in emerging markets and notably Brazilian recession.

The rating downgrade resulted in a 125-bps step-up in the annual coupon paid on the Group's bonds, applicable for each bond as from the first annual interest period beginning after 21 March 2016. This clause added €15 million to finance costs for 2016. The 2017 increase is estimated at €63 million, taking into account the bonds bought back in 2016 (see below). Casino debt documentation does not include any rating-based acceleration clause and there is no covenant related to Casino's rating.

On 14 December 2016, Fitch Ratings changed the outlook for Casino's BBB- rating to negative. This change has no financial impact for the Group.

Exercise of the call option on Monoprix mandatory convertible bonds

On 3 May 2016, Casino exercised its call option on all of the mandatory convertible bonds issued by Monoprix in December 2013 and subscribed by Crédit Agricole CIB. The transaction took place on 10 May 2016 at a strike price of €508 million (€500 million nominal value and €8 million interest), leading to the recognition of financial income of €13 million under "Net finance costs" and to a €502 million reduction in equity (with €419 million deducted from non-controlling interests and €83 million from equity attributable to owners of the parent).

Financial agreement with the Baud family and acquisition of control of Geimex

On 25 May 2016, Casino and the Baud family came to a financial agreement to end their legal dispute that had been ongoing since 2007. Pursuant to this agreement and after approval of France's anti-trust authorities, on 18 October 2016 the Casino Group acquired the Baud family's 50% stake in Geimex, owner of international rights to the Leader Price brand and previously jointly owned by both parties, for €45 million excluding transaction costs (Note 3.1.6).

Bond buybacks

The following buyback offers were launched in 2016 for bonds representing a total nominal amount of €978 million:

- two offers were launched in June and September 2016 for bonds due in August 2019, January 2023, February 2025 and August 2026. A total of €871 million worth of bonds were tendered to these offers and were bought back and cancelled on 15 June and 30 September 2016, respectively;
- during the first half of the year, the Group also purchased on the market €108 million worth of bonds included in these issues (€13 million due in January 2023, €42 million due in February 2025 and €53 million due in August 2026).

The impact on the consolidated financial statements was as follows:

- decrease in gross financial debt, including fair value hedges component: €1,015 million (Note 11.2.1);
- decrease in hedging instruments with a positive fair value: €37 million (Note 11.2.1);
- recognition in "Finance costs, net" of a €33 million pre-tax gain (before taking into account future savings in interest) (Note 11.3.1).

Interim dividend

On 30 November 2016, the Company paid an interim dividend of €171 million (Note 12.9).

Creation of two non-food central purchasing organisations with the Conforama Group

On 19 September 2016, Casino and Conforama announced the creation of a joint non-food central purchasing organisation named Mano, to optimise their respective purchases in France.

Shortly afterwards, on 30 November 2016, the two groups announced the creation of an international purchasing organisation named SICA that will include also other brands of Steinhoff International group.

The two organisations will be up and running by the time the 2017 commercial negotiations begin. The impact of the Group's investment in these new companies on the 2016 consolidated statement of financial position and income statement was not material.

Planned disposal of Via Varejo

On 23 November 2016, the Group announced that it had approved GPA's decision to start negotiations for the sale of its investment in Via Varejo. The transaction's scope is the whole of the Latam Electronics operating segment including Cnova Brazil which operates the E-commerce business in Brazil. Following this decision, in accordance with IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations:

- the assets and liabilities held for sale have been reclassified in the consolidated statement of financial position under "Assets held for sale" for €6,039 million and "Liabilities associated with assets held for sale" for €4,404 million. The €1,635 million net asset value at 31 December 2016 includes an impairment loss of €461 million recorded to reduce the carrying amount of the disposal group to its fair value less costs to sell, as estimated by reference to the stock-exchange price at the year-end (Note 3.5.2);
- Via Varejo's 2016 net profit is reported in the consolidated income statement under "Net profit from discontinued operations", net of the impairment loss referred to above;
- the consolidated income statement and statement of cash flows for the year ended 31 December 2015 have been restated on the same basis (Note 3.5);
- the tables included in operating lease commitments and contingent liabilities notes (respectively Note 7.3 and Note 13.3) do not take into account Via Varejo activities for the year 2016. If necessary, specific information for Via Varejo was given in a footnote.

Reorganisation of the E-commerce business and launch of a cash tender offer for Cnova N.V. ordinary shares

On 6 December 2016, the Company launched a voluntary tender offer on the U.S. market and Euronext for all of the outstanding Cnova N.V. shares not already held, at a price of USD 5.5 per share. The Group companies that hold Cnova N.V. shares did not participate in the offer, which therefore applied to 10.37% of the 344.5 million outstanding shares, representing a maximum potential investment of USD 197 million. An amount of €219 million was placed in escrow as a guarantee for the Company's obligations under the offer (Note 11.1).

The impact on the consolidated financial statements included recognition of a €187 million financial liability under "Current put options granted to owners of non-controlling interests" and a corresponding adjustment to equity (Note 3.4.1). This liability corresponded to the euro-equivalent value at 31 December 2016 of the maximum potential amount payable for shares tendered to the offer. The offer costs, in the amount of €6 million net of tax, were recorded as a deduction from equity.

On 31 January 2017, the Group announced final results of the tender offer and that it had acquired 31.7 million shares, representing 9.2% of Cnova N.V.'s capital for €163 million. Following this operation, the Group now holds 98.88% of Cnova N.V.'s capital and 99.41% of the voting rights, leaving a free float of 1.12% of the capital and 0.59% of the voting rights.

The offer followed the business merger on 31 October 2016 between Cnova Brazil and Via Varejo, and Via Varejo's subsequent acquisition of the entire capital of Cnova Brazil from Cnova N.V. in exchange for its own interest in Cnova N.V. and €12 million in cash. The recovered shares were considered as cancelled by Cnova N.V. on 31 December 2016. The reorganisation diluted the Casino Group's interest in Cnova Brazil from 55.35% to 14.38%. Its impact on the consolidated financial statements included a €44 million increase in equity attributable to owners of the parent and a corresponding decrease in non-controlling interests to reflect the changes in the percentage interests in Cnova N.V. and Cnova Brazil, and the recognition in the income statement, under "Profit from discontinued operations", of -€25 million in costs and tax effects related to the reorganisation.

Note 3. Scope of consolidation

Accounting principles

Basis of consolidation

The consolidated financial statements include the financial statements of all material subsidiaries, joint ventures and associates over which the parent company exercises control, joint control or significant influence, either directly or indirectly (see list of consolidated companies in Note 16).

Subsidiaries

Subsidiaries are companies controlled by the Group. Control exists when the Group (i) has power over the entity, (ii) is exposed or has rights to variable returns from its involvement with the entity, and (iii) has the ability to affect those returns through its power over the entity.

The consolidated financial statements include the financial statements of subsidiaries from the date when control is acquired to the date at which the Group no longer exercises control. All controlled companies are fully consolidated in the Group's statement of financial position, regardless of the percentage interest held.

Potential voting rights

Control is assessed by taking potential voting rights into account, but only if they are substantive; that is, if the entity has the practical ability to exercise its rights with respect to the exercise price, date and terms.

The Group may own share warrants, share call options, debt or equity instruments that are convertible into ordinary shares or other similar instruments that have the potential, if exercised or converted, to give the Group voting power or reduce another party's voting power over the financial and operational policies of an entity. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has control of another entity. Potential voting rights are not currently exercisable or convertible when, for example, they cannot be exercised or converted until a future date or until the occurrence of a future event.

Joint ventures

A joint venture is a joint arrangement in which the parties that exercise joint control over an entity have rights to its net assets. Joint control involves the contractually agreed sharing of control over an entity, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Joint ventures are accounted for in the consolidated financial statements using the equity method.

Associates

Associates are companies in which the Group exercises significant influence over financial and operational policies without having control. They are accounted for in the consolidated financial statements using the equity method.

Equity method of accounting

The equity method provides that an investment in an associate or a joint venture be recognised initially at acquisition cost and subsequently adjusted by the Group's share in profit or loss and, where appropriate, in other comprehensive income of the associate or joint venture. Goodwill related to these entities is included in the carrying amount of the investment. Any impairment losses and gains or losses on disposal of investments in equity-accounted entities are recognised in "Other operating income and expenses".

Profits/losses from internal acquisitions or disposals with equity-accounted associates are eliminated to the extent of the Group's percentage interest in these companies. In the absence of any guidance in IFRS concerning cases where the amount to be eliminated is greater than the carrying amount of the investment in the equity-accounted company, the Group has elected to cap the amount eliminated from the accounts in the transaction year and to deduct the uneliminated portion from its share of the equity-accounted company's profits in subsequent years. The Group follows a transparent approach to accounting for associates under the equity method and takes into account, if relevant, its final percentage interest in the associate for the purpose of determining the proportion of profit (loss) to be eliminated.

In the absence of any standard or interpretation covering dilution of the Group's interest in a subsidiary of an equity-accounted company, the dilution impact is recognised in the Group's share of the profit (loss) of the equity-accounted investee.

Business combinations

As required by IFRS 3 revised, the consideration transferred (acquisition price) in a business combination is measured at the fair value of the assets transferred, equity interests issued and liabilities incurred on the date of the transaction. Identifiable assets acquired and liabilities assumed are measured at their acquisition-date fair values.

Acquisition-related costs are recognised in "Other operating expenses", except for those related to the issue of equity instruments.

Any excess of the consideration transferred over the fair value of the identifiable assets acquired and liabilities assumed is recognised as goodwill. At the date when control is acquired and for each business combination, the Group may elect to apply either the partial goodwill method (in which case, the amount of goodwill is limited to the portion acquired by the Group) or the full goodwill method. Under the full goodwill method, non-controlling interests are measured at fair value and goodwill is recognised on the full amount of the identifiable assets acquired and liabilities assumed.

Business combinations completed prior to 1 January 2010 were accounted for using the partial goodwill method, the only method applicable prior to publication of the revised version of IFRS 3.

In the case of an acquisition achieved in stages (step acquisition), the previously-held interest is remeasured at fair value as at the date control is acquired. The difference between the fair value and carrying amount of the previously-held interest is recognised directly in profit or loss (under “Other operating income” or “Other operating expenses”).

The provisional amounts recognised on the acquisition date may be adjusted retrospectively if the information needed to revalue the assets acquired and the liabilities assumed corresponds to new information obtained by the buyer and concerns facts and circumstances that existed as of the acquisition date. Goodwill may not be adjusted after the measurement period (not exceeding 12 months from the date when control is acquired). Any subsequent acquisitions of non-controlling interests do not give rise to the recognition of additional goodwill.

Any contingent consideration is included in the consideration transferred at its acquisition-date fair value, whatever the probability that it will become due. Subsequent changes in the fair value of contingent consideration due to facts and circumstances that existed as of the acquisition date are recorded by adjusting goodwill if they occur during the measurement period or directly in profit or loss for the period under “Other operating income” or “Other operating expenses” if they arise after the measurement period, unless the obligation is settled in equity instruments. In that case, the contingent consideration is not remeasured subsequently.

Intra-group transfers of shares in consolidated companies

In the absence of any guidance in IFRS on the accounting treatment of intra-group transfers of shares in consolidated companies leading to a change in percentage interest, the Group applies the following principle:

- the transferred shares are maintained at historical cost and the gain or loss on the transfer is eliminated in full from the accounts of the acquirer;
- non-controlling interests are adjusted to reflect the change in their share of equity, and a corresponding adjustment is made to consolidated reserves, without affecting profit or total equity.

Foreign currency translation

The consolidated financial statements are presented in euros, which is the functional currency of the Group’s parent company. Each Group entity determines its own functional currency and all of their financial transactions are measured in that currency.

The financial statements of subsidiaries that use a different functional currency from that of the parent company are translated using the closing rate method, as follows:

- assets and liabilities, including goodwill and fair value adjustments, are translated into euros at the closing rate, corresponding to the spot exchange rate at the reporting date;
- income statement and cash flow items are translated into euros using the average rate of the period unless significant variances occur.

The resulting translation differences are recognised directly within a separate component of equity. When a foreign operation is disposed of, the cumulative differences recognised in equity on translation of the net investment in the operation concerned at successive reporting dates are reclassified to profit or loss. Because the Group applies the step-by-step method of consolidation, the cumulative translation differences are not reclassified to profit or loss if the foreign operation disposed is part of a sub-group. This reclassification will occur only at the disposal of the sub-group.

Foreign currency transactions are translated into euros using the exchange rate on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the closing rate and the resulting translation differences are recognised in the income statement under “Foreign currency exchange gains” or “Foreign currency exchange losses”. Non-monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate applicable on the transaction date.

Exchange differences arising on translation of the net investment in a foreign operation are recognised in the consolidated financial statements as a separate component of equity and reclassified to profit or loss on disposal of the net investment.

Exchange differences arising on translation of (i) foreign currency borrowings hedging a net investment denominated in a foreign currency or (ii) permanent advances made to subsidiaries are also recognised in equity and reclassified to profit or loss on disposal of the net investment.

3.1. Transactions affecting the scope of consolidation in 2016

3.1.1. Disposal of operations in Asia

Disposal of operations in Thailand

On 14 January 2016, the Group announced its intention to sell its stake in its subsidiary Big C Supercenter PCL ("Big C"), a company listed in Thailand. Big C was sold on 21 March 2016 to BJC, a TCC group subsidiary. The proceeds from the sale amounted to €3,066 million net of disposal costs, generating an after-tax gain of €2,314 million (Note 3.5).

As part of the transaction, Cnova sold its economic interests in Cdiscount Thailand to the BJC group for €28 million net of disposal costs (including repayment of a €6 million loan), realising an after-tax gain of €27 million (Note 3.5).

Disposal of operations in Vietnam

On 29 April 2016, the Group announced that it had sold Big C Vietnam to the Central group for an enterprise value of €1 billion. As the decision to dispose of operations in Vietnam was made before the end of 2015, the assets and liabilities of the E-commerce and Retail businesses in Vietnam were classified as held for sale at 31 December 2015. The proceeds amounted to €875 million net of disposal costs, generating an after-tax gain of €524 million (Note 3.5).

Following the disposal of its operations in Thailand and Vietnam, representing the entire "Asia" operating segment and part of the "E-commerce" operating segment, the Group has presented the net after-tax profit of its Thai and Vietnamese operations as well as the capital gain on the disposal of these businesses on a separate line of the income statement ("Net profit from discontinued operations"),.

The consolidated income statement for the year ended 31 December 2015 has been restated in order to present discontinued operations separately from continuing operations (Notes 1.3 and 3.5).

3.1.2. Acquisition of Éxito shares

Between 1 March and 28 March 2016, the Group acquired 2.4 million shares in its subsidiary Éxito for a total of USD 11 million (€10 million) (Note 4.3), increasing its stake in the company to 55.30% from 54.77% previously. These transactions had a €6 million positive impact on equity attributable to owners of the parent and a €17 million negative impact on non-controlling interests.

3.1.3. Acquisition of GPA shares

In June 2016, the Group acquired 970 thousand preference shares, representing approximately 0.4% of GPA's capital, for €11 million (Note 4.3). These transactions had a €6 million positive impact on equity attributable to owners of the parent and a €17 million negative impact on non-controlling interests.

3.1.4. Changes in scope relating to Franprix-Leader Price subgroup

As part of the continuation of the franchisee redeployment projects at Franprix-Leader Price, the subsidiary sold a group of Franprix and Leader Price stores to two master franchisees during the year that were loss-making under the integrated management mode. The Group sold a 51% interest in the stores, generating a -€61 million net loss recognised in "Other operating expenses" (Note 6.5). If the transactions had been completed on 1 January 2016, (i) net sales for the year would have been reduced by €33 million, (ii) trading profit would have been increased by €13 million, (iii) other operating expenses would have been increased by €9 million (comprising impairment losses of €4.5 million and a €4.5 million revaluation of the retained interest) and (iv) the Group's share of profit (loss) of equity-accounted investees would have been reduced by €6 million.

In addition, Franprix-Leader Price has various call options on the stores (Note 3.4.2).

At the same time, the same master franchisees acquired a 49% interest in a group of profit-making Franprix and Leader Price stores. These disposals, without loss of control, had no material impact on equity attributable to owners of the parent.

Furthermore, Franprix-Leader Price also acquired controlling interests in various groups during the year. The amounts disbursed for these acquisitions totalled €32 million and generated provisional goodwill of €35 million. Since the sub-groups acquired were previously equity-accounted in the Casino Group's consolidated financial statements, the remeasurement of the interests previously-held generated a €3 million gain.

The contribution of these groups to consolidated net sales and pre-tax profit for the period from the acquisition date to the 2016 year-end amounted to €23 million and -€11 million, respectively.

If the acquisitions had been completed on 1 January 2016, net sales for the year would have been increased by €16 million and pre-tax profit would have been reduced by €1 million.

3.1.5. Loss of control of a group of Casino supermarkets

In line with its franchisee redeployment strategy, during the second half of 2016 Distribution Casino France sold a 51% stake in a group of 12 Casino supermarkets that were loss-making under the integrated management system to a master franchisee. The net loss on the sale amounted to €34 million and was recorded in "Other operating expenses" (Note 6.5). If the transaction had been completed on 1 January 2016, (i) net sales for the year would have been reduced by €14 million, (ii) trading profit would have been increased by €9 million, (iii) other operating expense would have been increased by €1 million and the Group's share of profit (loss) of equity-accounted investees would have been reduced by €3 million.

Distribution Casino France has a call option on the group of stores that is exercisable in 2019 (Note 3.4.2).

3.1.6. Acquisition of control of Geimex

Following signature of a settlement agreement, the Group acquired control of Geimex (Note 2). Geimex was previously jointly controlled and was accounted for by the equity method on a 50% basis in the Group accounts until 31 October 2016. The purchase price amounts to €45 million, leading to the recognition of provisional goodwill of €69 million. The transaction costs amount to €1 million.

The change in accounting method from the equity method at 50% to full consolidation resulted in the recognition, in accordance with IFRS 3, of a €16 million gain from re-measurement of previously-held interest which was recognised in "Other operating income".

Geimex's contribution to consolidated net sales and consolidated net profit for the period from 31 October to 31 December 2016 amounted to €25 million and €1 million respectively (excluding the gain from re-measurement at fair value of the previously-held interest). If control of Geimex had been acquired on 1 January 2016, it would have added €148 million to net sales and €1 million to consolidated net profit.

3.1.7. Creation of the Viva Malls real estate trust in Colombia

On 15 July 2016, Éxito created a Colombian real estate trust named Viva Malls to hold all of the Viva brand shopping centres and malls. On 22 December 2016, Éxito and Fondo Inmobiliario Colombia (FIC), a private equity fund managed by Fiduciara Bancolombia, signed an agreement providing for the acquisition by FIC of a 49% stake in the trust's capital. FIC's total capital commitment amounts to COP 773 billion (€245 million), of which €124 million excluding expenses had been paid as of 31 December 2016 and €121 million will be paid over the next 18 months. FIC's stake in Viva Malls was based on the total value attributed to the trust's real estate assets of COP 1,600 billion (€506 million). Following this transaction, Éxito owns 51% of Viva Malls.

The trust's governance is specified in the agreement between the parties. Éxito is the majority partner and FIC has rights with respect to certain business decisions concerning such matters as acquisitions and disposals in excess of a certain amount or the method of setting budgets and business plan targets. The agreement also states that Éxito is the sole provider of property management, administrative and marketing services for Viva Malls and that it is paid an arm's length fee for these services. A review of the substance of FIC's rights under the agreement confirms that their effect is solely to protect FIC's investment and that, consequently, Viva Malls is controlled by Éxito.

The transaction has been accounted for as a transaction between shareholders, leading to a €3 million reduction in equity attributable to owners of the parent (including -€6 million in costs) and a €115 million increase in non-controlling interests (net of -€5 million in costs).

3.2. Transactions affecting the scope of consolidation in 2015

3.2.1. Acquisition of control of the Uruguayan subsidiary Disco

The Disco subgroup in Uruguay was previously jointly controlled by the Group through its subsidiary Éxito which held a 62.49% stake. This subgroup was therefore accounted for using the equity method until 31 December 2014. Following the signing of a contractual agreement, initially with a two-year term, granting it more than 75% of the voting rights and exclusive control over strategic decisions, Éxito acquired control of the Disco subgroup with effect from 1 January 2015. On 29 December 2016, the agreement was extended until 30 June 2019. It will then be rolled over automatically until 30 June 2021 unless either party gives notice of its intention to withdraw from the agreement before 31 December 2018.

The change in accounting method from the equity method at 62.49% (percentage of Éxito's holding) to full consolidation (no change in the percentage of interest) resulted in the recognition of a €262 million gain from the re-measurement of the interest previously held which was recognised under "Other operating income" (see Note 6.5).

The measurement of identifiable assets and liabilities at fair value resulted in the recognition of €304 million in goodwill that was allocated to the Uruguay CGU. There were no changes in fair value at 1 January 2016.

The Disco subgroup's contribution to consolidated net sales and consolidated net profit (excluding the gain from re-measurement at fair value of the previously-held interest) for the period from 1 January to 31 December 2015 amounted to €436 and €33 million respectively. The costs related to the acquisition of control were not material.

Furthermore, the Group has granted a put option on 29.8% of Disco's capital to the family shareholders. The option is exercisable until 21 June 2021. The exercise price is based on Disco's average consolidated EBITDA or net profit for the previous two years and the subgroup's net debt, with a floor price of USD 41 million plus interest of 5% p.a. The put option is recognised in the consolidated statement of financial position for an amount of €115 million at 31 December 2016 (Note 3.4.1) (31 December 2015: €90 million).

3.2.2. Exercise of the call option on Super Inter stores

On 15 April 2015, Éxito exercised a call option that enabled it to acquire 29 Super Inter stores operated by Éxito since October 2014, as well as the Super Inter brand. The acquisition price was COP 343,920 million (€124 million) of which COP 284,173 million (€99 million) had been paid as of 31 December 2015. There was no change in the fair value of the assets and liabilities between 2015 and the date when the call option was exercised, on 15 April 2016. Goodwill recognized on the acquisition amounted to €95 million.

3.2.3. Changes in scope concerning the Franprix-Leader Price subgroup

In 2015, Franprix-Leader Price acquired control of various subgroups. The total purchase price paid was €53 million, generating goodwill of €55 million.

If these acquisitions had been completed on 1 January 2015, net sales would have been increased by €66 million and pre-tax profit would have been reduced by €3 million.

Furthermore, as part of its franchisee redeployment project, during 2015 Franprix-Leader Price sold a 51% stake in a group of Franprix and Leader Price stores that were loss-making under the integrated management system to two master franchisees. The net loss on the sales amounted to €58 million and was recorded in "Other operating expenses".

If these disposals had been carried out on 1 January 2015, net sales would have been reduced by €51 million and there would have been no impact on pre-tax profit.

At the same time, the two master franchisees acquired a 49% interest in a group of profit-making Franprix and Leader Price stores. These disposals without loss of control reduced equity attributable to owners of the parent by €52 million and increased non-controlling interests by the same amount.

3.2.4. Asset exchange agreement between Éxito and Cafam

On 23 February 2015, Éxito and La Caja de Compensación Familiar – CAFAM entered into an agreement providing for:

- the acquisition by Éxito of stores owned by Cafam but operated by Éxito since September 2010. The acquisition price paid was €44 million, generating an equivalent amount of deductible goodwill;
- the sale to Cafam of drugstores owned by Éxito, some of which had been operated by Cafam since September 2010, for a total of €27 million recognised under "Other operating income";
- termination of the operating contract that had been signed in September 2010.

The costs related to the acquisition of control of the stores were not material.

3.2.5. Acquisition of non-controlling interests in Lanin

On 26 February 2015, following the exercise of put options, the Group acquired all the non-controlling interests in Lanin (3.18%), a holding company that owns all the shares in Devoto, an operator of stores in Uruguay. The amount disbursed for this acquisition was €17 million (Note 4.3).

3.2.6. Creation of SCI Simonop'1 and entrance to the capital of investors

In October 2015, Monoprix and two of its subsidiaries created SCI Simonop'1. Subsequently, on 22 December 2015, Monoprix and its two subsidiaries transferred to SCI Simonop'1 eleven property assets housing Monoprix supermarkets valued at €138 million. On the same date, 49% of Simonop'1 shares were sold to three property investment companies managed by Ciloger for a total price of €73 million (Note 4.3). The transaction had the effect of increasing consolidated equity by €72 million (including a €4 million increase in equity attributable to owners of the parent).

3.3. Investments in equity-accounted investees

3.3.1. Significant associates and joint ventures

The following table presents the condensed financial statements (on a 100% basis) for the three main investees accounted for by the equity method. These condensed financial statements prepared in accordance with IFRS correspond to the investees' published financial statements as restated where appropriate, for the adjustments made by the Group, for example fair value adjustments on the date control is acquired or lost, adjustments to bring the investee's accounting policies into line with Group policies, or adjustments to eliminate gains and losses on intra-group acquisitions and disposals for the portion corresponding to the Group's percentage interest in the investee:

	2016			2015		
(€ millions)	Mercialys[1]	Banque du Groupe Casino	FIC[2]	Mercialys[1]	Banque du Groupe Casino	FIC[2]
Country	France	France	Brazil	France	France	Brazil
Business	Real estate	Banking	Banking	Real estate	Banking	Banking
Type of relationship	Associate	Joint venture	Associate	Associate	Joint venture	Associate
% interest and voting rights[3]	40%	50%	50%	40%	50%	50%
Net sales	192	136	290	172	122	302
Net profit from continuing operations	94	3	61	87	2	61
Other comprehensive income	-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME	**94**	**3**	**61**	**87**	**2**	**61**
Non-current assets	2,923	22	13	2,797	25	9
Current assets[4]	149	864	1,184	117	826	903
Non-current liabilities	(1,263)	(6)	(4)	(1,243)	(2)	(4)
Current liabilities	(386)	(779)	(889)	(239)	(756)	(712)
of which credit activities-related liabilities	-	*(759)*	*(889)*	-	*(738)*	*(712)*
Net assets	**1,423**	**101**	**303**	**1,432**	**94**	**197**
Of which net assets attributable to owners of the parent	*1,317*	*101*	*303*	*1,326*	*94*	*197*
Share of net assets	**530**	**51**	**151**	**534**	**47**	**98**
Goodwill	20	33	-	20	33	-
Elimination of share of intra-group margins	(184)	-	-	(177)	-	-
IFRS 5 reclassifications	-	-	(42)	-	-	-
Other adjustments[5]	-	-	(17)	-	-	(14)
Investments in equity-accounted investees (Note 3.3.3)	**366**	**84**	**92**	**376**	**80**	**84**
Dividends received from associates	**37**	**-**	**-**	**61**	**-**	**41** [6]

(1) As at 31 December 2016, the Group held 40.22% of the capital of Mercialys. The Group considers that it exercises significant influence over the financial and operating policies of the Mercialys Group. This position is based on an analysis of the votes cast at recent Shareholders General Meetings of Mercialys (showing that Casino and its related parties do not control shareholder decisions at General Meetings), the absence of a majority vote on strategic decisions at meetings of the company's Board of Directors, which is mostly made up of independent directors, and the governance rules stipulating that Casino's representatives on the Mercialys Board may not take part in decisions concerning transactions carried out with the Group and business contracts entered into between the Group and Mercialys on an arm's length basis.
(2) The main associate of the GPA subgroup is FIC which was set up by GPA in partnership with Banco Itaú Unibanco S.A. (Itaú Unibanco) to finance purchases of GPA's customers. Associates of the GPA subgroup are accounted for using the equity method as GPA exercises significant influence over their operating and financial policies. The data presented above only concern FIC as the other associates are not material.
(3) The percentage interest corresponds to that held by Casino, except in the case of FIC, where it corresponds to the interest held by the GPA subgroup.
(4) The current assets and liabilities of Banque du Groupe Casino and FIC primarily concern their consumer finance business.
(5) Corresponding to the reserve allocated to Itaú Unibanco in FIC's bylaws that is deducted for the purpose of determining the value of the Group's investment in FIC.
(6) Of which €11 million in dividends classified under "Net profit from discontinued operations".

3.3.2. Other investments in associates and joint ventures

At 31 December 2016, the carrying amounts of investments in other associates and joint ventures stood at €41 million and €41 million, respectively (Note 3.3.3). The aggregate amounts of key financial statement items for these associates and joint ventures are not material. Dividends received from these associates and joint ventures amounted to €2 million in 2016 (2015: €26 million).

3.3.3. Changes in investments in equity-accounted investees

(€ millions)	As at 1 January	Impairment loss	Share of profit (loss) for the year	Dividends	IFRS 5 reclassifications	Other	As at 31 December
Associates							
GPA Group associates (FIC & BINV)	122	-	30[3]	(34)	-	(30)	88
Mercialys	457	-	34	(61)	-	(55)[1]	376
Franprix-Leader Price Group associates	21	-	(9)	-	-	(2)	10
Other	35	-	1	(1)	-	-	35
Joint ventures							
Disco[2]	129	-	-	-	-	(129)	-
Banque du Groupe Casino	80	-	1	-	-	(1)	80
Geimex	50		3	(25)	-	-	28
Other	3	-	5	-	-	4	12
2015	**897**	**-**	**66[3]**	**(121)**	**-**	**(213)**	**629**
Associates							
GPA Group associates (FIC & BINV)	88	-	28[3]	(7)	(42)[4]	26	92
Mercialys	376	-	35	(37)	-	(8)[1]	366
Franprix-Leader Price Group associates	10	-	(40)	-	-	32	2
Other	35	-	-	(2)	-	6	39
Joint ventures							
Banque du Groupe Casino	80	-	1	-	-	3	84
Geimex[5]	28	-	-	-	-	(28)	-
Éxito Group joint ventures (Tuya)[6]	-	-	3	-	-	25	28
Other	12	-	1	-	-	1	13
2016	**629**	**-**	**28[3]**	**(46)**	**(42)**	**57**	**625**

(1) The negative amounts of €8 million in 2016 and €55 million in 2015 correspond mainly to the neutralisation of gains on sales of property assets by Casino to Mercialys for the portion corresponding to Casino's percentage interest in Mercialys.
(2) Disco has been fully consolidated since the date the Group acquired control (1 January 2015).
(3) Of which €8 million share of profit of associates classified in discontinued operations respectively in 2016 and 2015.
(4) The investments in BINV and FIC held by Via Varejo have been reclassified as "Assets held for sale".
(5) Geimex has been fully consolidated since 1 November 2016 (Note 3.1.6).
(6) Tuya was set up in partnership with Bancolombia to manage the banking services offered to customers of the stores in Colombia, primarily the possibility of acquiring a store card. The partnership structure changed in October 2016 when Éxito became a 50% shareholder of Tuya.

3.3.4. Impairment losses on investments in equity-accounted investees

With the exception of Mercialys, associates and joint ventures are privately-held companies for which no quoted market prices are available to estimate their fair value.

The fair value of the investment in Mercialys at the reporting date was €712 million, determined using the market price on 31 December 2016 (31 December 2015: €691 million). This value does not reflect any impairment. Mercialys' EPRA NNNAV at 31 December 2016 amounted to €1,861 million on a 100% basis.

The impairment tests carried out at 31 December 2016 and 31 December 2015 did not result in the recognition of any impairment loss.

3.3.5. Share of contingent liabilities of equity-accounted investees

As at 31 December 2016 and 31 December 2015, none of the Group's associates and joint ventures had any material contingent liabilities.

3.3.6. Related party transactions (equity-accounted investees)

The related party transactions shown below mainly concern transactions carried out in the normal course of business on arm's length terms with companies over which the Group exercises significant influence (associates) or joint control (joint ventures) that are accounted for in the consolidated financial statements using the equity method.

	2016				2015			
	Associates		Joint ventures		Associates		Joint ventures	
(€ millions)	Transaction	Balance	Transaction	Balance	Transaction	Balance	Transaction	Balance
Loans	32	52	-	-	21	21	-	-
Receivables	32	85	(2)	1	44	52	(15)	3
Payables	-	5	(3)	2	(12)	5	(4)	5
Expenses	109(1)	-	49	-	73(1)	-	55	-
Income	737(2)	-	29	-	468(2)	-	25	-

(1) Of which rental revenue excluding occupancy costs for the 79 leases signed with Mercialys for €59 million in 2016 (2015: 105 leases for €42 million). At 31 December 2016, future minimum lease payments due to Mercialys on property assets amounted to €117 million, including €60 million due within one year.
(2) Of which income related to property development transactions with Mercialys reported in "Other revenue" for €77 million (2015: €303 million) and with a master franchisee for €53 million. Income of €737 and €468 million also include for an amount of €577 and €132 million respectively in 2016 and 2015 Franprix-Leader Price sales of goods to equity-accounted master franchisees.

Transactions with Mercialys

Casino has entered into various agreements with Mercialys:

- Leases: Casino leases units in certain shopping centres from Mercialys, for which the rent is included in the above table.
- Asset management agreement: Casino provides rental management services for nearly all Mercialys properties. In 2016, the related management fees amounted to €6 million (2015: €5 million).
- Partnership agreement: this agreement was approved by the Board of Directors on 22 June 2012 and an addendum was signed on 12 November 2014. The partnership's fundamental principle whereby Casino develops and manages a pipeline of projects that Mercialys acquires to feed its business growth has been maintained in the new agreement. The original agreement concerned a pipeline of projects identified in advance and offering satisfactory visibility. The new agreement enables Mercialys to propose new projects that will be examined by Casino and tracked during monitoring committee meetings.

  Casino will not undertake any work until the order is reconfirmed by Mercialys once the necessary permits have been obtained and leases have been signed on units representing at least 60% of projected rental revenues or signed leases.

  The acquisition price of projects developed by Casino was calculated under the original agreement on the basis of (i) a rent capitalization rate determined using a grid that is updated twice a year by reference to the rates used to value Mercialys' portfolio and (ii) projected rental revenues from the project. Under the new agreement, the projected internal rate of return (IRR) – within the range of 8% to 10% – may also be taken into account for pricing purposes.

  The principle whereby the upside and downside are shared equally between Casino and Mercialys has been maintained to take into account the actual conditions in which the assets will be marketed. For example, the price will be increased or reduced by 50% of any positive (upside) or negative (downside) difference between the actual rents negotiated during the marketing process and the rents projected at the outset. The contracts require the parties to meet during the pre-acquisition process.

  In exchange for the exclusive partnership, Mercialys has undertaken not to invest in any operations that could lead to a material increase in competition in the catchment area of any of the Casino Group's food stores.

  Mercialys has extended the partnership agreement with Casino for a further three years, until end-2020.
- Support services agreement: the Group provides administrative, accounting, IT and real estate support services to Mercialys. In 2016, the related fees amounted to €2 million (2015: €2 million).
- Consulting services agreement: Mercialys makes available to Casino the services of its team of real estate portfolio enhancement specialists. This agreement had no material impact in 2016 or 2015.
- Exclusive sale mandate: Casino seeks buyers for real estate assets on behalf of Mercialys. In 2016, the related fees amounted to €1 million (2015: €2 million).

- Current account and cash management agreement: Casino has provided Mercialys with a €50 million confirmed line of credit expiring in December 2019 at an annual interest rate based on the Euribor plus a spread ranging from 40 bps to 95 bps depending on the amount borrowed under the facility. The Group also charges a 38-bps commitment fee (40% of the maximum 95-bps spread) on undrawn amounts. This agreement had no material impact in 2016 or 2015.

Under the partnership agreement between Casino and Mercialys and in line with the asset sales carried out in 2014 and 2015, during 2016 Casino sold property development projects (including two Monoprix sites) to Mercialys for a total of €77 million. Based on each project's percentage of completion, the sale led to the recognition of €62 million in "Other income" and a €29 million positive contribution to EBITDA after eliminating a portion corresponding to the Group's percentage interest in Mercialys.

Mercialys also entered into an agreement with OPPCI SEREIT France under which it transferred to SCI Rennes – Anglet the buildings housing two hypermarkets, a shopping mall and a mid-sized store that were developed by Casino and sold to Mercialys in 2014. SCI Rennes – Anglet is 30%-owned by Mercialys and 70% by OPPCI SEREIT France. The transaction led to the recognition in "Other income" of €15 million – corresponding to the additional fraction of 70% of the property development profit that had previously been eliminated on a 40% basis – and to an €11 million contribution to EBITDA.

The Group also has a call option exercisable on 31 July 2018, at its initiative and subject to certain conditions, on either (i) the property assets held by SCI Rennes – Anglet, valued at a fixed price of €64 million or (ii) the SCI Rennes – Anglet shares held by OPPCI SEREIT France, valued at the company's market value (NAV), based on the property portfolio's appraisal value of €64 million excluding transfer costs.

Transactions with other related parties

In connection with its property trading business, on 21 December 2016 the Group sold a portfolio of ten Leader-Price store premises to a master franchisee for €53 million recorded in "Other income" generating a positive contribution in EBITDA of €5 million.

3.3.7. Commitments to joint ventures

As at 31 December 2016 and 31 December 2015, there were no material commitments to joint ventures.

3.4. Commitments related to the scope of consolidation

3.4.1. Put options granted to owners of non-controlling interests – "PUTs options"

Accounting principle

The Group has granted put options to the owners of non-controlling interests in some of its subsidiaries. The exercise price may be fixed or based on a predetermined formula. In accordance with IAS 32, obligations under these PUTs options on non-controlling interests in fully consolidated subsidiaries are recognised as "financial liabilities"; fixed price options are recognised at their discounted present value and variable price options at fair value; furthermore, these options may be exercisable at any time or on a specified date. Since 2015, PUTs options are presented on a separate line of the consolidated statement of financial position, "Put options granted to owners of non-controlling interests".

IAS 27 revised, which is effective for annual periods beginning on or after 1 January 2010, and subsequently IFRS 10, effective for annual periods beginning on or after 1 January 2014, describe the accounting treatment of acquisitions of additional shares in subsidiaries. The Group has decided to apply two different accounting methods for these PUTs options, depending on whether they were granted before or after the effective date of IAS 27 revised, as recommended by France's securities regulator (*Autorité des marchés financiers*):

- PUTs options granted before the effective date of IAS 27 revised are accounted for using the goodwill method whereby the difference between the PUTs options liability and the carrying amount of the non-controlling interests is recognised in goodwill. In subsequent years, this liability is remeasured and any changes adjust goodwill.
- PUTs options granted since IAS 27 revised came into effect are accounted for as transactions between shareholders, with the difference between the PUTs options liability and the carrying amount of the non-controlling interests recognised as a deduction from equity. In subsequent years, this liability is remeasured and any changes adjust equity.

PUTs options can be analysed as follows at 31 December 2016:

(€ millions)	% Group interest	Commitment to non-controlling interests	Fixed or variable exercise price	Non-current liabilities[3]	Current liabilities[4]
Franprix-Leader Price[1]	49.00% to 70.00%	30.00% to 51.00%	F/V	41	29
Éxito (Disco)[2]	62.49%	29.82%	V	-	115
Casino Guichard-Perrachon (Cnova N.V.)[3]	89.63%	10.37%	F	-	187
Other				-	10
TOTAL PUTS OPTIONS LIABILITIES				**41**	**341**

(1) The exercise price of these put options on non-controlling interests in subsidiaries of the Franprix-Leader Price subgroup is generally based on net profit. A 10% increase or decrease in the indicator would not have a material impact. The options expire between 2016 and 2031.
(2) Option exercisable until 21 June 2021.
(3) Concerns the public tender offer for Cnova N.V. shares (Note 2).
(4) As at 31 December 2015, PUTs options liabilities amounted to €151 million, of which current liabilities of €102 million. The increase in 2016 was mainly due to the public tender offer for Cnova N.V. shares (Note 2) for €187 million.

3.4.2. Off-balance sheet commitments

Accounting principle

Under the terms of the option contracts, the exercise price of written put and call options may be determined using earnings multiples of the companies concerned. In this case, the options are valued based on the latest published earnings for options exercisable at any time and earnings forecasts or projections for options exercisable as of a given future date. In many cases, the put option written by the Group is matched by a call option written by the other party; in these cases, the value shown corresponds to that of the written put.

PUTs options on non-controlled companies stood at €5 million as at 31 December 2016 (31 December 2015: €19 million), and concerned the Franprix-Leader Price subgroup exclusively.

The Group has been granted the following call options in connection with transactions carried out with Mercialys:

- call option on 100% of the assets or 100% of the shares of Hyperthetis Participations, exercisable between 30 September 2020 and 31 March 2022 at the higher of the fair value of the underlying and a guaranteed minimum IRR;
- call option on a property asset previously sold to Immosiris, exercisable between 31 March 2021 and 30 September 2022 at the higher of the fair value of the underlying and a guaranteed minimum IRR;
- call option exercisable on 31 July 2018, at its initiative and subject to certain conditions, on either (i) the property assets held by SCI Rennes – Anglet, valued at a fixed price of €64 million or (2) the SCI Rennes – Anglet shares held by OPPCI SEREIT France, valued at the company's market value (NAV), based on the property portfolio's appraisal value of €64 million excluding transfer costs.

Lastly, in connection with the transactions carried out with master franchisees describe in Notes 3.1.4 and 3.1.5, the Group has call options on stores that are exercisable between 2019 and 2022 at prices based on a percentage of the improvement in EBITDA.

The total value of these call options was €423 million as at 31 December 2016 (31 December 2015: €311 million).

3.5. Non-current assets held for sale and discontinued operations.

Accounting principle

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and their fair value less costs to sell. A non-current asset or disposal group is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this condition to be met, the asset or disposal group must be available for immediate sale in its present condition and its sale must be highly probable. Management must be committed to a plan to sell the asset which, in accounting terms, should result in the conclusion of a sale within one year of the date of this classification. Considering these caracteristics, net assets held for sale attributable to owners of the parent of the selling subsidiary are presented as a deduction from net debt (Note 11).

Property, plant and equipment and intangible assets classified as held for sale are no longer depreciated or amortised.

A discontinued operation is either a component of an entity that has been disposed of or operation that is classified as held for sale and:

- represents a separate major line of business or a geographical area of operations or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

An operation represents a separate major line of business when it constitutes a reportable segment. It is classed as discontinued if the criteria for classifying the related assets as "held for sale" have been met or when it has already been disposed of. Classification as a discontinued operation occurs when the operation is disposed of or on a prior date when it fulfils the criteria for classification as held for sale.

When an operation is classified as discontinued, the comparative income statement and statement of cash flows are restated as if the operation had fulfilled the criteria for classification as discontinued as from the first day of the comparative period. Discontinued operations are presented on a separate line of the consolidated income statement, "Profit from discontinued operations", which includes the net profit or loss of the discontinued operation up to the date of disposal, and if appropriate, any impairment loss recognised to write down the net assets held for sale to their fair value less costs to sell and/or any after-tax disposal gains or losses.

3.5.1. Assets held for sale and liabilities associated with assets held for sale

		31 December 2016		31 December 2015	
(€ millions)	Notes	Assets	Liabilities	Assets	Liabilities
Via Varejo subgroup	3.5.2	6,039	4,404	-	-
Vietnam subgroup	3.5.2	-	-	507	184
Other		81	-	31	-
TOTAL		**6,120**	**4,404**	**538**	**184**
Net assets		1,716		354	
Of which attributable to owners of the parent of the selling subsidiary	11.2	*768*		*315*	

The increase in this item reflects the transactions described in Notes 2 and 3.1.1.

3.5.2. Discontinued operations

Following the transactions described in Note 2, discontinued operations mainly consist of operations in Thailand and Vietnam and Via Varejo (including Cnova Brazil in the table below). Profit from discontinued operations breaks down as follows:

(€ millions)	**2016**[1]	Of which Via Varejo[2]	2015	Of which Via Varejo
Net sales	6,757	6,009	10,833	6,842
Expenses	(6,990)	(6,280)	(10,745)	(7,000)
Gain on disposal of discontinued operations	2,893	-	-	-
Disposal price	*4,054*	-	-	-
Disposal costs	*(92)*	-	-	-
Carrying amount of net assets sold	*(1,160)*	-	-	-
Other items of comprehensive income (loss) reclassified to profit or loss, net of tax	*91*	-	-	-
Impairment loss resulting from the measurement of Via Varejo at fair value less costs to sell[3]	(461)	(461)	-	-
NET PROFIT BEFORE TAX FROM DISCONTINUED OPERATIONS	**2,198**	**(732)**	**88**	**(158)**
Income tax expense	(46)	(9)	(50)	2
Share of profits of equity-accounted investees	8	8	8	8
NET PROFIT FROM DISCONTINUED OPERATIONS	**2,161**	**(734)**	**47**	**(148)**
Attributable to owners of the parent	*2,645*	*(226)*	*21*	*(97)*
Attributable to non-controlling interests	*(484)*	*(508)*	*26*	*(50)*

(1) Mainly corresponding to the two months of business up to the date of disposal of operations in Thailand on 21 March 2016, the four months of business up to the date of disposal of operations in Vietnam on 29 April 2016 and 12 months of business for Via Varejo.
(2) Via Varejo reported EBITDA and trading profit amount to €251 million and of €184 million respectively in 2016.
(3) The fair value of Via Varejo (including Cnova Brazil) is estimated at €1,656 million (before estimated costs to sell of €20 million), based on the share price of BRL 10.75 as at 31 December 2016 plus an estimated control premium. This value was confirmed by an independent valuation performed by the banks retained by the Group to assist with the sale process.
This value is classified in level 3 hierarchy. The 20% increase or decrease in the estimated fair value would reduce or increase the impairment loss by €295 million (at constant exchange rates).

Earnings per share of discontinued operations are presented in Note 12.10.

Other comprehensive income of discontinued operations – mainly operations in Thailand and Vietnam as Via Varejo had no impact – are presented below:

(€ millions)	**2016**	2015
Items that may be subsequently reclassified to profit or loss	(148)	34
Foreign currency translation adjustments	(178)	34
Net investments hedges in foreign operations	47	-
Income tax effects	(17)	-
Items that will never be reclassified to profit or loss	5	(1)
Actuarial gains and losses	6	(1)
Income tax effects	(1)	-
OTHER COMPREHENSIVE INCOME (LOSS) OF DISCONTINUED OPERATIONS	**(143)**	**34**

The impacts on the Group's consolidated statement of financial position of the disposal of operations in Thailand and Vietnam and the reclassification of Via Varejo as "Assets held for sale" are presented below:

	2016		
(€ millions)	Thailand and Vietnam(1)	Via Varejo(2)	2015(3)
Goodwill, intangible assets, property, plant and equipment, and investment property	1,940	1,908	184
Non-current fair value hedges – assets(5)	-	17	-
Other non-current assets	161	1,087	107
Total non-current assets	2,100	3,013	291
Current fair value hedges – assets(5)	-	26	-
Other current assets	451	1,827	87
Cash and cash equivalents(5)	118	1,174	129
Assets held for sale (Vietnam)(4)	460	-	-
Current assets	1,029	3,026	216
TOTAL ASSETS	**3,130**	**6,039**	**507**
Non-current financial liabilities(5)	145	57	36
Other non-current liabilities	78	792	-
Total non-current liabilities	223	848	36
Current financial liabilities(5)	355	402	30
Trade payables	486	1,529	94
Other current liabilities	202	1,625	24
Liabilities associated with assets held for sale (Vietnam)(6)	144	-	-
Total current liabilities	1,187	3,555	148
TOTAL LIABILITIES	**1,410**	**4,404**	**184**
Net assets	1,719	1,636	323
Of which net assets attributable to owners of the parent	*1,160*	*697*	*289*
Of which net assets attributable to non-controlling interests	*559*	*939*	*34*
Consideration received in cash net of costs paid	3,962	-	-
Cash and cash equivalents sold	225	-	-
Net cash inflow	3,737	-	-

(1) At the date on which control was lost for each discontinued operation.
(2) Including Cnova Brazil.
(3) Reflects the breakdown of assets held for sale and associated liabilities of the Vietnam subgroup's Retail and E-commerce operations at 31 December 2015.
(4) Of which €107 million of cash and cash equivalents.
(5) At 31 December 2016, Via Varejo had cash and cash equivalents of €1,174 million and debt (net of fair value hedges assets) of €416 million, representing a net cash position of €758 million.
(6) Including borrowings and financial liabilities of €64 million.

3.5.3. Irregularities at the Cnova Brazil subsidiary

Investigations into the irregularities were completed in June 2016 and an additional net loss of €35 million was recorded under "Profit from discontinued operations" following the Group's decision to dispose of Via Varejo. The net loss mainly comprised €16 million of impairment on intangible assets, €10 million in cut-off adjustments and €5 million of scrapped tangible assets. The Group considers that the portion of adjustments corresponding to corrections of prior year errors were not sufficiently material to justify restating previously published financial statements.

Note 4. Additional disclosures related to the consolidated statement of cash flows

Accounting principle

The statement of cash flows is prepared using the indirect method starting from consolidated net profit (loss) and is organised in three sections:

- cash flows from operating activities, including taxes, transaction costs for acquisitions of control, dividends received from associates and joint ventures and payments received in respect of government grants;
- cash flows from investing activities, including acquisitions of control (excluding acquisition costs), losses of control including transaction costs, acquisitions and disposals of investments in non-consolidated companies and of associates and joint ventures (including transaction costs), contingent consideration paid for business combinations up to the liability determined during the measurement period and, and acquisitions and disposals of fixed assets (including transaction costs and deferred payments), excluding finance leases;
- cash flows from financing activities, including new borrowings and repayments of borrowings, issues of equity instruments, transactions between shareholders (including transaction costs and any deferred payments), net interest paid (cash flows related to finance costs and non-recourse factoring costs), treasury share transactions and dividend payments. This category also includes cash flows from trade payables requalified as debt.

4.1. Reconciliation of changes in operating working capital to changes in the corresponding items in the statement of financial position

(€ millions)	Notes	2015	Cash flows from operating activities	Cash flows from operating activities, discontinued operations	Other cash flows	Changes in scope of consolidation	Effect of movements in exchange rates	IFRS 5 reclass.	Reclass. and other	**2016**
Goods inventories	6.6	(4,602)	48	48	-	318	(488)	891	(2)	(3,786)
Property development work in progress	6.6	(281)	139	-	-	11	(5)	-	(69)	(204)
Trade payables	B/S	8,073	438	(166)	-	(503)	776	(1,529)	(150)	6,939
Trade receivables	6.7	(911)	(21)	(228)	-	92	(65)	254	(1)	(880)
Trade receivables from credit activity	6.7	(377)	(120)	112	-	-	(98)	483	-	-
Liabilities of credit activity	6.10	574	137	-	-	-	164	(875)	-	-
Other (receivables)/payables	6.8.1/6.9/6.10	623	19	(134)	223	(19)	(17)	230	(135)	791
TOTAL		**3,099**	**640**	**(368)**	**223**	**(100)**	**268**	**(546)**	**(357)**	**2,859**

(€ millions)	Notes	2014	Cash flows from operating activities restated	Cash flows from operating activities, discontinued operations	Other cash flows	Changes in scope of consolidation	Effect of movements in exchange rates	IFRS 5 reclass.	Reclass. and other	2015
Goods inventories	6.6	(5,074)	(342)	90	-	(20)	690	54	1	(4,602)
Property development work in progress	6.6	(237)	65	-	-	(6)	14	-	(116)	(281)
Trade payables	B/S	8,324	837	310	-	63	(1,034)	(94)	(333)	8,073
Trade receivables	6.7	(882)	(64)	(2)	-	(30)	56	12	-	(911)
Trade receivables from credit activity	6.7	(631)	107	3	-	-	144	-	-	(377)
Liabilities of credit activity	6.10	893	(108)	-	-	-	(211)	-	-	574
Other (receivables)/payables	6.8.1/6.9/6.10	(31)	215	87	(103)	26	5	5	419	623
TOTAL		**2,362**	**710**	**488**	**(103)**	**32**	**(337)**	**(24)**	**(29)**	**3,099**

4.2. Effect on cash and cash equivalents of changes in scope of consolidation resulting in acquisition or loss of control

(€ millions)	2016	2015
Amount paid for acquisitions of control	(89)	(241)
Cash/(bank overdrafts) related to acquisition of control	(6)	37
Amount received from losses of control	1	41
(Cash)/bank overdrafts related to losses of control	(22)	3
EFFECT OF CHANGES IN SCOPE OF CONSOLIDATION RESULTING IN ACQUISITION OR LOSS OF CONTROL	**(116)**	**(160)**

In 2016, the net effect of these transactions on the Group's cash and cash equivalents resulted mainly from the acquisition of control of Geimex (cash outflow of €44 million) (Note 3.1.6) and the acquisition of various controlling interests in the Franprix-Leader Price subgroup (cash outflow of €37 million of which amount paid of €32 million for these acquisitions) (Note 3.1.4).

In 2015, the impact of these transactions on cash and cash equivalents mainly comprised:

- acquisition of control of Super Inter (cash outflow of €124 million) (Note 3.2.2);
- acquisition of controlling interests in various subgroups by Franprix-Leader Price (cash outflow of €53 million);
- Disco cash acquired (€49 million) (Note 3.2.1);
- assets exchange under the agreement with Cafam (cash outflow of €17 million) (Note 3.2.4).

4.3. Impact on cash and cash equivalents of transactions with non-controlling interests not resulting in a change of control

(€ millions)	Notes	2016	2015 restated
Éxito – Viva Malls	3.1.7	115	-
Acquisition of GPA shares	3.1.3	(11)	-
Acquisition of Éxito shares	3.1.2	(10)	-
Monoprix: Simonop	3.2.6	-	73
Lanin/Devoto	3.2.5	-	(17)
Payment of Sendas debt		-	(21)
Other		5	(11)
EFFECT ON CASH AND CASH EQUIVALENTS OF TRANSACTIONS WITH NON-CONTROLLING INTERESTS		**99**	**23**

4.4. Reconciliation between change in cash and cash equivalents and change in net debt

(€ millions)	Notes	2016	2015 restated
Change in cash and cash equivalents		2,253	(2,663)
Additions to borrowings(1)		(995)	(2,993)
Repayments of borrowings(1)		1,955	4,349
Non-cash changes in debt(1)		(323)	171
▪ Change in net assets held for sale attributable to owners of the parent		44	-
▪ Change in other financial assets		(51)	88
▪ Effect of changes in scope of consolidation		(1)	(13)
▪ Change in cash flow and fair value hedges		(125)	70
▪ Change in accrued interest		(172)	14
▪ Interest on Monoprix mandatory convertible bonds	11.3.1	13	11
▪ Other		(32)	1
Effect of movements in exchange rates(1)		(297)	490
Change in debt of discontinued operations		113	304
CHANGE IN NET DEBT		**2,706**	**(340)**
Net debt at beginning of period		6,073	5,733
Net debt at end of period	11.2	3,367	6,073

(1) These impacts relate exclusively to continuing operations.

4.5. Reconciliation of provision expense

(€ millions)	Notes	**2016**	2015 restated
Goodwill impairment	10.1.2	(2)	(3)
Impairment of intangible assets	10.2.2	(15)	(21)
Impairment of property, plant and equipment	10.3.2	(98)	(93)
Impairment of investment property	10.4.2	-	-
Net additions to provisions for risks and charges	13.1	(189)	(21)
TOTAL PROVISION EXPENSE		**(304)**	**(138)**
Provision expense reported under "Profit from discontinued operations"		88	13
PROVISION EXPENSE ADJUSTMENT IN THE STATEMENT OF CASH FLOWS		**(216)**	**(125)**

4.6. Reconciliation of acquisitions of fixed assets

(€ millions)	Notes	**2016**	2015 restated
Additions to and acquisitions of intangible assets	10.2.2	198	202
Additions to and acquisitions of property, plant and equipment	10.3.2	968	1,283
Additions to and acquisitions of investment property	10.4.2	79	79
Changes in amounts due to suppliers of fixed assets		27	(58)
New finance leases		(31)	(14)
Capitalised borrowing costs (IAS 23)	10.3.3	(15)	(5)
Effect of discontinued operations		(66)	(266)
CASH USED IN ACQUISITIONS OF INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY		**1,160**	**1,222**

4.7. Reconciliation of disposals of fixed assets

(€ millions)	Notes	**2016**	2015 restated
Disposals of intangible assets	10.2.2	22	13
Disposals of property, plant and equipment	10.3.2	285	282
Disposals of investment property	10.4.2	-	-
Reclassification of disposals of property development assets		-	(113)
Gains (losses) on disposal of non-current assets		1	3
Changes in receivables related to non-current assets		15	(23)
Reclassification of non-current assets as "Assets held for sale"		51	(1)
Effect of discontinued operations		(5)	(11)
CASH FROM DISPOSALS OF INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY		**368**	**150**

4.8. Reconciliation of dividends paid to non-controlling interests

(€ millions)	**2016**	2015 restated
Dividends paid and payable to non-controlling interests (Note 12.8)	(85)	(94)
Payment during the year of dividends accrued at the prior year-end	1	(70)
Effect of movements in exchange rates	5	(6)
Effect of discontinued operations	-	82
DIVIDENDS PAID TO NON-CONTROLLING INTERESTS AS PRESENTED IN THE STATEMENT OF CASH FLOWS	**(78)**	**(88)**

4.9. Reconciliation of net interest paid

(€ millions)	Notes	2016	2015 restated
Net finance costs reported in the income statement	**11.3.1**	**(324)**	**(240)**
Neutralisation of unrealized exchange gains and losses		5	(62)
Neutralisation of amortisation of debt issuance/redemption costs and premiums		31	28
Neutralisation of interest rate adjustment on Monoprix mandatory convertible bonds	11.3.1	(13)	(11)
Capitalised borrowing costs	10.3.3	(15)	(4)
Change in accrued interests and in fair value hedges of borrowings[1]		229	(30)
Non-recourse factoring costs	11.3.2	(78)	(53)
INTEREST PAID, NET AS PRESENTED IN THE STATEMENT OF CASH FLOWS		**(165)**	**(371)**

(1) Including in particular the impact of unwinding and modification of interest rate swaps in the France perimeter for an amount of €150 million.

Note 5. Segment information

Accounting principle

In accordance with IFRS 8 – Operating Segments, segment information is disclosed on the same basis as the Group's internal reporting system as used by the chief operating decision maker (the Chairman and Chief Executive Officer) in deciding how to allocate resources and in assessing performance.

Following the disposal of operations in Thailand and Vietnam (Note 3.1.1) and the business merger between Cnova Brazil and Via Varejo followed by their reclassification as "Assets held for sale" (Note 2), the Group's reportable segments are now:

- France Retail: reportable segment comprising retail operating segments in France (mainly the Casino, Monoprix, Franprix-Leader Price and Vindémia subgroups banners) ;
- Latam Retail: reportable segment comprising food retailing operating segments in Latin America (mainly the GPA food banners and the Éxito, Disco–Devoto and Libertad subgroups banners) ;
- E-commerce: reportable segment comprising Cdiscount and the Cnova N.V. holding company.

The operating segments included in France Retail and Latam Retail have similar businesses in terms of product type, assets and human resources required for operations, customer profile, distribution methods, marketing offer and long-term financial performance.

The reportable segments therefore reflect pure retail activities and retail-related activities. Given the dual strategy and the interconnection between retail and real estate, the operating segments include real estate asset management activities, property development activities and energy-related activities.

Management assesses the performance of these segments on the basis of net sales and trading profit (which includes the allocation of holding company costs to all of the Group's business units) and EBITDA. EBITDA is defined as trading profit plus current depreciation and amortisation expense.

Segment assets and liabilities are not specifically reported internally for management purposes and are therefore not disclosed in the Group's IFRS 8 segment information.

Segment information is determined on the same basis as the consolidated financial statements.

5.1. Key indicators by reportable segment

(€ millions)	France Retail	Latam Retail	E-commerce	**2016**
External net sales	18,939	15,247	1,843	36,030
EBITDA	872(1)	816(2)	10	1,697
Current depreciation and amortisation expense (Note 6.4)	(364)	(278)	(21)	(663)
Trading profit/(loss)	508	538(2)	(11)	1,034

(1) Of which €87 million for property development transactions carried out in France.
(2) Of which BRL 288 million (€75 million) for Latam Retail of cumulative PIS/COFINS tax credits recognised in 2016 as a deduction from "Cost of goods sold" in the accounts of GPA (of which €68 million in relation to prior years); the element supporting the recognition and utilisation on future periods of such credits were obtained during the year.

(€ millions)	France Retail	Latam Retail	E-commerce	2015 restated
External net sales	18,890	14,714	1,708	35,312
EBITDA	726(1)	980	(17)	1,689
Recurring depreciation and amortisation expense (Note 6.4)	(389)	(281)	(21)	(692)
Trading profit/(loss)	337	698	(39)	997

(1) Of which €167 million for property development transactions carried out in France.

5.2. Key indicators by geographical area

(€ millions)	France	Latin America	Other regions	**Total**
External net sales for 2016	20,771	15,252	7	36,030
External net sales for 2015 (restated)	20,578	14,726	7	35,312

(€ millions)	France	Latin America	Asia	Other regions	**Total**
Non-current assets as at 31 December 2016(1)	11,770	10,151	-	47	21,968
Non-current assets as at 31 December 2015(1)	12,099	10,143	2,066	43	24,351

(1) Non-current assets include goodwill, intangible assets, property, plant and equipment, investment property, investments in associates and joint ventures as well as long-term prepaid expenses.

Note 6. Activity data

6.1. Total revenue

Accounting principle

Revenue is composed of two parts: net sales and other income.

Net sales include sales by the Group's stores, E-commerce sites, self-service restaurants and warehouses, as well as financial services revenues, rental revenues, consumer finance revenues and other miscellaneous services rendered by establishments.

"Other income" consists of income from the property development and property trading businesses, miscellaneous service revenues, incidental revenues and revenues from secondary activities, including travel package sales commissions, franchising fees and revenues from energy efficiency activities.

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts, volume rebates and sales taxes. It is recognised as follows:

- revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods are transferred to the buyer (in most cases when legal title is transferred), the amount of the revenue can be measured reliably and it is probable that the economic benefits of the transaction will flow to the Group;
- revenue from the sale of services, such as extended warranties, services directly related to the sale of goods and services rendered to suppliers are recognised in the period during which they are performed. When a service is combined with various commitments, such as volume commitments, the Group analyses facts and legal patterns in order to determine the appropriate timing of recognition. Accordingly, revenue may either be recognised immediately (the service is considered as having been performed) or deferred over the period during which the service is performed or the commitment fulfilled.

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

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

(€ millions)	**2016**	2015 restated
Net sales	36,030	35,312
Other income	542	526
TOTAL REVENUE	**36,572**	**35,838**

6.2. Cost of goods sold

Accounting principle

Gross margin

Gross margin corresponds to the difference between "Net sales" and the "Cost of goods sold".

"Cost of goods sold" comprises the cost of purchases net of discounts, commercial cooperation fees and any tax credits associated with the purchases, changes in retail inventories and logistics costs.

Commercial cooperation fees are measured based on contracts signed with suppliers. They are billed in instalments over the year. At each year-end, an accrual is recorded for the amount receivable or payable, corresponding to the difference between the value of the services actually rendered to the supplier and the sum of the instalments billed during the year.

Change in inventories

Changes in inventories, which may be positive or negative, are determined after taking into account any impairment losses. Changes in inventories related to property development and property trading business activities are included in "Selling expenses".

Logistics costs

Logistics costs correspond to the cost of logistics operations managed or outsourced by the Group, comprising all warehousing, handling and freight costs incurred after goods are first received at one of the Group's stores or warehouses. Transport costs included in suppliers' invoices (*e.g.* for goods purchased on a "delivery duty paid" or "DDP" basis) are included in purchase costs. Outsourced transport costs are recognised under "logistics costs".

(€ millions)	**2016**	2015 restated
Purchases and change in inventories	(25,958)	(25,414)
Logistics costs	(1,406)	(1,400)
COST OF GOODS SOLD	**(27,364)**	**(26,814)**

6.3. Expenses by nature and function

Accounting principle

Selling expenses
Selling expenses consist of point-of-sale costs, property development and property trading business costs and changes in inventories.

General and administrative expenses
General and administrative expenses correspond to overheads and the cost of corporate units, including the purchasing and procurement, sales and marketing, IT and finance functions.

Pre-opening and post-closure costs
When they do not meet the criteria for capitalisation, costs incurred prior to the opening or after the closure of a store are recognised in operating expense when incurred.

(€ millions)	Logistics costs(1)	Selling expenses	General and administrative expenses	**2016**
Employee benefits expense	(486)	(3,158)	(766)	(4,410)
Other expenses	(883)	(3,216)	(408)	(4,507)
Depreciation and amortisation expense (Note 6.4)	(37)	(497)	(129)	(663)
TOTAL	**(1,406)**	**(6,871)**	**(1,303)**	**(9,580)**

(€ millions)	Logistics costs(1)	Selling expenses	General and administrative expenses	2015 restated
Employee benefits expense	(504)	(3,178)	(720)	(4,402)
Other expenses	(854)	(3,119)	(361)	(4,334)
Depreciation and amortisation expense (Note 6.4)	(42)	(520)	(130)	(692)
TOTAL	**(1,400)**	**(6,817)**	**(1,210)**	**(9,427)**

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

A competitiveness and employment tax credit (CICE) was introduced in France, corresponding to a tax credit (refundable if not used within three years) based on a percentage of salaries that do not exceed 2.5x the French minimum wage (SMIC). The rate was 6% in 2016 (9% for Vindémia), rising to 7% for salaries paid as from 1 January 2017.

The Group recognised in 2016 this CICE income of €96 million (2015: €93 million) as a deduction from employee benefits expense and sold without recourse its receivable for €88 million net of the discount (2015: €88 million).

6.4. Depreciation and amortisation

(€ millions)	Notes	**2016**	2015
Amortisation of intangible assets	10.2.2	(136)	(140)
Depreciation of property, plant and equipment	10.3.2	(600)	(709)
Depreciation of investment property	10.4.2	(10)	(35)
Lease payments for land use		(2)	(13)
TOTAL DEPRECIATION AND AMORTISATION EXPENSE		**(747)**	**(897)**
Depreciation and amortisation expense reported under "Profit from discontinued operations"		84	205
DEPRECIATION AND AMORTISATION EXPENSE OF CONTINUING OPERATIONS	**6.3**	**(663)**	**(692)**

6.5. Other operating income and expenses

Accounting principle

This caption covers two types of items:

- Income and expenses arising from major events occurring during the period that would distort analyses of the Group's recurring profitability. They are defined as significant items of income and expense that are limited in number, unusual or abnormal, whose occurrence is rare. Examples include restructuring costs and provisions and expenses for litigation and risks.
- Income and expenses which, by definition, are not included in an assessment of a business unit's recurring operating performance, such as gains and losses on disposals of non-current assets, impairment losses on non-current assets, and income/expenses related to changes in the scope of consolidation (for example, transaction costs and fees for acquisitions of control, gains and losses from disposals of subsidiaries, remeasurement at fair value of previously-held interests).

(€ millions)	**2016**	2015 restated
Total other operating income	242	498
Total other operating expenses	(867)	(846)
	(625)	**(349)**
BREAKDOWN BY TYPE		
Gains and losses on disposal of non-current assets(6)	13	21
Net impairment losses of assets(1) (6)	(49)	(28)
Net income/(expense) related to changes in scope of consolidation(2) (6)	(154)	72
Gains and losses on disposal of non-current assets, net impairment losses of assets and net income (expense) related to changes in scope of consolidation	**(190)**	**65**
Restructuring provisions and expenses(3) (6)	(252)	(252)
Provisions and expenses for litigation and risks(4) (6)	(123)	(123)
Other(5)	(60)	(39)
Other operating income and expenses	**(435)**	**(414)**
TOTAL NET OTHER OPERATING INCOME (EXPENSES)	**(625)**	**(349)**

(1) Impairment losses recognised in 2016 mainly concerned isolated store assets in the France Retail segment (mainly Franprix-Leader Price and Distribution Casino France for €28 million) and the E-commerce segment for €10 million. In 2015, impairment loss primarily concerned isolated assets in the France Retail and E-commerce segments for €15 million and €10 million, respectively.

(2) In 2016, the €154 million net expense related to changes in the scope of consolidation concerned the France Retail segment for €143 million, primarily reflecting changes in the Franprix-Leader Price subgroup for €72 million (including €59 million for the transactions described in Note 3.1.4) and Distribution Casino France for €34 million (Note 3.1.5), and transaction costs of €19 million, partly offset by the €16 million effect of measuring at fair value the previously-held interest in Geimex when the Group acquired control of this company (Note 3.1.6). The €72 million net income recognised in 2015 included the €262 million positive effect of measuring at fair value the previously-held interest in Disco when the Group acquired control of this company (Note 3.2.1), costs of -€56 million for the reorganisation of operations in Latin America, and the effects of changes in consolidation scope in the France Retail segment, together with related expenses, for a total of -€125 million (mainly €58 million for the transaction at Franprix-Leader Price described in Note 3.2.3 and €48 million in development fees).

(3) Restructuring provisions and expenses for 2016 mainly concerned the France Retail segment for €207 million (including employee costs of €58 million, rent of closed stores of €25 million, external costs of €57 million and impairment losses and scrapped assets of €67 million) and GPA for €26 million. Restructuring provisions and expenses for 2015 mainly concerned the France Retail segment for €195 million (including employee severance costs of €50 million, store closure costs of €70 million and costs of €71 million for deployment of the new concept) and GPA for €31 million.

(4) Provisions and charges for litigation and risks concerned GPA for an amount of €106 million, mainly covering tax risks. In 2015, provisions and expenses for litigation and risks concerned the Latam Retail segment (primarily GPA) for €92 million and the France Retail segment for €28 million. The largest single item concerned the litigation with Morzan Empreendimentos (€113 million).

(5) Including €43 million related to the 2015 tax on retail space (TaSCom) payable in France. Following the introduction of new tax rules which led to a change in the period in which this levy is recognised, the TaSCom due for 2015 was recognised in full at the beginning of 2016 (in "Other operating expenses") and the TaSCom for 2016 was recognised on a straight line basis over the year (in "Trading profit").

(6) Reconciliation of the breakdown of asset impairment losses with the tables of assets movements:

(€ millions)	Notes	**2016**	2015 restated
Goodwill impairment losses	10.1.2	(2)	(3)
Impairment (losses)/reversals on intangible assets, net	10.2.2	(15)	(20)
Impairment (losses)/reversals on property, plant and equipment, net	10.3.2	(98)	(93)
Impairment (losses)/reversals on other assets, net		(1)	(7)
TOTAL NET IMPAIRMENT LOSSES		**(116)**	**(122)**
Net impairment losses of discontinued operations		-	2
NET IMPAIRMENT LOSSES OF CONTINUING OPERATIONS		**(116)**	**(119)**
of which presented under "Restructuring provisions and expenses"(1)		*(58)*	*(48)*
of which presented under "Net impairment (losses)/reversals of assets"		*(49)*	*(28)*
of which presented under "Net income/(expense) related to changes in scope of consolidation"		*(8)*	*(46)*
of which presented under "Gains and losses on disposal of non-current assets"		*(1)*	*5*

(1) Of which €32 million concerning Franprix-Leader Price, €12 million concerning Distribution Casino France and €12 million concerning Monoprix in 2016.

6.6. Inventories

Accounting principle

Inventories are measured at the lower of cost and probable net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Provisions for impairment of inventories is recognised if the probable net realisable value is lower than cost. This analysis is made taking into account the business unit's operating environment and the type, age and turnover characteristics, and sales pattern of the products concerned.

The cost of inventories is determined by the first-in-first-out (FIFO) method, except for inventories held by the GPA subgroup which uses the weighted average unit cost method, primarily for tax reasons. As GPA's inventory turnover rate is very high, inventory values would not be materially different if the FIFO method was applied. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing them to their present location and condition. Accordingly, logistics costs are included in the carrying amount together with supplier discounts deducted from "Cost of goods sold". The cost of inventories also includes gains or losses on cash flow hedges of future inventory purchases initially accumulated in equity.

For its property development and property trading businesses, the Casino Group recognises assets and projects in progress in inventories.

(€ millions)	**2016**	2015
Goods	3,842	4,676
Property assets	247	319
Gross amount	**4,089**	**4,995**
Accumulated impairment losses on goods	(56)	(73)
Accumulated impairment losses on property assets	(43)	(38)
Accumulated impairment losses	**(99)**	**(111)**
NET INVENTORIES	**3,990**	**4,884**

6.7. Trade receivables

Accounting principle

Trade receivables are current financial assets (Note 11) initially recognised at fair value and subsequently measured at amortised cost less any impairment losses. The fair value of trade receivables usually corresponds to the amount on the invoice. An impairment loss is recognised for trade receivables as soon as a probable loss emerges. Trade receivables can be sold to banks and continue to be carried as assets in the statement of financial position for as long as all the related risks and rewards are not transferred to a third party.

6.7.1. Breakdown of trade receivables

(€ millions)	**2016**	2015
Trade receivables	957	1,005
Accumulated impairment losses on trade receivables	(76)	(95)
Trade receivables from credit activity (Via Varejo)	-	435
Accumulated impairment losses on trade receivables from credit activity (Via Varejo)	-	(59)
NET TRADE RECEIVABLES	**880**	**1,287**

6.7.2. Accumulated impairment losses on trade receivables

(€ millions)	2016	2015
ACCUMULATED IMPAIRMENT LOSSES ON TRADE RECEIVABLES		
As at 1 January	**(95)**	**(95)**
Additions	(137)	(57)
Reversals	144	53
Changes in scope of consolidation	1	-
Reclassified as "Assets held for sale"	15	-
Other reclassifications	(2)	-
Effect of movements in exchange rates	(3)	3
AS AT 31 DECEMBER	**(76)**	**(95)**
ACCUMULATED IMPAIRMENT LOSSES ON CONSUMER FINANCE RECEIVABLES		
As at 1 January	**(59)**	**(73)**
Additions	(17)	(5)
Reversals	3	-
Changes in scope of consolidation	-	-
Reclassified as "Assets held for sale"	90	-
Other reclassifications	-	-
Effect of movements in exchange rates	(17)	19
AS AT 31 DECEMBER	**-**	**(59)**

The criteria for recognising impairment losses are presented in Note 11.5.3 "Counterparty Risk".

6.8. Other current assets

6.8.1. Breakdown of other current assets

(€ millions)	Notes	2016	2015
Other receivables		1,151	1,165
Financial assets held for cash management purposes and short-term financial investments	11.2	32	71
Financial assets arising from a significant disposal of non-current assets	11.2	7	12
Tax and employee-related receivables in Brazil	6.9	158	208
Current accounts of non-consolidated companies		31	40
Accumulated impairment losses on other receivables and current account	6.8.2	(29)	(35)
Fair value hedges – assets	11.5.1	34	231
Derivatives not qualifying for hedge accounting and cash flow hedges – assets	11.5.1	23	27
Prepaid expenses		135	139
OTHER CURRENT ASSETS		**1,542**	**1,857**

Other receivables primarily include tax and employee-related receivables and receivables from suppliers. Prepaid expenses mainly concern purchases, rent, other occupancy costs and insurance premiums.

6.8.2. Accumulated impairment losses on other receivables and current accounts

(€ millions)	**2016**	2015
As at 1 January	(35)	(74)
Additions	(29)	(23)
Reversals	32	62
Changes in scope of consolidation	-	-
Reclassified as "Assets held for sale"	4	-
Other reclassifications and movements	-	(2)
Effect of movements in exchange rates	-	2
AS AT 31 DECEMBER	**(29)**	**(35)**

6.9. Other non-current assets

(€ millions)	Notes	**2016**	2015
Available-for-sale financial assets (AFS)		37	40
Non-current fair value hedges – assets	11.5.1	257	418
Other financial assets		495	623
Loans		*145*	*97*
Non-hedge derivatives – assets	*11.5.1*	*12*	*-*
Loans and advances to non-consolidated companies and others		*84*	*91*
Legal deposits paid by GPA	*13.2*	*193*	*229*
Other non-current receivables		*62*	*206*
Tax and employee-related receivables in Brazil (see below)		184	567
Prepaid expenses		106	209
OTHER NON-CURRENT ASSETS		**1,080**	**1,858**

GPA has a total of €342 million in tax receivables (of which €184 million for the non-current portion), corresponding primarily ICMS (VAT) for €159 million, PIS/COFINS (VAT) and INSS (employer social security contributions). The subsidiary estimates that the main tax receivable (ICMS) will be recovered in the following periods:

(€ millions)	**2016**
Within one year	54
In one to five years	89
In more than five years	16
TOTAL	**159**

GPA recognises ICMS and other tax credits when it has formally established and documented its right to use the credits and expects to use them within a reasonable period. These credits are recognised as a deduction from the cost of goods sold (Note 6.2).

6.10. Other liabilities

	2016			2015		
(€ millions)	Non-current portion	Current portion	Total	Non-current portion	Current portion	Total
Derivative instruments – liabilities (Note 11.5.1)[1]	343	1	344	251	268	519
Accrued tax and employee-related liabilities	173	1,443	1,616	142	1,586	1,728
Sundry liabilities	33	879	912	40	1,169	1,208
Amounts due to suppliers of fixed assets	60	263	324	20	299	319
Current account advances	-	10	10	-	4	4
Liabilities of credit activity (Via Varejo)[2]	-	-	-	39	535	574
Deferred income[3]	9	199	208	295	265	560
TOTAL	**618**	**2,795**	**3,413**	**786**	**4,126**	**4,912**

(1) Primarily comprises the fair value of total return swaps (TRS) and forward instruments (Note 11.3.2).
(2) Reclassified as "Liabilities associated with assets held for sale".
(3) Including in 2015, deferred income of BRL 777 million (€180 million) recognised in the Via Varejo subsidiary following collection of an advance payment of BRL 850 million (€264 million) in 2014, related to an agreement for the exclusive sale of extended warranties with Zurich Minas Brasil Seguros S.A. Via Varejo also received a BRL 704 million (€163 million) advance in 2015 under the renegotiated agreement with Bradesco for the issue of Casas Bahia store cards. The amount recorded in deferred income at 31 December 2015 was BRL 699 million (€162 million). Impact of these two operations have been reclassified as "Liabilities associated with assets held for sale" in accordance with IFRS 5.

6.11. Off-balance sheet commitments

Accounting principle

To the best of Management's knowledge, as at 31 December 2016 there were no off-balance sheet commitments likely to have a material effect on the Group's current or future financial position other than those described below.

The completeness of this information is checked by the Finance, Legal and Tax departments, which also participate in drawing up contracts that are binding on the Group.

Commitments entered into in the ordinary course of business mainly concern the Group's operating activities except for undrawn confirmed lines of credit, which represent a financing commitment.

Off-balance sheet commitments involving entities included in the scope of consolidation are presented in Note 3.4.2 and lease commitments in Note 7.

6.11.1. Commitments given

The amounts disclosed in the table below represent the maximum (undiscounted) potential amounts that might have to be paid under guarantees issued by the Group. They are not netted against sums which might be recovered through legal action or counter-guarantees received by the Group.

(€ millions)	2016	2015
Assets pledged as collateral[1]	252	205
Bank guarantees given[2]	2,139	1,966
Guarantees given in connection with disposals of non-current assets[3]	35	248
Other commitments	64	57
TOTAL COMMITMENTS GIVEN[4]	**2,491**	**2,476**
Due:		
Within one year	130	381
In one to five years	2,347	2,060
In more than five years	13	35

(1) Assets pledged, mortgaged or otherwise given as collateral. Concerns GPA for €252 million (31 December 2015: €202 million), mainly in connection with the tax disputes described in Note 13.2.
(2) As at 31 December 2016, includes bank guarantees given by GPA, mainly in connection with the tax disputes described in Note 13.2 for €2,057 million (31 December 2015: €1,826 million including Cnova Brazil for €30 million).
(3) Including €200 million in relation to the issue of Monoprix mandatory convertible bonds as at 31 December 2015 (Note 12.6).
(4) Including €34 million of bank guarantees given by Big C Thailand as at 31 December 2015.

6.11.2. Commitments received

The amounts disclosed in the table below represent the maximum (undiscounted) potential amounts in respect of commitments received.

(€ millions)	**2016**	2015
Bank guarantees received	75	85
Secured financial assets	80	78
Undrawn confirmed lines of credit (Note 11.2.3)	4,342	4,515
Other commitments	64	40
TOTAL COMMITMENTS RECEIVED[(1)]	**4,560**	**4,719**
Due:		
Within one year	*704*	*858*
In one to five years	*3,724*	*3,230*
In more than five years	*132*	*630*

(1) Including €204 million in confirmed, undrawn lines of credit available to Big C Thailand as at 31 December 2015.

Note 7. Leases

Accounting principle

At the inception of an agreement, the Group determines whether the agreement is or contains a lease agreement.

The Group's lease agreements are recognised in accordance with IAS 17 which distinguishes between finance leases and operating leases.

Finance lease agreements

Lease agreements for property, plant and equipment that transfer nearly all the risks and benefits inherent to ownership are classified as finance leases.

Leased assets are initially recorded at the lower of the fair value of the asset and the present value of the minimum lease payments. After initial recognition, the assets are depreciated over their expected useful life in the same way as other assets in the same category, or over the lease term if shorter, unless the Group has a reasonable certainty that it will obtain ownership at the end of lease.

Minimum finance lease payments are apportioned between interest's expense and the reduction of the outstanding liability. The finance charge is allocated to each period covered by the lease agreement so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating leases

The other lease agreements are classified as operating leases and are not recognised in the Group's statement of financial position.

Payments made under operating leases are recognised as an expense in the income statement on a straight-line basis over the lease term. Incentives received from the lessor are an integral part of the total net rental expense and are recorded as a reduction of the rental expense over the lease term.

Operating lease commitments (Note 7.3) correspond to fixed future minimum payments calculated over the non-cancellable term of operating leases.

Prepaid rents

In Vietnam and Thailand, the Group made lease payments in advance linked to the use of the land. These payments were initially recognised as prepaid expenses and recorded in profit or loss over the lease term.

7.1. Operating lease expenses

Rental expenses related to operating leases amounted to €875 million in 2016 (including €791 million for real estate leases, of which €532 million in the France Retail segment and €183 million in Brazil) and €874 million in 2015 (including €795 million for real estate leases, of which €557 million in the France Retail segment and €163 million in Brazil). This information only concerns continuing operations.

The amount of future operating lease payments and minimum lease payments to be received under non-cancellable sub-leases are presented in Note 7.3.

7.2. Prepaid rents

Non-current prepaid expenses (Note 6.9) included prepaid rents of €135 million as at 31 December 2015. They corresponded to the right to use lands in Thailand over an average period of 26 years, and with the cost recognised over the period of use.

7.3. Operating lease commitments (off-balance sheet)

Real estate leases where the Group is lessee

The Group has operating leases on properties used in the business that it does not own. Future minimum lease payments, corresponding to the payments due over the non-cancellable term of operating leases plus any lease termination penalties, break down as follows:

	Future minimum lease payments	
(€ millions)	2016	2015
Due within one year	650	764
Due in one to five years	954	1,018
Due beyond five years	475	682
TOTAL	**2,079**	**2,464**
of which France	*1,361*	*1,294*
of which GPA food	*99*	*68*
of which Via Varejo(1)	*-*	*241*
of which Éxito	*491*	*453*
of which Uruguay	*75*	*98*
of which Thailand	*-*	*259*
of which E-commerce	*53*	*49*

(1) Minimum lease payments of Via Varejo discontinued operations non-included in the table above amount to €332 million as at 31 December 2016.

Future minimum lease payments receivable under non-cancellable sub-leases amounted to €50 million as at 31 December 2016 (31 December 2015: €88 million, including €45 million for Thailand).

Equipment leases where the Group is lessee

The Group enters into operating leases on certain items of equipment that it does not wish to ultimately own. The future minimum lease payments under non-cancellable operating leases break down as follows:

	Future minimum lease payments	
(€ millions)	2016	2015
Due within one year	94	68
Due in one to five years	275	158
Due beyond five years	67	43
TOTAL(1)	**435**	**269**

(1) Primarily equipment leases in the France Retail segment.

Future minimum lease payments receivable under non-cancellable sub-leases amounted to €8 million as at 31 December 2016 (31 December 2015: none).

Operating leases where the Group is lessor

The Group is also a lessor through its real estate business. Future minimum lease payments receivable under non-cancellable operating leases break down as follows:

	Future minimum lease payments	
(€ millions)	2016	2015
Due within one year	56	108
Due in one to five years	95	112
Due beyond five years	59	73
TOTAL(1)	**210**	**294**

(1) Including, at 31 December 2015, €101 million of future minimum lease payments receivable in Thailand.

Conditional rental revenue received by the Group and recorded in the income statement in 2016 amounted to €15 million (2015: €12 million).

7.4. Finance lease expenses

Contingent rental payments related to finance lease recorded in the income statement amounted to €7 million in 2016 (2015: €1 million).

Future minimum lease payments under finance leases are presented in Note 7.6.

7.5. Finance leases

The Group has finance lease agreements which break down as follows:

	2016			2015		
(€ millions)	Gross amount	Accumulated depreciation	Net	Gross amount	Accumulated depreciation	Net
Intangible assets	102	(56)	47	87	(44)	43
Land	26	(2)	24	29	(2)	27
Buildings	186	(106)	81	199	(109)	90
Equipment and other	439	(415)	23	497	(460)	37
TOTAL	**754**	**(579)**	**175**	**812**	**(615)**	**197**

7.6. Finance lease commitments

The Group has finance leases agreement on real-estate assets and investment properties on one hand and on equipment items on the other hand. The table below compares future minimum lease payments under finance leases before and after discounting.

As at 31 December 2016, the Group had lease liabilities of €79 million (Note 11.2), of which €18 million related to real estate assets and €61 million to equipment.

Finance leases on real estate where the Group is lessee

	2016		2015	
(€ millions)	Future minimum lease payments	Present value of future minimum lease payments	Future minimum lease payments	Present value of future minimum lease payments
Due within one year	6	2	5	3
Due in one to five years	19	7	17	9
Due beyond five years	49	9	38	7
Total future minimum lease payments	**73**	**18**	**60**	**19**
Interest expense	(55)		(42)	
TOTAL PRESENT VALUE OF FUTURE MINIMUM LEASE PAYMENTS	**18**		**19**	

Finance leases on equipment where the Group is lessee

	2016		2015	
(€ millions)	Future minimum lease payments	Present value of future minimum lease payments	Future minimum lease payments	Present value of future minimum lease payments
Due within one year	16	13	17	13
Due in one to five years	50	47	50	40
Due beyond five years	1	1	10	9
Total future minimum lease payments	**67**	**61**	**78**	**62**
Interest expense	(7)		(16)	
TOTAL PRESENT VALUE OF FUTURE MINIMUM LEASE PAYMENTS	**61**		**62**	

Note 8. Employee benefits expenses

8.1. Employee benefits expenses by function

Employee expenses are analysed by function in Note 6.3.

8.2. Provisions for pensions and other post-employment benefits

Accounting principle

Provisions for pensions and other post-employment benefits

Group companies provide their employees with various employee benefit plans depending on local laws and practice.

- **Under defined contribution plans,** the Group pays fixed contributions into a fund and has no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. Contributions to these plans are expensed as incurred.
- **Under defined benefit plans,** the Group's obligation is measured using the projected unit credit method based on the agreements effective in each company. Under this method, each period of service gives rise to an additional unit of benefit entitlement and each unit is measured separately to build up the final obligation. The final obligation is then discounted. The actuarial assumptions used to measure the obligation vary according to the economic conditions prevailing in the relevant country. The obligation is measured by independent actuaries annually for the most significant plans and for the employment termination benefit, and regularly for all other plans. Assumptions include expected rate of future salary increases, estimated average years of service, life expectancy and staff turnover rates.

  Actuarial gains and losses arise from the effects of changes in actuarial assumptions and experience adjustments (differences between results based on previous actuarial assumptions and what has actually occurred). All actuarial gains and losses arising on defined benefit plans are recognised immediately in other comprehensive income.

Past service cost, corresponding to the increase in the benefit obligation resulting from the introduction of a new benefit plan or modification of an existing plan is expensed immediately.

The expense in the income statement comprises:

- service cost, *i.e.* the cost of services provided during the year, recognised in trading profit;
- past service cost and the effect of plan curtailments or settlements, generally recognised in "Other operating income and expenses";
- Interest cost, corresponding to the discounting adjustment to the projected benefit obligation net of the return on plan assets, recorded in "Other financial income and expenses". Interest cost is calculated by applying the discount rate defined in IAS 19 to the net obligation (*i.e.*, the projected obligation less related plan assets) recognised in respect of defined benefit plans, as determined at the beginning of the year.

The provision recognised in the statement of financial position is measured as the net present value of the obligation less the fair value of plan assets.

Provisions for other long-term employee benefits during service

- **Other in-service-long-term employee benefits,** such as jubilees, are also covered by provisions, determined on the basis of an actuarial estimate of vested rights as of the reporting date. Actuarial gains and losses on these benefit plans are recognised immediately in profit or loss.

8.2.1. Breakdown of provisions for pensions and other post-employment benefits and for long-term employee benefits

	2016			2015		
(€ millions)	Non-current portion	Current portion	Total	Non-current portion	Current portion	Total
Pensions	263	10	273	256	8	264
Jubilees	36	1	37	37	1	38
Bonuses for services rendered	13	1	14	14	-	15
PROVISIONS FOR PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS AND FOR LONG-TERM EMPLOYEE BENEFITS	**312**	**12**	**324**	**307**	**9**	**316**

8.2.2. Presentation of pension plans

Defined contribution plan

Defined contribution plans are plans in which the company pays regular contributions into a fund. The company's obligation is limited to the amount it agrees to contribute to the fund and it offers no guarantee that the fund will have sufficient assets to pay all of the employees' entitlements to benefits. This type of plan predominantly concerns employees of the Group's French subsidiaries, who are covered by the general social security system, which is administered by the French government.

In 2016, the cost of defined contribution plans – covering 87% by the Group's French subsidiaries – was €335 million (2015: €350 million cost excluding discontinued operations, covering 86% by French subsidiaries).

Defined benefit plan

In certain countries, local laws or conventional agreements provide for the payment of a lump sum to employees either when they retire or at certain times post-retirement, based on their years of service and final salary at the age of retirement.

8.2.3. Main assumptions used in determining total defined benefit obligations (pension plans)

Defined benefit plans are exposed to risks concerning future interest rates, salaries and mortality rates.

The following table presents the main actuarial assumptions used to measure the projected benefit obligation:

	France		International	
	2016	2015	**2016**	2015
Discount rate	1.7%	2.2%	1.7% - 7.8%	2.0% - 7.5%
Expected rate of future salary increases	1.5% - 2.0%	1.5% - 2.0%	1.9% - 3.5%	1.31% - 10.0%
Retirement age	62-64 years	62-64 years	57-65 years	55-65 years

For French companies, the discount rate is determined by reference to the Bloomberg 15-year AA corporate composite index.

Sensitivity analysis

A 100-basis point increase (decrease) in the discount rate would have the effect of reducing the projected benefit obligation by 9.8% (increasing the projected benefit obligation by 14.7%).

A 100-basis point increase (decrease) in the expected rate of salary increases would have the effect of increasing the projected benefit obligation by 14.4% (reducing the projected benefit obligation by 9.7%).

8.2.4. Change in projected benefit obligations and plan assets

The following tables show a reconciliation of the projected benefit obligations of all Group companies to the provisions recognised in the consolidated financial statements for the years ended 31 December 2016 and 31 December 2015.

		France		International		Total	
(€ millions)		**2016**	2015	**2016**	2015	**2016**	2015
Projected benefit obligation as at 1 January		269	252	26	31	295	284
Items included in the income statement		14	10	1	4	15	14
Service cost		14	12	1	2	14	14
Interest cost		5	4	1	1	6	5
Past service cost		-	-	-	1	-	1
Curtailments/settlements		(5)	(6)	-	-	(5)	(6)
Items included in other comprehensive income		17	32	2	-	19	32
(1) Actuarial (gains) and losses related to:		17	32	1	1	18	33
(i) changes in financial assumptions		*11*	*(8)*	*1*	*1*	*12*	*(7)*
(ii) changes in demographic assumptions[(1)]		*5*	*37*	-	-	*5*	*37*
(iii) experience adjustments		*1*	*3*	-	-	*1*	*3*
(2) Effect of movements in exchange rates		-	-	1	(1)	1	(1)
Other		(13)	(25)	(15)	(10)	(28)	(35)
Paid benefits		(12)	(11)	(1)	(1)	(12)	(12)
Changes in scope of consolidation		(2)	(1)	(15)	-	(2)	(1)
Other movements		1	(13)	-	(9)	1	(22)
Projected benefit obligation as at 31 December	**A**	**288**	**269**	**14**	**26**	**302**	**295**
Weighted average duration of plans						15	14

(1) In 2015, the impact was primarily the result of using revised staff turnover rates.

		France		International		Total	
(€ millions)		**2016**	2015	**2016**	2015	**2016**	2015
Fair value of plan assets as at 1 January		31	35	-	-	31	35
Items included in the income statement		-	-	-	-	-	-
Interest on plan assets		-	-	-	-	-	-
Items included in other comprehensive income		1	1	-	-	1	1
Actuarial (losses) gains (experience adjustments)		1	1	-	-	1	1
Effect of movements in exchange rates		-	-	-	-	-	-
Other		(3)	(5)	-	-	(3)	(5)
Paid benefits		(3)	(5)	-	-	(3)	(5)
Changes in scope of consolidation		-	-	-	-	-	-
Other movements		-	-	-	-	-	-
Fair value of plan assets as at 31 December	**B**	**29**	**31**	**-**	**-**	**29**	**31**

		France		International		Total	
(€ millions)		**2016**	2015	**2016**	2015	**2016**	2015
NET POST-EMPLOYMENT BENEFIT OBLIGATION	**A-B**	**259**	**238**	**14**	**26**	**273**	**264**
Unfunded projected benefit obligation under funded plans		79	71	-	-	79	71
Projected benefit obligation under funded plans		108	103	-	-	108	103
Fair value of plan assets		(29)	(31)	-	-	(29)	(31)
Projected benefit obligation under unfunded plans		180	166	14	26	194	192

Plan assets consist mainly of units in fixed-rate bond funds.

Reconciliation of provisions recorded in the statement of financial position

	France		International		Total	
(€ millions)	**2016**	2015	**2016**	2015	**2016**	2015
As at 1 January	238	218	26	31	264	249
Expense for the year	14	10	1	4	15	14
Actuarial gains or losses recognised in equity	16	31	1	1	18	32
Effect of movements in exchange rates	-	-	1	(1)	1	(1)
Paid benefits	(7)	(6)	(1)	(1)	(7)	(7)
Partial reimbursement of plan assets	-	-	-	-	-	-
Changes in scope of consolidation	(2)	(1)	(15)	-	(16)	(1)
Other movements	(1)	(13)	-	(9)	(1)	(22)
AS AT 31 DECEMBER	**259**	**238**	**14**	**26**	**273**	**264**

Breakdown of expense for the year

	France		International		Total	
(€ millions)	**2016**	2015	**2016**	2015 restated	**2016**	**2015 restated**
Service cost	14	12	1	2	14	14
Interest cost(1)	5	4	1	1	6	5
Past service cost	-	-	-	1	-	1
Curtailments/settlements	(5)	(6)	-	-	(5)	(6)
EXPENSE FOR THE YEAR	**14**	**10**	**1**	**4**	**15**	**14**
Expense for the year of discontinued operations	-	-	-	(2)	-	(2)
EXPENSE FOR THE YEAR OF CONTINUING OPERATIONS	**14**	**10**	**1**	**2**	**15**	**12**

(1) Reported under "Other financial income and expenses".

Undiscounted future cash flows

		Undiscounted cash flows					
(€ millions)	Statement of financial position	2017	2018	2019	2020	2021	Beyond 2021
Post-employment benefits	273	9	5	10	12	18	833

8.3. Share-based payment

Accounting principle

Share-based payments

Management and selected employees of the Group receive stock options (options to purchase or subscribe for shares) and free shares.

The benefit represented by stock options, measured at fair value on the grant date, constitutes additional compensation. The fair value of the options at the grant date is recognised in "Employee benefits expense" over the option vesting period or in "Other operating expenses" when the benefit relates to a transaction that is also recognised in "Other operating income and expenses" (Note 6.5). The fair value of options is determined using the Black & Scholes option pricing model, based on the plan attributes, market data (including the market price of the underlying shares, share price volatility and the risk-free interest rate) at the grant date and assumptions concerning the probability of grantees remaining with the Group until the options vest.

The fair value of free shares is also determined on the basis of the plan attributes, market data at the grant date and assumptions concerning the probability of grantees remaining with the Group until the shares vest. If the free shares are not subject to any vesting conditions, the cost of the plan is recognised in full on the grant date. Otherwise it is deferred and recognised over the vesting period as and when the vesting conditions are met. When free shares are granted to employees in connection with a transaction affecting the scope of consolidation, the related cost is recorded in "Other operating income and expenses".

Free shares are granted to certain company managers and store managers. In certain cases, the shares vest in tranches, subject to the attainment of a performance target for the period concerned. In all cases, the shares are forfeited if the grantee leaves the Group before the end of the vesting period.

8.3.1. Impact of share-based payments on earnings and equity

The total net expense of share-based payment plans recorded in the income statement was €15 million in 2016 (2015: €7 million), including €8 million for Casino, Guichard-Perrachon and €7 million for GPA. The impact on equity was an increase for the same amount.

8.3.2. Casino, Guichard-Perrachon stock option plans

As at 31 December 2016, no Casino, Guichard-Perrachon stock options were outstanding. The last two stock option plans expired in 2015.

8.3.3. Free share plans

Free share plan features and assumptions

Date of plan	Vesting date	Number of free shares authorised	Of which number of performance shares[1]	**Number of unvested shares at 31 December 2016**	Share price[2]	Fair value of the share *(in €)*[2]
15/12/2016	15/12/2018	11,418	-	11,418	46.42	41.70
15/12/2016	15/12/2017	2,629	-	2,629	46.42	41.52
14/10/2016	14/10/2019	20,859	-	20,859	41.96	32.53
14/10/2016	01/07/2019	3,477	3,477	3,477	41.96	32.52
14/10/2016	01/07/2018	3,477	3,477	3,477	41.96	34.77
14/10/2016	31/03/2019	870	-	870	41.96	35.68
14/10/2016	31/03/2018	939	-	939	41.96	37.01
14/10/2016	14/10/2018	33,157	-	33,157	41.96	35.69
14/10/2016	14/10/2017	77,525	-	77,525	41.96	35.69
14/06/2016	14/01/2019	9,780	-	9,780	49.98	43.70
14/06/2016	14/06/2018	15,007	-	13,185	49.98	43.70
13/05/2016	13/05/2019	25,800	25,800	25,800	53.29	31.89
13/05/2016	13/05/2020	7,178	7,178	7,178	53.29	34.45
13/05/2016	13/05/2018	100,685	99,909	99,909	53.29	34.38
13/05/2016	13/01/2019	17,610	-	17,610	53.29	43.89
13/05/2016	13/05/2018	57,735	-	54,970	53.29	47.04
13/05/2016	13/01/2018	52,176	-	52,176	53.29	45.11
13/05/2016	13/11/2017	70,491	-	69,424	53.29	44.63
13/05/2016	13/05/2017	70,413	-	70,413	53.29	46.33
06/05/2014	06/05/2019	3,750	1,556	1,556	90.11	69.28
06/05/2014	06/05/2017	36,672	10,884	10,884	90.11	67.34
06/05/2014	06/05/2017	3,046	-	3,046	90.11	71.12
06/05/2014	06/05/2018	1,139	-	1,139	90.11	76.79
18/10/2013	18/10/2017	2,705	-	1,932	83.43	70.09
18/10/2013	18/10/2018	7,857	-	5,281	83.43	66.27
TOTAL				**598,634**		

(1) Performance conditions mainly concern organic sales growth and the level of trading profit or EBITDA of the company that employs the grantee.
(2) Weighted average.

Changes in free shares

Free share grants	**2016**	2015
Unvested shares as at 1 January	**117,055**	**166,864**
Free share rights granted	581,226	5,331
Free share rights cancelled	(44,264)	(33,144)
Shares issued	(55,383)	(21,996)
NUMBER OF UNVESTED SHARES AS AT 31 DECEMBER	**598,634**	**117,055**

8.3.4. Features of GPA stock option plans

The exercise price of Silver stock options corresponds to the average of the last 20 closing prices for GPA shares quoted on Bovespa, less a 20% discount. Silver options are exercisable for a fixed number of shares and Gold options (A7 Series) for a variable number of shares, depending on the company's return on capital employed (ROCE). Gold options may not be exercised independently from Silver options.

Name of plan	Grant date	Exercise period start date	Expiry date	Number of options granted *(in thousands)*	Option exercise price *(in reals)*	**Number of options outstanding as at 31 December 2016 *(in thousands)***
C3 Series	30/05/2016	30/05/2019	30/11/2019	823	37.21	785
B3 Series	30/05/2016	30/05/2019	30/11/2019	823	0.01	630
C2 Series	29/05/2015	01/06/2018	30/11/2018	337	77.27	282
B2 Series	29/05/2015	01/06/2018	30/11/2018	337	0.01	230
C1 Series	30/05/2014	30/05/2017	30/11/2017	239	83.22	144
B1 Series	30/05/2014	30/05/2017	30/11/2017	239	0.01	154
A7 Series – Silver	15/03/2013	31/03/2016	31/03/2017	358	80.00	85
A7 Series – Gold	15/03/2013	31/03/2016	31/03/2017	358	0.01	84
					29.21	**2,394**

Main assumptions used to value stock options

GPA uses the following assumptions to value its plans:

- dividend yield: 0.96%, 1.37% and 2.5%;
- projected volatility: 22.09%, 24.34% and 30.2%;
- risk-free interest rate: 11.7%, 12.72% and 13.25%.

The average fair value of outstanding stock options at 31 December 2016 was BRL 43.06.

The table below shows changes in the number of outstanding options and weighted average exercise prices in the years presented:

	2016		2015	
	Number of outstanding options *(in thousands)*	Weighted average exercise price *(in reals)*	Number of outstanding options *(in thousands)*	Weighted average exercise price *(in reals)*
Options outstanding as at 1 January	**1,267**	**39.57**	**1,128**	**38.16**
Of which vested options	*2*	*64.13*	*6*	*54.69*
Options granted during the period	1,645	18.61	674	38.64
Options exercised during the period	(374)	13.39	(418)	32.62
Options cancelled during the period	(144)	40.40	(117)	45.53
OPTIONS OUTSTANDING AS AT 31 DECEMBER	**2,394**	**29.21**	**1,267**	**39.57**
Of which, vested options	*169*	*80.00*	*2*	*64.13*

8.3.5. Features of Cnova equity instruments

On 19 November 2014, Casino granted stock appreciation rights (SARs) to certain Cnova managers, entitling them to a cash payment equal to the difference, at the end of the four-year vesting period, between a) the lower of 220% of the IPO price and the market price on the vesting date and b) 120% of the IPO price. SARs are cash-settled share-based payment transactions. The expense for the period is not material.

At the same date, Cnova granted 1.3 million deferred free shares, without conditions, to certain managers. The shares will be received on the fourth anniversary of the grant date.

8.4. Gross remuneration and benefits of the members of the Group Executive Committee and the Board of Directors

(€ millions)	**2016**	2015
Short-term benefits excluding social security contributions[(1)]	25	27
Social security contributions on short-term benefits	3	3
Termination benefits for key executives	-	-
Share-based payments[(2)]	1	1
TOTAL	**29**	**31**

(1) Gross salaries, bonuses, discretionary and statutory profit-sharing, benefits in kind and directors' fees.
(2) Expense recognised in the income statement in respect of stock option and free share plans.

The members of the Group Executive Committee are not entitled to any specific supplementary pension benefits.

Note 9. Income tax

Accounting principle

Income tax expense corresponds to the sum of the current taxes due by the various Group companies, adjusted for deferred taxes.

Substantially all qualifying French subsidiaries are members of the tax group headed by Casino, Guichard-Perrachon and file a consolidated tax return.

Current tax expense reported in the income statement corresponds to the tax expense of the parent company of the tax group and of companies that are not members of a tax group.

Deferred tax assets correspond to future tax benefits arising from deductible temporary differences, tax loss carryforwards and certain consolidation adjustments that are expected to be recoverable.

Deferred tax liabilities are recognised in full for:

- taxable temporary differences, except where the deferred tax liability results from recognition of a non-deductible impairment loss on goodwill or from initial recognition of an asset or liability in a transaction which is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or the tax loss; and
- taxable temporary differences related to investments in subsidiaries, associates and joint ventures, except when the Group controls the timing of the reversal of the difference and it is probable that it will not reverse in the foreseeable future.

Deferred taxes are recognised using the balance sheet approach and in accordance with IAS 12. They are calculated by the liability method, which consists of adjusting deferred taxes recognised in prior periods for the effect of any enacted changes in the income tax rate.

The Group reviews the probability of deferred tax assets being recovered on a periodic basis for each tax entity. This review may, if necessary, lead to the derecognition of deferred tax assets recognised in prior years. The probability for recovery is assessed based on a tax plan indicating the level of projected taxable profits.

The taxable profit used in the assessment is based on that generally obtained over a five-year period. The assumptions underlying the tax plan are consistent with those used in the medium-term business plans and budgets prepared by the Group's entities and approved by management.

The French corporate value-added tax (*Cotisation sur la Valeur Ajoutée des Entreprises* – CVAE) which is based on the value-added reflected in the separate financial statements, is included in "Income tax expense" in the consolidated income statement.

When payments to holders of equity instruments are deductible for tax purposes, the tax effect is recognised by the Group in the income statement.

9.1. Income tax expense

9.1.1. Analysis of income tax expense

	2016			2015 restated		
(€ millions)	France	International	Total	France	International	Total
Current income tax	(30)	(82)	(112)	(14)	(104)	(118)
Other taxes (CVAE)	(67)	-	(67)	(64)	-	(64)
Deferred taxes	129	16	145	180	(11)	168
Total income tax benefit (expense) recorded in the income statement	**32**	**(66)**	**(34)**	**102**	**(115)**	**(13)**
Income tax on items recognised in "Other comprehensive income" (Note 12.7.2)	**-**	**(17)**	**(16)**	**14**	**-**	**14**
Income tax on items recognised in equity	**-**	**(26)**	**(26)**	**2**	**2**	**4**

9.1.2. Tax proof

(€ millions)	2016		2015 restated	
Profit before tax and share of profits of equity-accounted investees	50		67	
Theoretical income tax expense(1)	(17)	-34.43%	(23)	-34.43%
Reconciliation of theoretical income tax expense to actual income tax expense				
Impact of differences in foreign tax rates	4	7.5%	51	76.0%
Gains or losses on remeasurement of previously-held interests pursuant to transactions resulting in the acquisition or loss of control and sales of shares	1	2.2%	64	96.3%
Recognition of previously unrecognised tax benefits on tax losses and other deductible temporary differences	4	8.0%	43	64.1%
Unrecognised deferred tax assets/ valuation allowances on recognised deferred tax assets on tax loss carry-forwards or other deductible temporary differences(2)	(47)	-95.3%	(118)	-175.8%
Modification of income tax rate to 28.92% from 2020(3)	51	102.0%	-	-%
CVAE net of income tax	(44)	-88.9%	(42)	-62.5%
Non-deductible interest expense(4)	(16)	-31.4%	(24)	-36.0%
Non-taxable CICE(5)	33	66.6%	32	47.9%
3% surtax on distributed earnings	(16)	-31.8%	(11)	-15.8%
Tax on gain neutralised from disposals of property assets to Mercialys	(4)	-7.1%	(22)	-32.2%
Deductible interest on perpetual deeply subordinated bonds	17	34.1%	29	42.8%
CREE tax (Éxito)	(7)	-15.0%	(22)	-32.7%
Other	7	14.4%	28	42.3%
ACTUAL INCOME TAX EXPENSE/EFFECTIVE TAX RATE	**(34)**	**-69.2%**	**(13)**	**-19.9%**

(1) The reconciliation of the effective tax rate paid by the Group is based on the current French rate of 34.43%. This rate does not take into account the transitional 10.7% surtax due in 2015 by French companies with revenues in excess of €250 million.
(2) In 2016, this concerned the E-commerce segment (mainly Cdiscount France) for €48 million. The reported amount for 2015 included €85 million concerning the E-commerce segment and €59 million concerning Segisor and related to the reorganisation of the Group's businesses in Latin America.
(3) Following adoption of the 2017 Finance Act (as at 20 December 2016) relating to income tax rate progressive modification, differed taxes have been calculated with income tax rate applicable when temporary differences will occur, it means with a rate of 28.92% in 2020.
(4) Tax laws in some countries cap the deductibility of interest paid by companies. In France, since the 2012 amended Finance Act, companies are required to add back 25% of interest expense to their taxable profit. In the case of the Group, this measure increased income tax expense by €16 million in 2016 (2015: €24 million).
(5) See Note 6.3.

9.2. Deferred taxes

9.2.1. Change in deferred tax assets

(€ millions)	**2016**	2015
As at 1 January	**490**	**366**
(Expense)/benefit for the year	(39)	157
Impact of changes in scope of consolidation	(18)	7
IFRS 5 reclassifications	141	(3)
Effect of movements in exchange rates and reclassifications	34	(53)
Changes in deferred tax assets recognised directly in equity	(13)	16
AS AT 31 DECEMBER	**596**	**490**

The deferred tax (expense)/benefit net of deferred tax liabilities (Note 9.2.2) of discontinued operations was a benefit of €14 million in 2016 (2015: expense of €12 million).

9.2.2. Change in deferred tax liabilities

(€ millions)	**2016**	2015
As at 1 January	**1,225**	**1,423**
Expense/(benefit) for the year	(169)	(24)
Impact of changes in scope of consolidation	(54)	20
IFRS 5 reclassifications	(38)	-
Effect of movements in exchange rates and reclassifications	135	(194)
Changes in deferred tax liabilities recognised directly in equity	(4)	-
AS AT 31 DECEMBER	**1,094**	**1,225**

9.2.3. Deferred tax assets and liabilities by source

	Net amount	
(€ millions)	**2016**	2015
Intangible assets	(845)	(970)
Property, plant and equipment	(241)	(541)
of which finance leases	*(9)*	*(48)*
Inventories	17	65
Financial instruments	164	93
Other assets	(114)	(29)
Provisions	108	161
Regulated provisions	(162)	(182)
Other liabilities	54	76
of which finance lease liabilities	*(4)*	*10*
Tax loss carryforwards	519	592
NET DEFERRED TAX ASSETS (LIABILITIES)	**(499)**	**(735)**
Deferred tax assets recognised in the statement of financial position	596	490
Deferred tax liabilities recognised in the statement of financial position	1,094	1,225
NET	**(499)**	**(735)**

The tax saving realised by the Casino, Guichard-Perrachon tax group amounted to €280 million in 2016 (2015: €323 million).

Deferred tax assets recognised for tax loss carryforwards are primarily related to Casino Guichard-Perrachon and GPA, for €377 million and €33 million respectively at 31 December 2016. Recovery of these assets is considered probable in light of these companies' projected taxable profits and the tax options chosen by their management. The recovery plan will run respectively for Casino, Guichard-Perrachon and GPA until 2025 and 2018.

9.2.4. Unrecognised deferred tax assets

As at 31 December 2016, unrecognised deferred tax assets for tax loss carryforwards amounted to €522 million, representing an unrecognised deferred tax effect of €150 million (31 December 2015: €511 million, representing an unrecognised deferred tax effect of €168 million). The loss carryforwards mainly concern Segisor, the Franprix-Leader Price subgroup and Cdiscount.

Expiry dates of unrecognised tax loss carryforwards

(€ millions)	**2016**	2015
Within one year	2	3
In one to two years	-	6
In two to three years	-	14
In more than three years	5	38
Without maturity	143	107
TOTAL	**150**	**168(1)**

(1) Including €31 million concerning discontinued operations.

Note 10. Intangible assets, property, plant and equipment, and investment property

Accounting principle

The cost of fixed assets corresponds to their purchase cost plus transaction expenses including tax. For intangible assets, property, plant and equipment, and investment property, these expenses are added to the assets' carrying amount and follow the same accounting treatment.

10.1. Goodwill

Accounting principle

At the acquisition date, goodwill is measured in accordance with the accounting principle applicable to "Business combinations", described in Note 3. It is allocated to the cash generating unit or groups of cash generating units that benefit from the synergies of the combination, based on the level at which the return on investment is monitored for internal management purposes. Goodwill is not amortised. It is tested for impairment at each year-end, or whenever events or a change of circumstances indicate that it may be impaired. Impairment losses on goodwill are not reversible. The methods used by the Group to test goodwill for impairment are described in the "Impairment of non-current assets" section in Note 10.5. Negative goodwill is recognised directly in the income statement for the period of the business combination, once the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities have been verified.

10.1.1. Breakdown by business line and geographical area

(€ millions)	2016 Net	2015 Net restated[1]
France Retail	**5,670**	**5,606**
Hypermarkets, supermarkets and convenience stores	1,420	1,446
Franprix-Leader Price	2,582	2,563
Monoprix	1,301	1,300
Indian Ocean	176	176
Geimex	69	-
Other	121	121
E-commerce (France)	**56**	**57**
Latam Retail	**3,869**	**3,206**
Argentina	11	13
Brazil (GPA food)	2,932	2,333
Colombia	573	525
Uruguay	354	335
Latam Electronics (Via Varejo and Cnova Brazil)	**-**	**718**
Asia	**-**	**764**
CASINO GROUP	**9,595**	**10,351**

(1) Following the business merger between Cnova Brazil and Via Varejo, E-commerce activities of Cnova Brazil have been integrated into Latam Electronics (Note 5).

10.1.2. Movements for the year

(€ millions)	2016	2015
Carrying amount as at 1 January	**10,351**	**11,009**
Goodwill recognised during the year[1]	113	528
Impairment losses recognised during the year	(2)	(3)
Goodwill written off on disposals[2]	(791)	(13)
Effect of movements in exchange rates	856	(1,167)
Goodwill reclassified as "Assets held for sale"[3]	(903)	(4)
Other reclassifications and movements	(30)	-
CARRYING AMOUNT AS AT 31 DECEMBER	**9,595**	**10,351**

(1) The €113 million increase as at 31 December 2016 was attributable to the acquisition of control of Geimex (Note 3.1.6) for €69 million and to acquisitions of controlling interests by Franprix-Leader Price for €35 million (Note 3.1.4). The €528 million increase as at 31 December 2015 reflected acquisition of a controlling interest in Disco for €304 million (Note 3.2.1), exercise of the call option for additional Super Inter stores for €95 million (Note 3.2.2), acquisitions of controlling interests in various subgroups by Franprix-Leader Price for €55 million (Note 3.2.3) and the Éxito/Cafam assets exchange for €44 million.
(2) In 2016, goodwill written off on disposals mainly concerned operations in Thailand.
(3) Goodwill reclassified as "Assets held for sale" in 2016 mainly concerned Via Varejo.

10.2. Other intangible assets

Accounting principle

Intangible assets acquired separately by the Group are initially recognised at cost and those acquired in business combinations are initially recognised at fair value. Intangible assets consist mainly of purchased software, software developed for internal use, trademarks, patents and lease premiums. Trademarks that are created and developed internally are not recognised in the statement of financial position. Intangible assets are amortised on a straight-line basis over their estimated useful lives, as determined separately for each asset category. Capitalised development costs are amortised over three years and software over three to ten years. Indefinite life intangible assets (including lease premiums and purchased trademarks) are not amortised, but are tested for impairment at each year-end or whenever there is an indication that their carrying amount may not be recovered.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from derecognition of an asset is determined as the difference between the net sale proceeds, if any, and the carrying amount of the asset. It is recognised in profit or loss ("Other operating income and expenses") when the asset is derecognised.

Residual values, useful lives and amortisation methods are reviewed at each year-end and revised prospectively if necessary.

10.2.1. Breakdown of other intangible assets

	2016			2015		
(€ millions)	Gross amount	Accumulated amortisation and impairment	Net	Gross amount	Accumulated amortisation and impairment	Net
Concessions, trademarks, licences and banners	1,812	(34)	1,777	2,114	(31)	2,083
Lease premiums	789	(23)	766	945	(38)	907
Software	1,117	(695)	423	1,083	(616)	466
Other	195	(53)	142	357	(191)	167
INTANGIBLE ASSETS	**3,913**	**(804)**	**3,109**	**4,499**	**(877)**	**3,622**

10.2.2. Movements for the year

(€ millions)	Concessions, trademarks, licences and banners	Lease premiums	Software	Other intangible assets	Total
As at 1 January 2015	**2,501**	**1,061**	**522**	**205**	**4,289**
Changes in scope of consolidation	59	1	-	(2)	58
Additions and separately acquired assets	3	21	99	80	202
Assets disposed of during the year	-	(7)	-	(6)	(13)
Amortisation for the year	(3)	(2)	(110)	(26)	(140)
Impairment (losses)/reversals, net	-	(9)	(11)	-	(21)
Effect of movements in exchange rates	(477)	(151)	(81)	(27)	(737)
Intangible assets reclassified as "Assets held for sale"	-	-	(5)	-	(5)
Other reclassifications and movements	1	(8)	52	(57)	(11)
At 31 December 2015	**2,083**	**907**	**466**	**167**	**3,622**
Changes in scope of consolidation	-	(7)	(7)	(2)	(15)
Additions and separately acquired assets	1	5	109	84	198
Assets disposed of during the year	(1)	(14)	(6)	(1)	(22)
Amortisation for the year	(2)	(1)	(113)	(21)	(136)
Impairment (losses)/reversals, net	(0)	(4)	(11)	-	(15)
Effect of movements in exchange rates	351	114	65	18	548
Intangible assets reclassified as "Assets held for sale"	(656)	(223)	(112)	(82)	(1,072)
Other reclassifications and movements	1	(11)	31	(21)	-
AT 31 DECEMBER 2016	**1,777**	**766**	**423**	**142**	**3,109**

Internally-generated intangible assets (mainly information systems developments) represented €31 million in 2016 (2015: €34 million).

Intangible assets as at 31 December 2016 included trademarks and lease premiums with an indefinite life, carried in the statement of financial position for €1,771 million and €766 million respectively. These assets are allocated to the following groups of CGUs:

(€ millions)	**2016**	2015
Latam Retail	1,533	1,247
of which Brazil (GPA food)[1]	*1,313*	*1,045*
of which Colombia	*185*	*170*
of which Uruguay	*34*	*32*
Latam Electronics (Via Varejo)	-	698
France Retail	994	1,027
of which Casino France	*73*	*78*
of which Franprix-Leader Price	*60*	*74*
of which Monoprix[1]	*861*	*875*
Other	10	9

(1) Trademarks and lease premiums are allocated to the following GPA food banners in Brazil and Monoprix banners in France:

	2016		2015	
(€ millions)	Trademarks	Lease premiums	Trademarks	Lease premiums
GPA Food	975	338	776	269
Pão de Açúcar	304	105	242	80
Extra	523	220	416	178
Assaí	148	11	118	9
Other	-	2	-	2
Monoprix	572	289	572	303
Monoprix	552	268	552	285
Naturalia	14	20	14	18
Monshowroom	6	-	6	-

Intangible assets were tested for impairment as at 31 December 2016 using the method described in Note 10.5 “Impairment of non-current assets” The test results are presented in the same note.

10.3. Property, plant and equipment

Accounting principle

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Subsequent expenditures are recognised in assets if they satisfy the recognition criteria of IAS 16. The Group examines these criteria before incurring the expenditure.

Land is not depreciated. All other items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives for each category of assets, with generally no residual value. The main useful lives are as follows:

Asset category	Depreciation period *(years)*
Land	-
Buildings (structure)	50
Roof waterproofing	15
Fire protection of the building structure	25
Land improvements	10 to 40
Building fixtures and fittings	5 to 20
Technical installations, machinery and equipment	5 to 20
Computer equipment	3 to 5

"Roof waterproofing" and "Fire protection of the building structure" are classified as separate items of property, plant and equipment only when they are installed during major renovation projects. In all other cases, they are included in the "Building (structure)" category.

Property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal.

The gain or loss arising from derecognition of an asset is determined as the difference between the net sale proceeds, if any, and the carrying amount of the asset. It is recognised in profit or loss ("Other operating income and expenses") when the asset is derecognised.

Residual values, useful lives and depreciation methods are reviewed at each year-end and revised prospectively if necessary.

10.3.1. Breakdown of property, plant and equipment

	2016			2015		
(€ millions)	Gross amount	Accumulated depreciation and impairment	Net	Gross amount	Accumulated depreciation and impairment	Net
Land and land improvements	2,133	(95)	2,038	2,197	(94)	2,103
Buildings, fixtures and fittings	5,085	(1,851)	3,234	5,652	(2,105)	3,546
Other	7,599	(4,748)	2,851	8,152	(5,032)	3,120
PROPERTY, PLANT AND EQUIPMENT	**14,816**	**(6,694)**	**8,123**	**16,001**	**(7,231)**	**8,769**

10.3.2. Movements for the year

(€ millions)	Land and land improvements	Buildings, fixtures and fittings	Other	Total
As at 1 January 2015	**2,299**	**3,993**	**3,351**	**9,643**
Changes in scope of consolidation	79	59	38	176
Additions and separately acquired assets	23	143	1,117	1,283
Assets disposed of during the year	(75)	(73)	(135)	(282)
Depreciation for the year	(1)	(191)	(518)	(709)
Impairment (losses)/reversals, net	(1)	(1)	(91)	(93)
Effect of movements in exchange rates	(177)	(529)	(291)	(997)
Property, plant and equipment reclassified as "Assets held for sale"	-	(17)	(117)	(134)
Other reclassifications and movements (2)	(46)	161	(234)	(118)
At 31 December 2015	**2,103**	**3,546**	**3,120**	**8,769**
Changes in scope of consolidation (1)	(174)	(466)	(150)	(790)
Additions and separately acquired assets	50	134	783	967
Assets disposed of during the year	(33)	(77)	(176)	(285)
Depreciation for the year	(5)	(164)	(431)	(600)
Impairment (losses)/reversals, net	(2)	(9)	(87)	(98)
Effect of movements in exchange rates	125	397	227	749
Property, plant and equipment reclassified as "Assets held for sale"	(24)	(211)	(216)	(452)
Other reclassifications and movements (2)	(2)	84	(220)	(138)
AT 31 DECEMBER 2016	**2,038**	**3,234**	**2,851**	**8,123**

(1) Mainly reflecting disposal of the Group's operations in Thailand.
(2) Primarily -€56 million concerning the property development business (2015: -€54 million).

Property, plant and equipment were tested for impairment as at 31 December 2016 using the method described in Note 10.5 "Impairment of non-current assets." The test results are presented in the same note.

10.3.3. Capitalised borrowing costs

Accounting principle

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale (typically more than six months) are capitalised in the cost of that asset. All other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing costs are interest and other costs incurred by an entity in connection with the borrowing of funds.

Interest capitalised during the year ended 31 December 2016 amounted to €15 million, reflecting an average interest rate of 8.4% (2015: €5 million of which €1 million for discontinued operations at an average rate of 13.1%). The increase in the capitalised amount in 2016 compared to the prior year concerned operations in Colombia.

10.4. Investment property

Accounting principle

Investment property is property held by the Group to earn rental revenue or for capital appreciation or both. The shopping malls owned by the Group are classified as investment property.

Subsequent to initial recognition, they are measured at historical cost less accumulated depreciation and any accumulated impairment losses. Their fair value is disclosed in the notes to the consolidated financial statements. Investment property is depreciated over the same useful life and according to the same rules as owner-occupied property.

10.4.1. Breakdown of investment property

	2016			2015		
(€ millions)	Gross amount	Accumulated depreciation and impairment	Net	Gross amount	Accumulated depreciation and impairment	Net
Investment property	473	(62)	411	1,031	(260)	771

10.4.2. Movements for the year

(€ millions)	**2016**	2015
As at 1 January	**771**	**667**
Changes in scope of consolidation[(1)]	(427)	32
Additions and separately acquired assets	79	79
Assets disposed of during the year	-	-
Depreciation for the year	(10)	(35)
Impairment (losses)/reversals, net	-	-
Effect of movements in exchange rates	26	(32)
Investment properties reclassified as "Assets held for sale"	-	(44)
Other reclassifications and movements	(28)	105
AS AT 31 DECEMBER	**411**	**771**

(1) Mainly reflecting disposal of the Group's operations in Thailand in 2016.

As at 31 December 2016, investment properties totalled €411 million, of which 65% (€265 million) concerned Éxito. Investment properties as at 31 December 2015 amounted to €771 million, of which 55% concerned Big C Thailand and 24% concerned Éxito.

Amounts recognised in the income statement in respect of rental revenue and operating expenses on investment properties were as follows in 2016:

(€ millions)	**2016**	2015 restated
Rental revenue from investment properties	65	55
Directly attributable operating expenses on investment properties		
▪ that generated rental revenue during the year	(18)	(16)
▪ that did not generate rental revenue during the year	(14)	(9)

Fair value of investment property

The main investment properties as at 31 December 2016 were held by Éxito.

The fair value of investment property as at 31 December 2016 was €672 million (31 December 2015: €2,006 million, including €1,510 million for properties held by Big C Thailand). For most investment properties, fair value is determined on the basis of valuations carried out by independent external appraisers. In accordance with international valuation standards, they are based on market value as confirmed by market indicators, representing a level 3 fair value input.

10.5. Impairment of non-current assets

Accounting principle

The procedure to be followed to ensure that the carrying amount of assets does not exceed their recoverable amount (recovered by use or sale) is defined in IAS 36.

Tangible and intangible assets are tested for impairment as there is an indication that their carrying amount may not be recoverable and at least, annually at the end of the year for goodwill and indefinite life intangible assets.

Cash Generating Units (CGUs)

A cash generating unit is the smallest identifiable group of assets that includes the asset and that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The Group has defined its cash generating units as follows:

- for hypermarkets, supermarkets and discount stores, each store is treated as a separate CGU;
- for other networks, each network represents a separate CGU.

Impairment indicators

Apart from the external sources of data monitored by the Group (economic environment, market value of the assets, etc.), the impairment indicators used are based on the nature of the assets:

- land and buildings: loss of rent or early termination of a lease;
- operating assets related to the business (assets of the cash generating unit): ratio of net carrying amount of store assets divided by sales (including VAT), higher than a defined level determined separately for each store category;
- assets allocated to administrative activities (headquarters and warehouses): site closure or obsolescence of equipment used at the site.

Recoverable amount

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. It is generally determined separately for each asset. When this is not possible, the recoverable amount of the group of CGUs to which the asset belongs is used.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. In the retail industry, fair value less costs to sell is generally determined on the basis of a sales or EBITDA multiple.

Value in use is the present value of the future cash flows expected to be derived from continuing use of an asset plus a terminal value. It is determined internally or by external experts on the basis of:

- cash flow projections contained usually in business plans covering three years. Cash flows beyond this projection period are usually estimated over a period of three years by applying a growth rate as determined by Management (generally constant);
- a terminal value determined by applying a perpetual growth rate to the final year's cash flow projection.

The cash flows and terminal value are discounted at long-term after-tax market rates reflecting market estimates of the time value of money and the specific risks associated with the asset.

Impairment losses

An impairment loss is recognised when the carrying amount of an asset or the CGU to which it belongs is greater than its recoverable amount. Impairment losses are recorded as an expense under "Other operating income and expenses".

Impairment losses recognised in a prior period are reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. However, the increased carrying amount of an asset attributable to a reversal of an impairment loss may not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Impairment losses on goodwill cannot be reversed.

10.5.1. Movements for the year

Impairment losses recognised in 2016 on goodwill, intangible assets and property, plant and equipment totalled €115 million, of which €58 million arose from restructuring operations (mainly in the France Retail segment) and €49 million corresponded to individual assets (mainly in the France Retail and E-commerce segments).

Following the tests carried out in 2015, impairment losses totalling €115 million were recognised on goodwill, intangible assets and property, plant and equipment excluding discontinued operations (of which €88 million arose from restructuring operations and consolidation scope changes in the France Retail segment, €15 million corresponded to individual assets in the France Retail segment and €10 million concerned capitalised software development costs in France).

10.5.2. Goodwill impairment losses

Annual impairment testing consists of determining the recoverable amounts of the cash generating unit (CGU) or groups of CGUs to which the goodwill is allocated and comparing them with the carrying amounts of the relevant assets. Goodwill arising on the initial acquisition of networks is allocated to the groups of CGUs in accordance with the classifications presented in Note 10.1.1. Some goodwill may also occasionally be allocated directly to CGUs.

For internal valuations, annual impairment testing generally consists of determining the recoverable amount of each CGU based on value in use, in accordance with the principles described in Note 10.1. Value in use is determined by the discounted cash flows method, based on after-tax cash flows and using the following rates.

Assumptions used for internal calculations of 2016 values in use

Region	2016 perpetual growth rate[(1)]	2016 after-tax discount rate[(2)]	2015 perpetual growth rate[(1)]	2015 after-tax discount rate[(2)]
France (retail)[(3)]	1.7%	5.6%	1.5%	5.5%
France (other businesses)[(3)]	1.7% to 2.2%	5.6% to 7.2%	1.5% to 2%	5.5% to 7.3%
Argentina	8.5%	17.1%	10.2%	17.7%
Brazil[(4)]	6.0%	12.4% and 11.6% [(6)]	5.5%	11.3% to 13.6%
Colombia[(4)]	3.0%	8.9%	3.5%	8.5%
Uruguay	6.6%	13.2%	8.5%	15.8%
Indian Ocean[(5)]	1.7% to 5.5%	5.6% to 14.2%	1.5% to 5.2%	5.5% to 13.0%

(1) The inflation-adjusted perpetual growth rate ranges from 0% to +1.5% depending on the nature of the CGU's business/banner and CGU's country.
(2) The discount rate corresponds to the weighted average cost of capital (WACC) for each country. WACC is calculated at least once a year during the annual impairment testing exercise by taking account of the sector's levered beta, a market risk premium and the Group's cost of debt.
(3) For the French businesses, the discount rate also takes account of the CGU's type of business/banner and the associated operational risks.
(4) As at 31 December 2016, the market capitalisation of the listed subsidiaries GPA, Éxito and Cnova was €4,247 million, €2,107 million and €1,785 million, respectively. With the exception of Cnova, these market capitalisations were less than the carrying amount of the subsidiaries' net assets. Impairment tests on GPA and Éxito goodwill were performed based on their value in use (see below).
(5) The Indian Ocean region includes Reunion, Mayotte, Madagascar and Mauritius. The discount rates used reflect the risks inherent in each of these regions.
(6) Discount rate applied to cash flows is 12.4% for the business plan period of three years and is 11.6% beyond to take into account inflation and interest rate assumptions for the considered years of flows.

No impairment loss was recognised as at 31 December 2016 from the annual goodwill impairment test conducted at the end of the year.

With the exception of Franprix-Leader Price, in view of the positive difference between value in use and carrying amount, the Group believes that on the basis of reasonably foreseeable events, any changes in the key assumptions set out above would not lead to the recognition of an impairment loss. The Group considers reasonably foreseeable changes in key assumptions to be a 100-basis point increase in the discount rate or a 25-basis point decrease in the perpetual growth rate used to calculate terminal value or a 50-basis point decrease in the EBITDA margin for the cash flow projection used to calculate the terminal value. Applying this sensitivity test to the Codim CGU (the France Retail subsidiary in Corsica) resulted in a recoverable amount close to the carrying amount of the net assets.

The recoverable amount of the Franprix-Leader Price CGU was determined by reference to its value in use, calculated from cash flow projections based on three-year financial budgets approved by executive management, extrapolation of projections over a period of three years and a 5.6% discount rate (2015: 5.5%).

The cash flow projections for the budget period were based on the following assumptions:

- ongoing development of the Mandarine concept at Franprix and development of a new concept at Leader Price;
- ongoing deployment of a banner strategy based on a balance between integrated management stores and franchisees;
- the profitability of the two banners will increase, led by larger product volumes and optimised store and upstream function cost bases. Franprix-Leader Price expects this strategy to lift EBITDA margin to a level in line with its historical high by the end of 2020.

Management believes that a change in a key assumption could result in a carrying amount greater than the recoverable amount. The table below shows the change in each of the key assumptions that would be required for the estimated recoverable amount of the Franprix-Leader Price CGU to be the same as its carrying amount (including €2,582 million in goodwill).

Change required for the Franprix-Leader Price CGU's carrying amount to be the same as its recoverable amount	31 December 2016[(1)]	31 December 2015
After-tax discount rate (5.6%)	+100 bps	+100 bps
Perpetual growth rate net of inflation (0%)	-120 bps	-110 bps
EBITDA margin used for the annual cash flow projection	-120 bps	-130 bps

(1) With a reasonable 100-bps increase in the discount rate, or/and a 50-bps decrease in the EBITDA margin used for the cash flow projection, the carrying amount of the Franprix-Leader Price CGU would exceed its recoverable amount by between zero and €250 million.

10.5.3. Trademark impairment losses

The recoverable amounts of trademarks were estimated at the year-end using the "discounted cash flows" method. The main trademarks concern GPA. In light of the less favourable economic environment in Brazil, the Extra banner's trademark was considered to be the most exposed to a risk of impairment. However, the tests carried out as at 31 December 2016 did not reveal any evidence that the trademark's carrying amount might not be recoverable.

The table below shows the change in each of the key assumptions that would be required for the estimated recoverable amount of the Extra trademark to be the same as its carrying amount:

Change required for the Extra trademark's carrying amount to be the same as its recoverable amount	**31 December 2016(1)**
Perpetual growth rate net of inflation (1.5%)	-110 bps
After-tax discount rate (12.4% and 11.6%)(2)	+60 bps
EBITDA margin used for the annual cash flow projection	-50 bps

(1) With a reasonable 100-bps increase in the discount rate, or/and a 50-bps decrease in the EBITDA margin used for the cash flow projection and/or a 25-bps decrease in the perpetual growth rate, the carrying amount of the Extra CGU (including the trademark) would exceed its recoverable amount by between zero and €424 million.
(2) Discount rate applied to cash flows is 12.4% for the business plan period of three years and is 11.6% beyond to take into account inflation and interest rate assumptions for the considered years of flows.

Note 11. Financial structure and finance costs

Accounting principle

Financial assets

With the exception of assets measured at fair value through profit or loss, all financial assets are initially recognised at fair value.

Financial assets are classified as current if they are due in less than one year and non-current if they are due in more than one year.

The Group does not own any financial assets qualified as held-to-maturity financial assets.

Financial assets at fair value through profit or loss

A financial asset is classified as a financial asset at fair value through profit or loss if it is classified as held for trading or designated as such on initial recognition. These assets are initially recognised at fair value and any subsequent changes in fair value, taking into account interest and dividends, are recorded in profit or loss.

The Group can thus designate its short-term investments at fair value on initial recognition.

Loans and receivables

Loans and receivables are financial assets issued or acquired by the Group in exchange for cash, goods or services that are paid, delivered or rendered to a debtor. They are measured at amortised cost using the effective interest method. Long-term loans and receivables that are not interest-bearing or that bear interest at a below-market rate are discounted when the amounts involved are material. Any impairment losses are recognised in the income statement.

This category primarily includes trade receivables, liquid assets as well as other loans and receivables.

Available-for-sale financial assets

Available-for-sale financial assets correspond to all other financial assets. They are measured at fair value. Gains and losses arising from re-measurement at fair value are recognised in other comprehensive income until the asset is sold, collected or otherwise disposed of or until there is evidence of material or other-than-temporary impairment of the asset. In these cases, gains and losses that were previously recognised in other comprehensive income are reclassified to profit or loss.

Impairment losses on available-for-sale equity instruments are irreversible and any subsequent increases in fair value are recognised directly in other comprehensive income.

Any subsequent increase in fair value of available-for-sale debt instruments is recognised in the income statement to the extent of the impairment loss previously recognised in profit or loss

This category mainly comprises investments in non-consolidated companies.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and short-term investments.

To be classified as cash equivalents under IAS 7, investments must be:

- short-term investments;
- highly liquid investments;
- readily convertible to known amounts of cash;
- subject to an insignificant risk of changes in value.

Usually, the Group use interest bearing bank accounts or term deposits of less than three months.

Derecognition of financial assets

Financial assets are derecognised in the following two cases:

- the contractual rights to the cash flows from the financial asset have expired; or
- the contractual rights have been transferred. In this latter case:
  - if substantially all the risks and rewards of ownership of the financial asset have been transferred, the asset is derecognised in full,
  - if substantially all the risks and rewards of ownership are retained by the Group, the financial asset continues to be recognised in the statement of financial position for its total amount.

The Group has set up receivables discounting programmes with banks. These programmes generally meet the conditions for derecognition of financial assets under IAS 39 described above. The Group considers as insignificant the risk of discounted receivables being cancelled by credit notes or being set off against liabilities. The main receivables discounting programmes relate to GPA. The programmes are set up with banks and credit card issuers and correspond for the most part to sales of credit card receivables (in Brazil, it takes several weeks for vendors to receive settlement of credit card transactions). The contract terms do not include any rights of subrogation or related obligations and the risks and rewards of ownership of the receivables are transferred to the bank or credit card issuer which controls them.

The other receivables discounting programmes have been set up in France and concern trade and tax receivables. In this case also, the risks and rewards of ownership of the receivables are transferred to the bank.

Financial liabilities

Financial liabilities are classified as current if they are due in less than one year and non-current if they are due in more than one year.

Financial liabilities recognised at amortised cost

Borrowings and other financial liabilities at amortised cost are initially measured at the fair value of the consideration received, and subsequently at amortised cost, using the effective interest method. Transaction costs and issue and redemption premiums directly attributable to the acquisition or issue of a financial liability are deducted from the liability's carrying amount. The costs are then amortised over the life of the liability by the effective interest method.

Within the Group, some loans and other financial liabilities at amortised cost are hedged.

Several subsidiaries have set up reverse factoring programmes with financial institutions to enable their suppliers to collect receivables more quickly in the ordinary course of the purchasing process.

The accounting policy for these transactions depends on whether or not the characteristics of the liabilities concerned have been changed. For example, when trade payables are not substantially modified (term and due date, consideration, face value) they continue to be recorded under "Trade payables". Otherwise, they are qualified as financing transactions and are included in financial liabilities under "Trade payables – structured program".

Financial liabilities at fair value through profit or loss

These are financial liabilities intended to be held on a short-term basis for trading purposes. They are measured at fair value and gains and losses arising from remeasurement at fair value are recognised in the income statement. The Group does not recognise any financial liabilities at fair value through profit or loss.

The accounting treatment of "put options granted to owners of non-controlling interests" is described in Note 3.4.1.

Derivative financial instruments

All derivative instruments are recognised in the statement of financial position and measured at fair value.

Derivative financial instruments that qualify for hedge accounting: recognition and presentation

In accordance with IAS 39, the Group applies hedge accounting to:

- fair value hedges (for example, swaps to convert fixed rate debt to variable rate). In this case, the debt is recognised at fair value up to the amount of the hedged risk and any change in fair value is recognised in profit or loss. Gains and losses arising from remeasurement at fair value of the derivative are also recognised in profit or loss. If the hedge is entirely effective, the loss or gain on the hedged debt is offset by the gain or loss on the derivative;
- cash flow hedges (for example, swaps to convert floating rate debt to fixed rate or to change the borrowing currency, and hedges of budgeted purchases billed in a foreign currency). For these hedges, the ineffective portion of the change in the fair value of the derivative is recognised in profit and loss and the effective portion is recognised in other comprehensive income and subsequently reclassified to profit or loss on a symmetrical basis with the hedged cash flows in terms of both timing and classification (*i.e.* in trading profit for hedges of operating cash flows and in net financial income and expense for other hedges);
- hedges of net investments in foreign operations. For these hedges, the effective portion of the change in fair value attributable to the hedged foreign currency risk is recognised net of tax in other comprehensive income and the ineffective portion is recognised directly in financial income or expense. Gains or losses accumulated in other comprehensive income are reclassified to profit or loss on the date of liquidation or disposal of the net investment.

Hedge accounting may only be used if:

- the hedging relationship is clearly defined and documented at inception; and
- the effectiveness of the hedge can be demonstrated at inception and throughout its life.

Derivative financial instruments that do not qualify for hedge accounting: recognition and presentation

When a derivative financial instrument does not qualify or no longer qualifies for hedge accounting, successive changes in its fair value are recognised directly in profit or loss for the period under "Other financial income and expenses".

Definition of net debt

Net debt corresponds to loans and other borrowings including derivatives designed as hedges (liabilities) and trade payables – structured program, less (i) cash and cash equivalents, (ii) financial assets held for cash management purposes and as short-term investments, (iii) derivatives designed as hedges (assets), (iv) financial assets arising from a significant disposal of non-current assets and (v) net assets held for sale attributable to owners of the parent of the selling subsidiary.

11.1. Net cash and cash equivalents

(€ millions)	**2016**	2015
Cash equivalents	2,429	2,951
Cash	3,321	1,637
Cash and cash equivalents	**5,750**	**4,588**
Bank overdrafts (Note 11.2.3)	(136)	(183)
NET CASH AND CASH EQUIVALENTS	**5,614**	**4,405**

As at 31 December 2016, cash and cash equivalents are not subject to any material restrictions, except for the €219 million placed in escrow when the public tender offer for Cnova N.V. shares was launched (Note 2). Bank guarantees are presented in Note 6.11.1.

11.2. Financial liabilities

Financial liabilities amounted to €10,215 million as at 31 December 2016 (31 December 2015: €11,735 million), as follows:

		2016			2015		
(€ millions)	Notes	Non-current portion	Current portion	Total	Non-current portion	Current portion	Total
Bonds[1]	11.2.2	6,165	804	6,969	7,458	370	7,828
Other borrowings	11.2.3	1,479	1,601	3,080	2,064	1,506	3,570
Trade payables – structured program[2]		-	-	-	-	245	245
Finance lease	7.6	63	16	79	65	15	81
Fair value hedges and cash flow hedges – liabilities[3]	11.5.1	26	61	87	7	4	11
Financial liabilities		**7,733**	**2,482**	**10,215**	**9,594**	**2,140**	**11,735**
Fair value hedges and cash flow hedges – assets[4]	11.5.1	(257)	(34)	(291)	(418)	(258)	(675)
Other financial assets	6.8.1	-	(39)	(39)	-	(83)	(83)
Net assets held for sale attributable to owners of the parent of the selling subsidiary	3.5	-	(768)	(768)	-	(315)	(315)
Cash and cash equivalents	11.1	-	(5,750)	(5,750)	-	(4,588)	(4,588)
Cash and cash equivalents, other financial assets and net assets held for sale		**(257)**	**(6,591)**	**(6,848)**	**(418)**	**(5,244)**	**(5,662)**
NET DEBT		**7,476**	**(4,109)**	**3,367**	**9,177**	**(3,104)**	**6,073**

(1) Of which bond issues totalling €6,269 million in France and €700 million at GPA as at 31 December 2016.
(2) Corresponding to the Via Varejo reverse factoring programme described in the "Accounting principle" section of Note 11.
(3) Of which €80 million in Brazil, €5 million in Colombia and €3 million in France as at 31 December 2016.
(4) Of which €257 million in France, €31 million in Brazil and €3 million in Colombia as at 31 December 2016.

Breakdown of net debt by operating segment

(€ millions)	2016				2015			
	Financial debt[1]	Cash and cash equivalents	Net assets classified under IFRS 5 attributable to owners of the parent	Net debt	Financial debt[1] [4]	Cash and cash equivalents[4]	Net assets classified under IFRS 5 attributable to owners of the parent[4]	Net debt[4]
France Retail	6,884	(3,614)	(70)	3,200	7,787	(1,681)	(24)	6,081
Latam Retail	2,973	(1,939)	(1)	1,032	2,231	(1,236)	(2)	993
of which GPA food	*1,713*	*(1,492)*	*-*	*221*	*1,091*	*(864)*	*-*	*227*
of which Éxito[2]	*1,259*	*(447)*	*(1)*	*810*	*1,140*	*(372)*	*(2)*	*766*
Latam Electronics	-	-	(697)	(697)	429	(1,549)	-	(1,119)
Asia	-	-	-	-	559	(188)	(225)	146
of which Thailand	*-*	*-*	*-*	*-*	*306*	*(60)*	*-*	*246*
of which Vietnam[3]	*-*	*-*	*-*	*-*	*253*	*(128)*	*(225)*	*(100)*
E-commerce[3]	28	(196)	-	(168)	36	(64)	(1)	(29)
Total	**9,885**	**(5,750)**	**(768)**	**3,367**	**11,042**	**(4,718)**	**(252)**	**6,073**
Big C Vietnam and Cdiscount Vietnam net debt reclassified as "Held for sale"[3]	-	-	-	-	(66)	129	(63)	-
NET DEBT	**9,885**	**(5,750)**	**(768)**	**3,367**	**10,976**	**(4,588)**	**(315)**	**6,073**

(1) Financial liabilities net of fair value hedges and cash flow hedges derivative assets and other financial assets.
(2) Éxito excluding GPA, including Argentina and Uruguay.
(3) In light of the Big C Vietnam disposal process (announced to the market on 15 December 2015), the Group decided to apply IFRS 5 to its Vietnamese businesses (including Cdiscount Vietnam) as at 31 December 2015. The net cash position of these two businesses (€63 million as at 31 December 2015) was therefore reclassified as "Assets held for sale" in accordance with IFRS 5.
(4) Following the business merger between Cnova Brazil and Via Varejo, E-commerce activities of Cnova Brazil have been integrated into Latam Electronics (Note 5).

11.2.1. Change in financial liabilities

(€ millions)	2016	2015
Financial liabilities at beginning of period	11,735	13,686
Fair value hedges – assets	(675)	(567)
Financial liabilities at beginning of period (including hedging instruments)	**11,059**	**13,119**
New borrowings[1]	1,577	3,201
Repayments of borrowings[2]	(2,826)	(4,911)
Change in fair value of hedged debt	46	(45)
Effect of movements in exchange rates	528	(500)
Change in scope of consolidation[3]	(534)	26
Financial liabilities associated with non-current assets held for sale	(349)	(66)
Other and reclassifications[4]	423	236
Financial liabilities at end of period (including hedging instruments)	**9,924**	**11,059**
Financial liabilities at end of period	10,215	11,735
Fair value hedges – assets	(291)	(675)

(1) New borrowings in 2016 mainly included the following: (a) net increase in short-term commercial paper for €97 million; (b) new borrowings by Éxito for €224 million, the Brazilian subsidiaries for €458 million (including €106 million for GPA and €353 million for Cnova Brazil), and Big C Thailand for €207 million, and (c) a bond issue by GPA for €262 million together with two promissory notes issues for €260 million. In 2015, new borrowings primarily comprised the following: (a) drawdowns on lines of credit by Casino, Guichard-Perrachon for €625 million, (b) new borrowings by the Brazilian subsidiaries for €743 million, and (c) new borrowings by Éxito in connection with the reorganisation of operations in Latin America for €1,785 million.
(2) In 2016, repayments of borrowings mainly concerned Casino, Guichard-Perrachon for €1,384 million (including (a) €978 million in bond buybacks (Note 2), and (b) redemption of a €386 million bond issue) and GPA for €993 million (including (a) €385 million of trade payables – structured program, (b) €528 million in miscellaneous debt repayments, and (c) €130 million in repayments of promissory notes. In 2015, repayments of borrowings mainly concerned Casino, Guichard-Perrachon for €2,327 million (including redemption of a bond issue for €750 million, an €869 million reduction in borrowings under the short-term commercial paper programme and repayments of borrowings and drawdowns for €707 million), GPA for €1,144 million, Big C Thailand for €333 million and Éxito for €633 million.
(3) Including, as at December 31, 2016, a negative €502 million following the disposal of operations in Thailand and a negative €67 million relating to the disposal of operations in Vietnam (Note 3.5.2)
(4) Including €238 million in reverse factored trade payables in 2016 (2015: €285 million).

11.2.2. Breakdown of bonds

(€ millions)	Principal	Interest rate(2)	Effective interest rate(2)	Issue date	Maturity date	**2016(3)**	2015(3)
CGP bonds in euros(1)	**5,981**					**6,269**	**7,620**
2016 bond	-	F: 4.47	4.58%	October 2011	April 2016	-	387
2017 bond	552	F: 4.38	5.27%	February 2010	February 2017	552	552
2018 bond	508	F: 5.73	6.48%	May 2010	November 2018	527	538
2019 bond	850	F: 4.41	4.04%	August 2012 April 2013	August 2019	884	1,050
2020 bond	600	F: 3.99	5.21%	March 2012	March 2020	631	638
2021 bond	850	F: 5.98	6.38%	May 2011	May 2021	919	906
2023 bond	758	F: 3.31	4.45%	January 2013 April 2013	January 2023	833	1,084
2024 bond	900	F: 3.25	5.41%	March 2014	March 2024	932	903
2025 bond	450	F: 2.33	3.60%	December 2014	February 2025	448	649
2026 bond	514	F: 4.05	4.09%	August 2014	August 2026	543	914
GPA bonds in BRL(1)	**703**					**700**	**208**
2017 bond	146	V: 108.0% CDI	V: 108.0% CDI	August 2016	January 2017	146	-
2019 bond	262	V: 107.0% CDI	V: 107.0% CDI	September 2014	September 2019	262	208
2019 bond	295	V: 97.5% CDI	V: 97.5% CDI	December 2016	December 2019	291	-
TOTAL BONDS						**6,969**	**7,828**

(1) Corresponds to the principal of the bonds outstanding as at 31 December 2016.
(2) F (Fixed rate) – V (Variable rate) – CDI (Certificado de Depósito Interbancario). The interest rates for bond issues in euros take into account Casino's rating downgrade (Note 2) except for the 2020, 2023, 2024 and 2025 issues which will be affected from the 1st quarter 2017.
(3) The amounts above include the remeasurement component relating to fair value hedges. They are presented excluding accrued interest.

11.2.3. Other borrowings

(€ millions)	Principal	Type of rate	Issue date	Maturity date	2016	2015
France						
Commercial paper (Casino, Guichard-Perrachon)	522	Fixed	(1)	(1)	522	424
Other Franprix-Leader Price borrowings	134	Variable/Fixed[2]	2010 to 2016	2018 to 2023	85	74
Monoprix	-	Variable	December 2013	(3)	-	21
Other					31[8]	26
International						
GPA	749	Variable[4]/ Fixed[5]	June 2010 to December 2016	January 2017 to May 2027	744	902
Via Varejo	-				-	182
Big C Thailand	-	Variable	July 2015 to December 2015	December 2016 to July 2019	-	305
Éxito	1,267	Variable[4]	August 2015 to August 2016	December 2018 to August 2025	1,241	1,182
Other						2
Bank overdrafts[6]					**136**	**183**
Accrued interest[7]					**321**	**269**
TOTAL OTHER BORROWINGS					**3,080**	**3,570**

(1) Commercial paper is short-term financing generally with a maturity of less than three months.
(2) Of which fixed-rate loans amounting to €4 million as at 31 December 2016 (31 December 2015: €10 million)
(3) Corresponds to the debt component of the Monoprix mandatory convertible bonds reimbursed in May 2016.
(4) Most of GPA and Éxito's variable-rate loans pay interest at rates based, respectively, on the CDI and IBR.
(5) Of which fixed-rate loans amounting to €15 million as at 31 December 2016 (31 December 2015: €4 million)
(6) Overdrafts are mostly in France.
(7) The amount reported for accrued interest is for all financial liabilities including bonds. As at 31 December 2016, accrued interest primarily relate to Casino, Guichard-Perrachon for €157 million and to GPA for €156 million (31 December 2015: Casino, Guichard-Perrachon for €174 million and GPA for €88 million).
(8) Of which €17 million in relation to Cdiscount.

Confirmed bank credit lines 2016

		Expiry date			
(€ millions)	Interest rate	Within one year	In more than one year	Amount of the facility	Drawdowns
Casino, Guichard-Perrachon syndicated credit lines[1]	Variable[1]	-	2,149	2,149	-
Casino, Guichard-Perrachon bilateral credit lines	Variable[2]	150	850	1,000	-
Other confirmed bank credit lines[4]	Variable[3]	505	688	1,193	-
TOTAL		**655**	**3,687**	**4,342**	**-**

(1) Syndicated credit lines comprise a €1,200 million line expiring in February 2021 and a USD 1 billion line expiring in July 2018, both at Euribor plus a spread that varies depending on the amount borrowed and the Group's net debt/EBITDA ratio.
(2) The interest rates on the bilateral credit lines correspond to Euribor plus a spread. For some, the spread varies depending on the amount borrowed (lines totalling €250 million) and/or the Group's net debt/EBITDA ratio (lines totalling €250 million).
(3) Interest on the other lines is based on a reference rate (depending on the currency of the credit line) plus a spread. For some of them, the spread varies depending on the subsidiary's net debt/EBITDA ratio (lines totalling €370 million) and/or the amount borrowed (lines totalling €450 million).
(4) The other confirmed bank credit lines concern Monoprix (€610 million), GPA (€394 million) and Éxito (€190 million).

11.3. Net finance costs and other financial income and expenses, net

In 2016, the Group reviewed the presentation of non-recourse factoring costs within net financial income/(expense). These costs, which were included in "Net finance costs", will now be included in "Other financial income and expenses". The Group believes that this voluntary change of presentation improves the quality of its financial disclosures, as it permits direct reconciliations between "Net finance costs" and "Net debt". The reclassification qualifies as a change in accounting method and has therefore been applied retrospectively, leading to a restatement of 2015 figures.

Accounting principle

Net finance costs

Net finance costs correspond to all income and expenses generated by cash and cash equivalents and financial liabilities during the period, including income from cash and cash equivalents, gains and losses on disposals of cash equivalents, interest expense on financial liabilities, gains and losses on interest rate hedges (including the ineffective portion) and related currency effects, and trade payable – structured program costs.

Other financial income and expenses

This item corresponds to financial income and expenses that are not included in net finance costs.

It includes dividends received from non-consolidated companies, non-recourse factoring costs, discounting adjustments (including to provisions for pensions and other post-employment benefit obligations), gains and losses arising from remeasurement at fair value of equity derivatives, and impairment losses and realised gains and losses on financial assets other than cash and cash equivalents. Exchange gains and losses are also recorded under this caption, apart from (i) exchange gains and losses on cash and cash equivalents and financial liabilities, which are presented under net finance costs, and (ii) the effective portion of accounting hedges of operating transactions, which are included in trading profit.

Financial discounts for prompt payments are recognised in financial income for the portion corresponding to the normal market interest rate and as a deduction from cost of goods sold for the supplement.

11.3.1. Net finance costs

(€ millions)	**2016**	2015 restated[1]
Gains (losses) on disposals of cash equivalents	-	-
Income from cash and cash equivalents	110	128
Income from cash and cash equivalents	**110**	**128**
Interest expense on borrowings after hedging[2]	(427)	(363)
Interest expense on finance lease liabilities	(8)	(5)
Finance costs	**(434)**	**(369)**
NET FINANCE COSTS	**(324)**	**(240)**

(1) Following the change in presentation of non-recourse factoring costs within net financial income (expense), the financial statements of 2016 have been restated. Consequently, the line "Interest expense on borrowings after hedging" at 31 December 2015 has been restated by €53 million (excluding discontinued operations).
(2) In 2016, income of €13 million was recognised following exercise of the call option on the mandatory convertible bonds issued by Monoprix (Note 2). In addition, the bond buybacks described in Note 2 led to the recognition of a €33 million gain in 2016 (not including the effect of future interest savings). In 2015, income of €11 million was recognised following an agreed reduction in the interest rate on the Monoprix mandatory convertible bonds (6-month Euribor plus 410 bps).

11.3.2. Other financial income and expenses

(€ millions)	**2016**	2015 restated(1)
Investment income	-	-
Foreign currency exchange gains (other than on borrowings)	40	94
Discounting and accretion adjustments	2	2
Gains on remeasurement to fair value of non-hedge derivatives instruments(1)	185	8
Other	58	58
Other financial income	**286**	**162**
Foreign currency exchange losses (other than on borrowings)	(38)	(35)
Discounting and accretion adjustments	(12)	(15)
Losses on remeasurement to fair value of non-hedge derivatives instruments(1)	(116)	(335)
Losses on remeasurement to fair value of financial assets at fair value through profit or loss	-	-
Non-recourse factoring costs(1)	(78)	(53)
Other	(77)	(65)
Other financial expenses	**(321)**	**(503)**
TOTAL OTHER FINANCIAL INCOME AND EXPENSES	**(35)**	**(340)**

(1) Non-recourse factoring costs were previously reported under "Interest expense on borrowings after hedging" (Note 11.3.1)
(2) The net gain of €69 million reported in 2016 mainly reflects (a) positive fair value adjustments to the GPA TRS (€30 million) and GPA forward (€15 million including impact of forward renegotiating and costs included), and (b) the positive fair value adjustment to the Big C Thailand TRS (€23 million) which was unwound during the year. In 2015, the net expense of €327 million was primarily due to negative fair value adjustments to the Big C Thailand TRS (€17 million); the GPA TRS (€162 million) and the GPA forward (€154 million).

The Group entered into Total Return Swap (TRS) and forward contracts on GPA and Big C Thailand shares. The contracts do not allow physical delivery of the shares and are cash-settled instruments. The documentation states that when the contracts expire, the shares will be sold on the market by the banking counterparties, and the Group will receive or pay the difference between the sale proceeds and the amount paid by the counterparties to purchase the shares at the contracts' inception. The Group retains the economic benefits of ownership of the shares (exposure to changes in the subsidiaries' share prices and collection of dividends) but does not have legal title to the shares and cannot exercise the related voting rights. Details of the contracts are as follows:

- In December 2011, the Group entered into a 2.5-year TRS with a financial institution on 7.9 million GPA American Depositary Receipts (ADRs). On 23 December 2016, the contract's maturity was extended to June 2018 and the interest rate was set at 3-month Euribor plus 269.5 bps. This TRS is a derivative instrument measured at fair value through profit or loss. As at 31 December 2016, it related to 7.8 million ADRs (2.9% of GPA's capital) representing a notional amount of €332 million, and had a negative fair value of €209 million (31 December 2015: 7.8 million ADRs, a notional amount of €332 million and a negative fair value of €247 million).
- At the end of December 2012, the Group entered into a 2-year forward contract on 5.8 million GPA shares. On 28 July 2016, the maturity was extended and the notional amount was reduced by USD 105 million (€95 million), resulting in a cash payment made by the Group on the same day. The interest rate currently corresponds to 3-month Libor plus 276 bps and the contract expires in February 2018. This forward is a derivative instrument measured at fair value through profit or loss. As at 31 December 2016, it related to 5.8 million shares (2.2% of GPA's capital) representing a notional amount of USD 239 million (€227 million), and had a negative fair value of €134 million (31 December 2015: 5.8 million shares, a notional amount of USD 338 million (€310 million) and a negative fair value of €248 million).
- In 2012, the Group entered into a TRS with a financial institution on 20.6 million Big C Thailand shares. The TRS was settled in 2016, leading to the recognition of €23 million in "Other financial income" corresponding to the net cash settlement on the TRS for €2 million and the positive change of fair value for €21 million. As at 31 December 2015, the TRS's notional amount was €127 million and its fair value was a negative €21 million.

These instruments' fair value is determined based on the estimated settlement price on 31 December, using the share price on that date. The instruments had a negative fair value of €343 million as at 31 December 2016 (2015: negative fair value of €516 million) (Note 11.5.1).

11.4. Fair value of financial instruments

Accounting principle

Fair value measurements are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable either directly (*i.e.* as prices) or indirectly (*i.e.* derived from prices) (Level 2);
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The fair value of financial instruments traded in an active market is the quoted price on the reporting date. A market is considered as active if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are classified as Level 1.

The fair value of financial instruments which are not quoted in an active market (such as over-the-counter derivatives) is determined using valuation techniques. These techniques use observable market data wherever possible and make little use of the Group's own estimates. If all the inputs required to calculate fair value are observable, the instrument is classified as Level 2.

If one or more significant inputs are not based on observable market data, the instrument is classified as Level 3.

11.4.1. Financial assets and liabilities by category of instrument

Financial assets

The following table shows financial assets by category.

The Group does not hold assets that would be classified in the categories "financial assets at fair value through profit or loss" or "held-to-maturity financial assets".

		Breakdown by category of instrument				
(€ millions)	Total financial assets	Held-for-trading financial assets	Hedging instruments	Loans and receivables	AFS - measured at fair value	AFS - measured at cost
AS AT 31 DECEMBER 2016						
Other non-current assets[1]	787	12	257	481	35	2
Trade receivables	880	-	-	880	-	-
Other current assets[1]	979	2	54	922	-	-
Cash and cash equivalents	5,750	23	-	5,727	-	-
As at 31 December 2015						
Other non-current assets[1]	1,081	-	418	623	36	4
Trade receivables	1,287	-	-	1,287	-	-
Other current assets[1]	1,218	-	258	961	-	-
Cash and cash equivalents	4,588	181	-	4,407	-	-

(1) Excluding non-financial assets.

Financial liabilities

The following table shows financial liabilities by category.

		Breakdown by category of instrument		
(€ millions)	Total financial liabilities	Liabilities at amortised cost	Liabilities associated with puts on non-controlling interests	Derivative instruments
AS AT 31 DECEMBER 2016				
Bonds	6,969	6,969	-	-
Other borrowings and financial liabilities	3,167	3,080	-	87
Put options granted to owners of non-controlling interests	382	-	382	-
Finance lease	79	79	-	-
Trade payables	6,939	6,939	-	-
Other liabilities[1]	2,166	1,822	-	344
As at 31 December 2015				
Bonds	7,828	7,828	-	-
Other borrowings and financial liabilities	3,826	3,815	-	11
Put options granted to owners of non-controlling interests	151	-	151	-
Finance lease	81	81	-	-
Trade payables	8,073	8,073	-	-
Other liabilities[1]	3,290	2,771	-	519

(1) Excluding non-financial liabilities.

11.4.2. Fair value hierarchy for assets and liabilities

The tables below compare the carrying amount and fair value of consolidated financial assets and liabilities, other than those for which the carrying amount corresponds to a reasonable approximation of fair value such as trade receivables, trade payables, cash and cash equivalents and bank overdrafts. The fair value of investment property is presented in Note 10.4 and the fair value of Via Varejo's net assets held for sale in Note 3.5.2.

			Fair value hierarchy		
As at 31 December 2016 *(€ millions)*	Carrying amount	Fair value	Market price = Level 1	Models with observable inputs = Level 2	Models with unobservable inputs = Level 3
ASSETS	**361**	**361**	**-**	**313**	**48**
Available-for-sale financial assets(1)	35	35	-	-	35
Fair value hedges – assets(2)	291	291	-	291	-
Other derivatives instruments – assets	35	35	-	23	12
LIABILITIES	**10,940**	**11,435**	**6,964**	**4,276**	**195**
Bonds(3)	6,969	7,470	6,778	692	-
Other borrowings and finance lease liabilities(4)	3,158	3,152	-	3,152	-
Fair value hedges – liabilities(2)	87	87	-	87	-
Other derivatives instruments – liabilities	344	344	-	344	-
Put options granted to owners of non-controlling interests (5)	382	382	186	-	195

			Fair value hierarchy		
31 December 2015 *(€ millions)*	Carrying amount	Fair value	Market price = Level 1	Models with observable inputs = Level 2	Models with unobservable inputs = Level 3
Assets	**712**	**712**	**-**	**675**	**36**
Available-for-sale financial assets(1)	36	36	-	-	36
Fair value hedges – assets(2)	648	648	-	648	-
Other derivatives instruments – assets	27	27	-	27	-
Liabilities	**12,405**	**12,375**	**7,609**	**4,614**	**151**
Bonds(3)	7,828	7,817	7,609	208	-
Other borrowings and finance leases(4)	3,896	3,877	-	3,877	-
Fair value hedges – liabilities(2)	11	11	-	11	-
Other derivatives instruments – liabilities(2)	519	519	-	519	-
Put options granted to owners of non-controlling interests(5)	151	151	-	-	151

(1) The fair value of available-for-sale financial assets is generally measured using standard valuation techniques. If their fair value cannot be determined reliably, they are not included in this note.
(2) Derivative financial instruments are valued (internally or externally) on the basis of the widely used valuation techniques for this type of instrument. Valuation models are based on observable market inputs (mainly the yield curve) and counterparty quality. Derivatives held as fair value hedges are almost fully backed by borrowings.
(3) The fair value of bonds is based on the latest quoted price on the reporting date.
(4) The fair value of other borrowings has been measured using other valuation techniques such as the discounted cash flow method, taking into account the Group's credit risk and interest rate conditions at the reporting date.
(5) The fair value of put options granted to owners of non-controlling interests is measured by applying the contract's calculation formulae and is discounted, if necessary; these formulae are considered to be representative of the fair value and notably use EBITDA multiples.

11.5. Financial risk management objectives and policies

The main risks associated with the Group's financial instruments are market risk (currency risk, interest rate risk and equity risk), counterparty risk and liquidity risk.

Financial risk monitoring and management is the responsibility of the Corporate Finance department, which is part of the Group Finance department. This team manages all financial exposures in coordination with the finance departments of the Group's main subsidiaries and reports to executive management. It has issued a Good Financial Practice Guide governing all financing, investment and hedging transactions carried out by Group entities.

The Group uses derivative financial instruments such as interest rate swaps, currency swaps and forward currency transactions to manage its exposure to interest rate risks and currency risks. These instruments are mainly over-the-counter instruments contracted with first-class bank counterparties. Most of these transactions or derivative instruments qualify for hedge accounting.

However, like many other large corporates, the Group may take very small, strictly controlled speculative positions as part of its hedging policy, for more dynamic and flexible management of its interest rate positions.

11.5.1. Breakdown of derivative financial instruments

The table below shows a breakdown of derivative financial instruments by type of hedged risk and accounting classification:

(€ millions)	Note	**2016**	Interest rate risk	Currency risk	Other market risks	2015
Derivatives - assets						
Derivatives at fair value through profit or loss	6.8 – 6.9	15	-	2	12	-
Cash flow hedges	6.8 – 11.2	21	-	21	-	27
Fair value hedges	6.8 – 6.9 – 11.2	291	257	34	-	648
TOTAL DERIVATIVES - ASSETS		**326**	**257**	**57**	**12**	**675**
of which non-current		*269*	*254*	*2*	*12*	*418*
of which current		*57*	*2*	*55*	-	*258*
Derivatives - liabilities						
Derivatives at fair value through profit or loss	6.10	343	-	-	343	519
Cash flow hedges	6.10	1	-	1	-	-
Fair value hedges	11.2	87	3	84	-	11
TOTAL DERIVATIVES - LIABILITIES		**431**	**4**	**85**	**343**	**530**
of which non-current		*369*	-	*26*	*343*	*257*
of which current		*62*	*4*	*59*	-	*273*

As at 31 December 2016, the fair value hedge derivatives presented a net positive balance of €203 million. The total included "interest rate risk" derivatives in France with a positive fair value of €253 million and "currency risk" derivatives in Brazil and Colombia with negative fair values of €49 million and €1 million, respectively. All the currency derivatives are backed by bank borrowings or bonds denominated in a currency other than the borrower entity's functional currency. The ineffective portion of these fair value hedges is not material.

As at 31 December 2016, the cash flow hedge reserve included in equity had a credit balance of €19 million (31 December 2015: credit balance of €27 million). These derivatives are related to France perimeter and were acquired to hedge goods purchases billed in currencies other than the euro (mainly the US dollar). The ineffective portion of these cash flow hedges is not material.

Derivative instruments that do not qualify for hedge accounting under IAS 39 had a negative fair value of €328 million as at 31 December 2016 (31 December 2015: negative fair value of €519 million). They included TRSs and forward contracts with a negative fair value of €343 million as at 31 December 2016 (31 December 2015: negative fair value of €516 million) (Note 11.3.2).

The fair value calculation as at 31 December 2016 took into account the credit valuation adjustment (CVA) and the debit valuation adjustment (DVA) in accordance with IFRS 13. The impact of these adjustments is not material.

11.5.2. Market risk

Interest rate risk

The Group's objective is to manage its exposure to the risk of interest rate changes and optimise its financing cost. Its strategy therefore consists of dynamic debt management by monitoring and, where necessary, adjusting its hedging ratio based on forecast trends in interest rates.

Various derivative instruments are used to manage interest rate risks. The main instruments are interest rate swaps. Group financial policy consists of managing finance costs by combining variable and fixed-rate derivative instruments. These instruments do not always qualify for hedge accounting; however all interest-rate instruments are contracted in line with the above risk management policy.

Specifically, Casino, Guichard-Perrachon's debt is mainly composed of fixed-rate bonds (principal amount of €5,981 million as at 31 December 2016). This bond debt may be hedged through fixed-to-variable rate swaps generally contracted at the issue date; all of these hedges qualify for hedge accounting.

During 2016, the Group unwound interest rate swaps hedging the bonds that were bought back and cancelled during the year. Casino also decided to increase its fixed rate exposure by unwinding interest rate swaps which reduced by €2 billion the variable rate exposure of the Group.

As at 31 December 2016, Casino, Guichard-Perrachon had a portfolio of 30 interest rate swaps with a dozen of bank counterparties, representing a variable rate exposure on a total notional amount of €3,022 million. The swaps expire at various dates between 2021 and 2026.

As a result, as at 31 December 2016, 49% of Casino, Guichard-Perrachon's bond debt was at fixed rates of interest and 51% was at variable rates.

Sensitivity to a change in interest rates

Sensitivity to rate changes is calculated as shown in the table below.

(€ millions)	Notes	**2016**	2015 restated
Casino, Guichard-Perrachon variable-rate bonds(1)		3,022	6,396
Brazil variable-rate bonds(2)	11.2.2	703	209
Other variable-rate borrowings and financial liabilities(3) (4) (5)	11.2.3	2,218	2,864
Finance lease	7.6	79	81
Total variable-rate bonds, other borrowings and financial liabilities		**6,021**	**9,549**
Cash and cash equivalents	11.1.1	(5,750)	(4,588)
NET VARIABLE-RATE POSITION		**272**	**4,961**
100-bps change in interest rate		3	50
Net finance costs	11.3.1	324	241
IMPACT OF CHANGE ON NET FINANCE COSTS		**0.8%**	**20.6%**

(1) Corresponding to fixed-rate bonds for a notional amount of €5,981 million (2015: €7,346 million) (Note 11.2.2), covered by an interest rate hedge on a net notional amount of €3,022 million as at 31 December 2016 (2015: €6,396 million).
(2) Principal amount.
(3) Excluding accrued interest.
(4) Including borrowings in Brazil originally denominated in dollars or euros for BRL 2,458 million (€717 million) converted to reals and variable interest rates by means of cross-currency swaps (2015: BRL €3,171 million, representing €735 million).
(5) Including borrowings in Colombia originally denominated in dollars for COP 1,249 billion (€395 million) of which 44% converted to pesos and variable interest rates by means of cross-currency swaps.

Assuming the net debt structure and management policy are constant, a 100-bps annual increase (decrease) in rates across the yield curve would lead to a 0.8% (€3 million) increase (decrease) in finance costs. For the purposes of the analysis, all other variables, particularly exchange rates, are assumed to be constant.

Exposure to currency risk

Due to its geographical diversification, the Group is exposed to currency translation risk; in other words, its statement of financial position and income statement, and consequently its financial ratios, are sensitive to movements in exchange rates on consolidation of the financial statements of its foreign subsidiaries outside the euro zone. It is also exposed to currency risk on transactions not denominated in euros.

The Group's policy in this respect is to hedge highly probable budgeted exposures, which mainly involve purchases made in a currency other than its functional currency and particularly purchases in US dollars. Substantially all budgeted purchases are hedged using instruments with the same maturities as the underlying transactions. All borrowings denominated in a currency other than the borrower's functional currency are fully hedged.

The Group's net exposure based on notional amounts after hedging mainly concerns the US dollar (excluding the functional currencies of entities), as shown below:

(€ millions)	Total exposure 2016	Of which USD	Total exposure 2015
Exposed trade receivables	(18)	(8)	(20)
Exposed other financial assets	(90)	(64)	(118)
Exposed trade payables	166	145	158
Exposed put options granted to owners of non-controlling interests	115	115	90
Exposed financial liabilities	881	831	1,202
Gross exposure payable/(receivable)	**1,054**	**1,019**	**1,311**
Hedged trade receivables	-	-	-
Hedged other financial assets	(15)	(15)	(33)
Hedged trade payables	72	67	25
Hedged put options granted to owners of non-controlling interests	-	-	-
Hedged financial liabilities	882	832	787
NET EXPOSURE PAYABLE/(RECEIVABLE)	**115**	**136**	**532**
Hedges of future purchases	**276**		**275**

As at 31 December 2015, the net statement of financial position exposure of €532 million mainly concerned the US dollar.

Sensitivity of net exposure after currency hedging

A 10% appreciation of the euro as at 31 December 2016 against the currencies included in the Group's exposure would lead to an increase of profit for the amounts indicated in the following table. For the purposes of the analysis, all other variables, particularly interest rates, are assumed to be constant.

(€ millions)	2016	2015
US dollar	14	54
Other currencies	(2)	(1)
TOTAL	**12**	**53**

A 10% depreciation of the euro against those currencies as at 31 December 2016 and 2015 would have produced the opposite effect.

Breakdown of cash and cash equivalents by currency

(€ millions)	2016	%	2015	%
Euro	3,048	53%	1,134	25%
US dollar	77	1%	94	2%
Brazilian real	2,180	38%	2,893	63%
Thai baht	-	-	122	3%
Colombian peso	367	6%	252	5%
Uruguayan peso	33	1%	39	1%
Other	44	1%	54	1%
CASH AND CASH EQUIVALENTS	**5,750**	**100%**	**4,588**	**100%**

Exchange rates against the euro

Exchange rates against the euro	2016		2015	
	Closing rate	Average rate	Closing rate	Average rate
Brazilian real (BRL)	3.4305	3.8561	4.3117	3.7004
Colombian peso (COP)	3,164.89	3,375.90	3,456.08	3,048.25
Thai baht (THB)	37.7260	39.0428	39.2480	38.0278
Argentine peso (ARS)	16.7318	16.3473	14.0841	10.2584
Uruguayan peso (UYP)	30.9120	33.3198	32.5958	30.2896
US dollar (USD)	1.0541	1.1069	1.0887	1.1095
Vietnamese dong (VND)	23,992.37	24,752.54	24,479.42	24,056.41
Polish zloty (PLN)	4.4103	4.3632	4.2639	4.1841

Equity risk

As at 31 December 2016, the Group did not hold any significant investments in listed companies other than interests in its subsidiaries or treasury shares.

The Group may use derivative instruments (*e.g.* total return swaps with no call option, forward contracts and call options) on shares to build a synthetic exposure to the shares of its listed subsidiaries (Note 11.3.2). The carrying amount of these instruments corresponds to their estimated value as provided by a financial institution on the reporting date. These values take account of market data such as exchange rates, share prices and interest rates.

In addition, the Group does not hold any options or any derivatives backing its own shares. Its policy as regards cash management is to invest only in money market instruments that are not exposed to equity risk.

11.5.3. Counterparty risk

The Group is exposed to various aspects of counterparty risk through its operating activities, cash deposits and interest rate and currency hedging instruments. It monitors these risks regularly using several objective indicators, and diversifies its exposure by dealing with the least risky counterparties (based mainly on their credit ratings and their reciprocal commitments with the Group).

Counterparty risk related to trade receivables

Customer credit risk

Group policy consists of checking the financial health of all customers applying for credit payment terms. Customer receivables are regularly monitored; consequently, the Group's exposure to bad debts is not material.

Trade receivables break down as follows by maturity:

(€ millions)	Receivables not yet due, not impaired	Past-due receivables on the reporting date, not impaired: Up to one month past due	Between one and six months past due	More than six months past due	Total	Impaired receivables	Total
2016	**721**	**79**	**15**	**26**	**119**	**117**	**957**
2015	698	93	50	24	167	140	1,005

The age of unimpaired past-due receivables can vary considerably depending on the type of customer, *i.e.* private companies, consumers or public authorities. Impairment policies are determined on an entity-by-entity basis according to customer type. As indicated above, the Group believes that its exposure to credit concentration risk is not material.

Counterparty risk related to other assets

Other assets, mainly comprising tax receivables and repayment rights are neither past due nor impaired.

Credit risk on other financial assets – mainly comprising cash and cash equivalents, available-for-sale financial assets and certain derivative financial instruments – corresponds to the risk of failure by the counterparty to fulfil its obligations. The maximum risk is limited and equal to the instruments' carrying amount. The Group's cash management policy consists of investing cash and cash equivalents with first-class counterparties and in first-class rated instruments.

11.5.4. Liquidity risk

The Group's liquidity policy is to ensure, as far as possible, that it always has sufficient liquid assets to settle its liabilities as they fall due, in either normal or impaired market conditions.

The main methods used consist of:

- diversifying sources of financing: public and private capital markets, banks (confirmed and non-confirmed facilities), commercial paper, discounting of receivables;
- diversifying financing currencies: euro, the Group's other functional currencies, US dollar;
- maintaining a level of confirmed financing facilities significantly in excess of the Group's payment obligations at any times;
- limiting the amount of annual repayments and proactively managing the repayment schedule;
- managing the average maturity of financing facilities and, where appropriate, refinancing them before they fall due.

The liquidity analysis is performed both at the Casino, Guichard-Perrachon holding company level (taking into account the cash pooling among all wholly-owned French entities *via* cash-pooling agreements) and for each of the Group's international subsidiaries.

In addition, the Group carries out non-recourse receivables discounting without continuing involvement, within the meaning of IFRS 7, as well as reverse factoring.

Trade payables as at 31 December 2016 include payables totalling €1,034 million (of which €264 million and €770 million respectively related to France Retail and Latam Retail) that are the subject to a reverse factoring agreement.

Most of the Group's debt is carried by Casino, Guichard-Perrachon and is not secured by collateral or any secured assets. Financing is managed by the Corporate Finance department. The main subsidiaries (GPA, Monoprix and Éxito) also have their own financing facilities, which are not secured by collateral or any security interests in assets and are not guaranteed by Casino (except for GPA loans borrowed from BNDES totalling €17 million as at 31 December 2016 that are secured by security interests in the financed assets and a guarantee issued by Wilkes, which is indirectly 50% owned by Casino and 50% by Éxito).

All subsidiaries submit weekly cash reports to the Group and all new financing facilities require prior approval from the Corporate Finance department.

As at 31 December 2016, the Group's liquidity position comprised:

- confirmed, undrawn lines of credit for a total of €4,342 million (of which €3,759 million for France);
- unrestricted cash of €5,750 million.

Casino, Guichard-Perrachon has a €9 billion Euro Medium Term Notes (EMTN) programme. Notes issued under the programme totalled €5,981 million as at 31 December 2016.

Furthermore, issuance under Casino, Guichard-Perrachon's €2,000 million commercial paper programme amounted to €522 million as at 31 December 2016.

The Company's bond issues (other than deeply subordinated perpetual notes) have been rated BB+ by Standard & Poor's since 21 March 2016 and BBB- by Fitch Ratings with a negative outlook since 14 December 2016.

Standard & Poor's rating downgrade from BBB- to BB+ triggered application of the coupon step-up clause providing for a 125-bps interest rate step-up on bonds in the event of Casino, Guichard-Perrachon's debt being rated non-investment grade by at least one rating agency. The step-up is applicable for each issue as from the first annual interest period beginning after 21 March 2016. Application of the step-up clause added €15 million to finance costs in 2016. Based on currently outstanding bond debt, the impact in 2017 is estimated at €63 million (Note 2).

Bonds (other than for deeply subordinated perpetual bonds) also include a step down clause providing for a return to the original interest rate if Casino, Guichard Perrachon's investment grade rating by Standard & Poor's and Fitch Ratings is restored.

The Group's bank loan agreements and bond documentation include the usual pari passu negative pledge and cross default clauses.

Casino, Guichard-Perrachon's facility agreements generally contain a mandatory acceleration clause in the event of a change of control of the Company.

In addition, bonds issued by Casino, Guichard-Perrachon (except for two deeply subordinated perpetual bond issues) contain a discretionary acceleration clause applicable if the Company's long-term senior debt rating is downgraded to non-investment grade (or further downgraded if the rating is already non-investment grade), but only if this downgrade is due to a change of majority shareholder (*i.e.* if a third party other than Rallye or one of its related companies acquires more than 50% of Casino's voting rights).

Casino, Guichard-Perrachon debt covenants

At the reporting date, Casino, Guichard-Perrachon's debt was subject to the following hard covenants to be met at each year-end:

Type of covenant	Main types of debt subject to covenant	Frequency of tests	Result from the covenant as at 31 December 2016
Consolidated net debt(1)/ Consolidated EBITDA(2) < 3.5	€1.2 billion syndicated line of credit	Annual	2.4
	USD 1 billion syndicated credit line		
	Bilateral credit lines totalling €900 million		
Consolidated net debt(1)/ Consolidated EBITDA(2) < 3.7	Bilateral credit lines totalling €50 million		

(1) Net debt as defined in the loan agreements may differ from net debt presented in the consolidated financial statements (Note 11.2). It corresponds to borrowings and financial liabilities including hedging instruments with a negative fair value, less (i) cash and cash equivalents, (ii) financial assets held for cash management purposes and short-term financial investments, (iii) derivatives with a positive fair value classified as hedges of debt and (iv) financial assets arising from a significant disposal of non-current assets.
(2) EBITDA corresponds to trading profit plus recurring net depreciation and amortisation expense.

The Group considers that it will very comfortably fulfil its covenants over the next 12 months.

Casino, Guichard-Perrachon's bonds and commercial paper are not subject to any financial covenants.

Financing of subsidiaries subject to covenants

Most of the Group's other loan agreements – primarily concerning GPA, Éxito and Monoprix – contain hard covenants (see table below).

Subsidiary	Type of covenant	Frequency of tests	Main types of debt subject to *covenant*
Monoprix	Net debt/EBITDA < 2.5	Annual	€370 million syndicated credit line
			Other confirmed credit lines totalling €240 million
GPA(1)	Net debt(2) may not be higher than equity(3)	Quarterly/ half-yearly/ annual	All bond issues and certain bank borrowings
	Consolidated net debt/EBITDA < 3.25		
Éxito	Consolidated net debt/ Consolidated EBITDA < 3.5	Annual	Bank borrowings (Note 11.2.3)

(1) All of GPA's covenants are based on the GPA's consolidated financial statements.
(2) Debt less cash, cash equivalents and trade receivables.
(3) Consolidated equity (attributable to owners of the parent and non-controlling interests).

These covenants were respected as at 31 December 2016.

Exposure to liquidity risk

The table below presents a maturity schedule of financial liabilities as at 31 December 2016, including principal and interest and for undiscounted amounts. For derivative financial instruments, the table has been drawn up based on the contractual net cash inflows and outflows on instruments that settle on a net basis and the gross inflows and outflows on those instruments that require gross settlement. For interest rate instruments, when the amount payable or receivable is not fixed, the amount presented has been determined by reference to observed yield curves as at the reporting date.

For the TRSs and forward instruments described in Note 11.3.2, the cash flows presented in the table below reflect the interest payable and the fair value of instruments as at the reporting date.

31 December 2016 *(€ millions)*	Maturity: Due within one year	Due in one to two years	Due in two to three years	Due in three to five years	Due beyond five years	Total contractual cash flows	Carrying amount
NON-DERIVATIVE FINANCIAL INSTRUMENTS RECOGNISED IN LIABILITIES:							
Bonds and other borrowings	2,723	1,248	1,749	2,151	3,869	11,740	10,049
Put options granted to owners of non-controlling interests	340	-	-	3	44	388	382
Finance lease liabilities	24	19	19	29	50	141	79
Trade payables and other financial liabilities	8,671	48	4	5	34	8,762	8,762
TOTAL	**11,758**	**1,315**	**1,771**	**2,188**	**3,997**	**21,030**	**19,270**
DERIVATIVE FINANCIAL INSTRUMENTS ASSETS/(LIABILITIES):							
Interest rate derivatives							
Derivative contracts – received	176	125	52	79	22	455	
Derivative contracts – paid	(126)	(67)	(1)	(2)	(1)	(197)	
Derivative contracts – net settled	-	-	-	-	-	-	
Currency derivatives							
Derivative contracts – received	232	82	-	-	-	314	
Derivative contracts – paid	(217)	(74)	-	-	-	(291)	
Derivative contracts – net settled	8	26	-	-	-	34	
Other derivative instruments							
Derivative contracts – received	-	-	-	-	-	-	
Derivative contracts – paid	(17)	(350)	-	-	-	(367)	
Derivative contracts – net settled	-	-	-	-	-	-	
TOTAL	**57**	**(259)**	**51**	**77**	**22**	**(52)**	**(105)**

31 December 2015 *(€ millions)*	Maturity: Due within one year	Due in one to two years	Due in two to three years	Due in three to five years	Due beyond five years	Total contractual cash flows	Carrying amount
NON-DERIVATIVE FINANCIAL INSTRUMENTS RECOGNISED IN LIABILITIES:							
Bonds and other borrowings	2,264	1,601	1,660	2,499	5,435	13,460	11,643
Put options granted to owners of non-controlling interests	113	1	15	24	10	162	151
Finance lease liabilities	24	21	15	26	50	136	81
Trade payables and other financial liabilities	10,718	79	5	10	32	10,844	10,844
TOTAL	**13,119**	**1,702**	**1,695**	**2,559**	**5,527**	**24,603**	**22,720**
DERIVATIVE FINANCIAL INSTRUMENTS ASSETS/(LIABILITIES):							
Interest rate derivatives							
Derivative contracts – received	172	154	123	193	172	814	
Derivative contracts – paid	(53)	(37)	(37)	(87)	(144)	(357)	
Derivative contracts – net settled	-	-	-	-	-	-	
Currency derivatives							
Derivative contracts – received	240	85	-	-	-	325	
Derivative contracts – paid	(196)	(82)	-	-	-	(277)	
Derivative contracts – net settled	111	64	(2)	-	-	173	
Other derivative instruments							
Derivative contracts – received	1	1	1	1	3	7	
Derivative contracts – paid	(282)	(259)	(1)	(1)	(3)	(546)	
Derivative contracts – net settled	-	-	-	-	-	-	
TOTAL	**(6)**	**(73)**	**84**	**106**	**28**	**139**	**145**

Note 12. Equity and earnings per share

Accounting principle

Equity is attributable to two categories of owner: the owners of the parent (Casino, Guichard-Perrachon shareholders) and the owners of the non-controlling interests in its subsidiaries. A non-controlling interest is the equity in a subsidiary not attributable, directly or indirectly, to a parent.

Transactions with the owners of non-controlling interests resulting in a change in the parent company's percentage interest without loss of control affect only equity as there is no change of control of the economic entity. Cash flows arising from changes in ownership interests in a fully consolidated subsidiary that do not result in a loss of control (including increases in percentage interest) are classified as cash flows from financing activities.

In the case of an acquisition of an additional interest in a fully consolidated subsidiary, the Group recognises the difference between the acquisition cost and the carrying amount of the non-controlling interests as a change in equity attributable to owners of Casino, Guichard-Perrachon. Transaction costs are also recognised in equity. The same treatment applies to transaction costs relating to disposals without loss of control. In the case of disposals of controlling interests involving a loss of control, the Group derecognises the whole of the ownership interest and, where appropriate, recognises any investment retained in the former subsidiary at its fair value. The gain or loss on the entire derecognised interest (interest sold and interest retained) is recognised in profit or loss under "Other operating income" or "Other operating expenses", which amounts to remeasuring the retained previously-held investment at fair value through profit or loss. Cash flows arising from the acquisition or loss of control of a subsidiary are classified as cash flows from investing activities.

Equity instruments and hybrid instruments

The classification of instruments issued by the Group in equity or debt depends on each instrument's specific characteristics. An instrument is deemed to be an equity instrument when the following two conditions are met: (i) the instrument does not contain a contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; and (ii) in the case of a contract that will or may be settled in the entity's own equity instruments, it is either a non-derivative that does not include a contractual obligation to deliver a variable number of the Company's own equity instruments, or it is a derivative that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

The Group also examines the special provisions of contracts to ensure the absence of an indirect obligation to buy back the equity instruments in cash or by delivering another financial asset or by delivering shares with a value substantially higher than the amount of cash or the other financial asset to be delivered.

In particular, instruments that are redeemable at the Group's discretion and for which the remuneration depends on the payment of a dividend are classified in equity.

When a "debt" component exists, it is measured separately and classified under "financial liabilities".

Equity transaction costs

External and qualifying internal costs directly attributable to equity transactions or transactions involving equity instruments are recorded as a deduction from equity, net of tax. All other transaction costs are recognised as an expense.

Treasury shares

Casino, Guichard-Perrachon shares purchased by the Group are deducted from equity at cost. The proceeds from sales of treasury shares are credited to equity with the result that any disposal gains or losses, net of the related tax effect, have no impact in the income statement for the period.

Options on treasury shares

Options on treasury shares are treated as derivative instruments, equity instruments or financial liabilities depending on their characteristics.

Options classified as derivatives are measured at fair value through profit or loss. Options classified as equity instruments are recorded in equity at their initial amount and changes in value are not recognised. The accounting treatment of financial liabilities is described in Note 11.

12.1. Capital management

The Group's policy is to maintain a strong capital base in order to preserve the confidence of investors, creditors and the markets while ensuring the financial flexibility required to support the Group's future business development. The Group aims to continually optimise its financial structure by maintaining an optimum balance between net debt, EBITDA and equity. To this end, it may adjust the amount of dividends paid to shareholders, return part of the capital to shareholders, buy back its own shares or issue new shares. The Group may buy back occasionally its own shares in the market. The purpose of this is to allocate the shares to the liquidity contract and ensure active trading of its shares, to keep them, to allocate stock option plans, employee share ownership plans or free share plans for Group employees and corporate officers.

The policy objectives and management procedures are exactly the same as in previous years.

Apart from legal requirements, the Group is not subject to any external minimum capital requirements.

12.2. Share capital

As at 31 December 2016, the Company's share capital amounted to €169,825,404 (31 December 2015: €173,192,460). Share capital is composed of 110,996,996 ordinary shares issued and fully paid as at 31 December 2016. In 2016, 2,200,690 shares for an amount of €104 million were cancelled (2015: 22,485 shares issued upon exercise of stock options). Ordinary shares have a par value of €1.53.

Under the shareholder authorisations given to the Board of Directors, the share capital may be increased, immediately or in the future, by up to €60 million.

12.3. Share equivalents

The Group is committed to free share plans (Note 8.3). The Group intends to cover those plans using existing shares.

12.4. Treasury shares

Treasury shares result from shareholder-approved buybacks of Casino Guichard-Perrachon SA shares. As at 31 December 2016, a total of 102,256 shares were held in treasury, representing €5 million. The shares were purchased primarily for allocation upon exercise of the rights under free share plans.

In January 2005, the Group entered into a liquidity contract with the Rothschild investment bank for a total of 700,000 Casino shares plus a contribution of €40 million in cash, in compliance with European Commission Regulation (EC) No. 2273/2003. The Group made additional contributions to the liquidity contract of (i) €30 million on 25 September 2015 and (ii) €50 million on 28 December 2015. The 700,000 shares were subsequently cancelled by decision of the Board of Directors on 14 June 2016.

As at 31 December 2016, no Casino Guichard-Perrachon SA shares were held in the liquidity account.

The cash earmarked for the liquidity contract is invested in money market mutual funds. These funds qualify as cash equivalents and are therefore included in net cash and cash equivalents in the consolidated statement of cash flows.

12.5. Perpetual deeply subordinated bonds (TSSDI)

At the beginning of 2005, the Group issued 600,000 perpetual deeply subordinated bonds (TSSDI) for a total amount of €600 million. The bonds are redeemable solely at the Group's discretion and interest payments are due only if the Group pays a dividend on its ordinary shares in the preceding 12 months. The bonds pay interest at the 10-year constant maturity swap rate plus 100 bps, capped at 9%. In 2016, the average coupon was 1.69%.

On 18 October 2013, the Group issued €750 million of perpetual hybrid bonds (7,500 bonds) on the market. The bonds are redeemable at the Group's discretion with the first time set for 31 January 2019. The bonds pay interest at 4.87% until that date, after which the rate will be revised every five years.

Given the specific characteristics in terms of maturity and remuneration, the bonds are carried in equity for the amount of €1,350 million. Issuance costs net of tax have been recorded as a deduction from equity.

12.6. Other equity instruments

On 27 December 2013, Monoprix issued €500 million worth of mandatory convertible bonds to CACIB. The bonds were convertible into Monoprix preferred stock. The bonds had a three-year life and paid interest at the 6-month Euribor plus 410 bps (Note 11.3.1). The redemption parity was fixed.

Mandatory convertible bonds are compound financial instruments with a debt component recorded in "financial liabilities", corresponding to the discounted value of the interest payments over the life of the bonds, and an equity component, corresponding to the balance of the bonds' value net of transaction costs and tax, recorded in "non-controlling interests". As at 31 December 2015, the equity component amounted to €420 million (Note 12.8) and the debt component to €21 million (Note 11.2.3). The Group also had a call option on the mandatory convertible bonds which was exercised on 3 May 2016. The impact of buying back the bonds is presented in Note 2.

12.7. Other information on additional paid-in capital, retained earnings and reserves

12.7.1. Foreign currency translation reserves

The foreign currency translation reserve corresponds to cumulative exchange gains and losses on translating the equity of foreign subsidiaries and receivables and payables included in the Group's net investment in these subsidiaries, at the closing rate.

Foreign currency translation reserves by country as at 31 December 2016

	Attributable to owners of the parent			Attributable to non-controlling interests			Total
(€ millions)	1 January 2016	Movements for the year	31 December 2016	1 January 2016	Movements for the year	31 December 2016	31 December 2016
Brazil	(1,795)	735	(1,060)	(2,879)	1,005	(1,875)	(2,934)
Argentina	(139)	(5)	(144)	(2)	(9)	(11)	(154)
Colombia	(272)	18	(254)	(291)	36	(255)	(509)
Uruguay	(4)	11	7	(26)	16	(9)	(2)
United States	19	-	19	1	-	-	20
Thailand	97	(97)	-	56	(56)	-	-
Poland	15	(5)	10	-	-	-	10
Indian Ocean	(8)	-	(8)	(3)	-	(3)	(10)
Vietnam	24	(24)	-	1	(1)	-	-
Hong Kong	1	-	1	-	-	-	1
TOTAL FOREIGN CURRENCY TRANSLATION RESERVES	**(2,061)**	**634**	**(1,427)**	**(3,143)**	**991**	**(2,152)**	**(3,580)**

Foreign currency translation reserves by country as at 31 December 2015

	Attributable to owners of the parent			Attributable to non-controlling interests			Total
(€ millions)	1 January 2015	Movements for the year	31 December 2015	1 January 2015	Movements for the year	31 December 2015	31 December 2015
Brazil	(827)	(967)	(1,795)	(1,436)	(1,444)	(2,879)	(4,674)
Argentina	(117)	(22)	(139)	-	(2)	(2)	(141)
Colombia	(67)	(206)	(272)	(83)	(208)	(291)	(563)
Uruguay	37	(42)	(4)	(2)	(23)	(26)	(30)
United States	12	7	19	-	1	1	20
Thailand	86	11	97	49	6	56	153
Poland	15	-	15	-	-	-	15
Indian Ocean	(6)	(1)	(8)	(3)	-	(3)	(10)
Vietnam	9	15	24	-	1	1	25
Hong Kong	1	1	1	-	-	-	1
TOTAL FOREIGN CURRENCY TRANSLATION RESERVES	**(858)**	**(1,204)**	**(2,061)**	**(1,474)**	**(1,668)**	**(3,143)**	**(5,204)**

12.7.2. Notes to the consolidated statement of comprehensive income

(€ millions)	**2016**	2015
Available-for-sale financial assets	2	-
Change in fair value	1	-
Reclassifications to profit or loss	2	-
Income tax (expense)/benefit	-	-
Cash flow hedges	(2)	-
Change in fair value	3	(1)
Reclassifications to profit or loss	(7)	1
Income tax (expense)/benefit	1	-
Net investment hedges	31	(2)
Change in fair value	-	(2)
Reclassifications to profit or loss	47	-
Income tax (expense)/benefit	(17)	-
Foreign currency translation reserves (Note 12.7.1)	1,625	(2,872)
Foreign currency translation adjustments for the year	1,534	(2,898)
Reclassifications to profit or loss	91	23
Income tax (expense)/benefit	-	2
Actuarial gains and losses	(10)	(23)
Actuarial gains and losses for the year	(10)	(34)
Income tax (expense)/benefit	-	12
TOTAL	**1,646**	**(2,897)**

12.8. Non-controlling interests

The following table provides detailed information on material non-controlling interests.

	GPA					
(€ millions)	GPA Total[(1)]	o/w Via Varejo	Éxito[(2)]	Big C Thailand	Other[(3)]	**Total**
Country	Brazil	Brazil	Colombia	Thailand		
1 January 2015	**5,872**	**1,889**	**1,114**	**457**	**459**	**7,901**
% of ownership interests held by non-controlling interests[(4)]	*58.7%*	*82.1%*	*45.2%*	*41.4%*		
% of voting rights held by non-controlling interests[(4)]	*0.06%*	*37.8%*	*45.2%*	*41.4%*		
Net profit (loss)	(15)	52	133	76	7	201
Other comprehensive income (loss)[(5)]	(1,445)	(485)	(233)	6	1	(1,671)
Dividends paid/payable	(20)	-	(44)	(23)	(7)	(94)
Other movements	4	1	74	(2)	121	200
31 December 2015	**4,396**	**1,457**	**1,044**	**514**	**581**	**6,536**
% of ownership interests held by non-controlling interests[(4)]	*67.2%*	*85.8%*	*45.2%*	*41.4%*		
% of voting rights held by non-controlling interests[(4)]	*0.06%*	*37.8%*	*45.2%*	*41.4%*		
Net profit (loss)	(530)	(370)	39	10	(1)	(482)
Other comprehensive income (loss)[(5)]	1,092	358	-	(53)	(65)	973
Dividends paid/payable	(2)	-	(74)	-	(9)	(85)
Other movements[(6)]	(140)	(11)	83	(470)	(426)	(953)
31 DECEMBER 2016	**4,817**	**1,434**	**1,092**	**-**	**80**	**5,990**
% of ownership interests held by non-controlling interests[(4)]	*66.8%*	*85.6%*	*44.7%*	-		
% of voting rights held by non-controlling interests[(4)]	*0.06%*	*37.4%*	*44.7%*	-		
Average % of ownership interests held by the Group in 2016	*33.1%*	*14.3%*	*55.2%*	-		
% of ownership interests held by the Group as at 31 December 2016	*33.2%*	*14.4%*	*55.3%*	-		

(1) Including Via Varejo and Cnova (Cnova Brazil and Cdiscount) until 31 October 2016. Following the business merger between Cnova Brazil and Via Varejo described in Note 2 and GPA's loss of control of Cnova, the Cnova businesses – consisting mainly of Cnova Brazil and Cdiscount – are presented respectively in the "Via Varejo" and "Others" columns at 31 December 2016.
(2) Including Uruguay and Argentina.
(3) Including Monoprix for €488 million as at 31 December 2015, of which €420 million corresponding to the equity component of the mandatory convertible bonds issued on 27 December 2013 to CACIB, net of issuance costs and tax (Note 12.6) and €68 million corresponding to the sale of shares in SCI Simonop'1 to outside investors during the year (Note 3.2.6).
(4) The percentages of non-controlling interests set out in this table do not include the Group's own non-controlling interests in sub-groups.
(5) Other comprehensive income (loss) consists mainly of exchange differences arising on translation of foreign subsidiaries' financial statements.
(6) Negative impact of €953 million results mainly of loss of control of Big C Thailand for -€470 million, exercise of the call option on Monoprix mandatory convertible bonds for -€419 million, acquisition of Éxito and GPA shares for -€34 million, change in value of Disco put on non-controlling interests for -€25 million and of reorganisation of the E-commerce business for -€44 million partially offset by investors entry in Viva Malls real estate trust in Columbia for €115 million.

GPA's capital consists of:

- 99,680 thousand ordinary shares with voting rights;
- 166,396 thousand preference shares without voting rights but with the right to a preferred dividend.

Preferred shares do not carry voting rights, but instead entitle holders to the following rights and benefits: (i) a preferred right to a return of capital in the event of liquidation of the company, (ii) an annual non-cumulative preferred dividend of at least BRL0.08 per share; (iii) a second preferred dividend equal to 110% of the dividend paid on ordinary shares, as calculated including the non-cumulative dividend referred to in point (ii).

Casino has not granted any put options to holders of non-controlling interests in GPA. Under Brazilian securities regulations, preferred shareholders have withdrawal rights enabling them to ask GPA to buy back their shares at book value (*i.e.* net asset value per share) following the occurrence of certain specific events. These rights are described in detail on pages 104 et seq of GPA's annual report for 2015 on Form 20-F.

Summarised financial information on the main subsidiaries with significant non-controlling interests

The information presented in the table below is based on the IFRS financial statements, as adjusted, where applicable, to reflect the remeasurement at fair value on the date of acquisition or loss of control, and to align accounting policies with those applied by the Group. The amounts are shown before intragroup eliminations.

	GPA		Éxito[1]	
(€ millions)	**2016**	2015 restated	**2016**	2015
Net sales	13,036	11,760	4,499	4,673
Net profit from continuing operations	-	37	60	482
Net profit (loss) from discontinued operations	(764)	(159)	-	-
Net profit (loss)	**(764)**	**(122)**	**60**	**482**
Attributable to non-controlling interests in continuing operations	*-*	*40*	*39*	*133*
Attributable to non-controlling interests in discontinued operations	*(530)*	*(55)*	*-*	*-*
Other comprehensive income (loss)	1,622	(2,022)	68	(555)
Total comprehensive income (loss) for the year	**858**	**(2,143)**	**128**	**(74)**
Attributable to non-controlling interests	*562*	*(1,460)*	*39*	*(100)*
Non-current assets	7,972	8,966	3,969	3,602
Current assets	9,505	5,937	1,237	1,094
Non-current liabilities	(2,216)	(2,495)	(1,249)	(1,261)
Current liabilities	(7,946)	(5,965)	(1,695)	(1,261)
Net assets	**7,313**	**6,443**	**2,261**	**2,174**
Attributable to non-controlling interests	*4,817*	*4,396*	*1,092*	*1,044*
Net cash from operating activities	407	1,393	406	321
Net cash from/(used in) investing activities	(207)	(503)	(199)	(1,864)
Net cash from/(used in) financing activities	(591)	(949)	(172)	987
Effect of changes in exchange rates on cash and cash equivalents	587	(859)	35	(93)
Change in cash and cash equivalents	**195**	**(918)**	**70**	**(649)**
Dividends paid to the Group[2]	-	33	48	47
Dividends paid to owners of non-controlling interests during the period[2]	(1)	88	68	50

(1) Including Uruguay and Argentina.
(2) GPA and Éxito have an obligation to pay out 25% and 50% respectively of annual net profit in dividends.

12.9. Dividends

At the Annual General Meeting of 13 May 2016, the shareholders approved the payment of a €3.12 cash dividend per ordinary share for the 2015 financial year. This dividend was paid on 112,226,382 shares, representing a total payout of €350 million recorded as a deduction from equity (2015: €352 million corresponding to the 2014 dividend payout).

During its meeting on 28 July 2016, the Board of Directors decided to pay a 2016 interim dividend of €1.56 per share (corresponding to 50% of the 2015 annual dividend, unchanged in the last three years). The ex-dividend date for the interim dividend was 28 November 2016 and the dividend was paid on 30 November 2016. The interim dividend was paid on 109,360,668 shares, representing a total payout of €171 million recorded as a deduction from equity

The Board of Directors will propose a gross dividend €3.12 per ordinary share. Based on 110,996,996 shares as at 31 December 2016, the recommended dividend represents a provisional amount of €346 million. It will be adjusted in 2017 to take into account the treasury shares held on the payment date. The financial statements presented before appropriation of profit do not reflect this dividend, which is subject to shareholder approval at the next Annual General Meeting.

The coupon payable on perpetual deeply subordinated bonds is as follows:

(€ millions)	**2016**	2015
Coupons payable on perpetual deeply subordinated bonds (impact on equity)	**49**	**48**
Of which amount paid during the year	41	42
Of which amount payable in the following year	9	6
Impact on the statement of cash flows for the year	**47**	**48**
Of which coupons awarded and paid during the year	41	42
Of which coupons awarded in the prior year and paid during the reporting year	6	6

12.10. Earnings per share

Accounting principle

Basic earnings per share are calculated based on the weighted average number of shares outstanding during the period, excluding shares issued in payment of dividends and treasury shares. Diluted earnings per share are calculated by the treasury stock method, as follows:

- numerator: earnings for the period are adjusted for interest on mandatory convertible bonds and dividends on perpetual deeply subordinated bonds;
- denominator: basic number of shares is adjusted to include potential shares corresponding to dilutive instruments (equity warrants, stock options and free shares), less the number of shares that could be bought back at market price with the proceeds from the exercise of the dilutive instruments. The market price used for the calculation corresponds to the average share price for the year.

Equity instruments that will or may be settled in Casino, Guichard-Perrachon shares are included in the calculation only when their settlement would have a dilutive impact on earnings per share.

12.10.1. Number of shares

Diluted number of shares used for the calculation		**2016**	2015
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING DURING THE PERIOD			
Total ordinary shares		112,352,914	113,187,606
Ordinary shares held in treasury		(1,167,864)	(360,821)
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES BEFORE DILUTION	**(1)**	**111,185,050**	**112,826,784**
POTENTIAL SHARES REPRESENTED BY:			
Stock options		-	24,531
Non-dilutive instruments (out of the money or covered by calls)		-	-
Weighted average number of dilutive instruments		-	24,531
Theoretical number of shares purchased at market price(1)		-	(21,985)
Dilutive effect of stock option plans		-	2,547
Free share plans		-	-
Total potential dilutive shares		-	2,547
TOTAL DILUTED NUMBER OF SHARES	**(2)**	**111,185,050**	**112,829,331**

(1) In accordance with the treasury stock method, the proceeds from the exercise of warrants and options are assumed to be used in the first instance to buy back shares at market price. The theoretical number of shares that would be purchased is deducted from the total shares that would be issued on exercise of the rights attached to the warrants and options. Any theoretical shares in excess of the number of shares resulting from the exercise of rights are not taken into account.

12.10.2. Profit attributable to ordinary shares

(€ millions)		2016 Continuing operations	2016 Discontinued operations	2016 Total	2015 restated Continuing operations	2015 restated Discontinued operations	2015 restated Total
NET PROFIT (LOSS) ATTRIBUTABLE TO OWNERS OF THE PARENT		**33**	**2,645**	**2,679**	**(65)**	**21**	**(43)**
Dividend payable on deeply subordinated perpetual bonds		*(49)*	-	*(49)*	*(48)*	-	(48)
NET PROFIT (LOSS) ATTRIBUTABLE TO HOLDERS OF ORDINARY SHARES	**(3)**	**(16)**	**2,645**	**2,629**	**(112)**	**21**	**(91)**
Net profit (loss) excluding non-controlling interests attributable to Monoprix mandatory convertible bonds		*(6)*	-	*(6)*	*(43)*	-	(43)
NET DILUTED PROFIT (LOSS) ATTRIBUTABLE TO HOLDERS OF ORDINARY SHARES	**(4)**	**(22)**	**2,645**	**2,623**	**(156)**	**21**	**(134)**
BASIC EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT (€)[1]	**(3)/(1)**	**(0,14)**	**23.79**	**23.65**	**(0.99)**	**0.19**	**(0.81)**
DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT (€)[1]	**(4)/(1)**	**(0,20)**	**23.79**	**23.59**	**(1.38)**	**0.19**	**(1.19)**

(1) Since the Group recorded a total comprehensive loss in 2015, the calculation of diluted earnings does not include dilutive potential ordinary shares in the denominator.

Note 13. Provisions

Accounting principle

A provision is recorded when the Group has a present obligation (legal or constructive) as a result of a past event, the amount of the obligation can be reliably estimated and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are discounted when the related adjustment is material.

In accordance with the above principle, a provision is recorded for the cost of repairing equipment sold with a warranty. The provision represents the estimated cost of repairs to be performed during the warranty period, as estimated on the basis of actual costs incurred in prior years. Each year, part of the provision is reversed to offset the actual repair costs recognised in expenses.

A provision for restructuring expenses is recorded when the Group has a constructive obligation to restructure. This is the case when management has drawn up a detailed, formal plan and has raised a valid expectation in those affected that it will carry out the restructuring by announcing its main features to them before the period-end.

Other provisions concern specifically identified liabilities and expenses.

Contingent liabilities correspond to possible obligations that arise from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Group's control, or present obligations whose settlement is not expected to require an outflow of resources embodying economic benefits. Contingent liabilities are not recognised in the statement of financial position but are disclosed in the Notes to the financial statements.

13.1. Breakdown and movements of provisions

(€ millions)	1 January 2016[1]	Additions for 2016	Reversals (used) 2016	Reversals (not used) 2016	Change in scope of consolidation	Effect of movements in exchange rates	Reclassified as "Assets held for sale"	Other	**31 December 2016**
Claims and litigation	561	355[2]	(51)	(105)	(1)	156	(289)	1	628
Other risks and expenses	133	41	(35)	(11)	(1)	-	(3)	(3)	121
Restructuring	31	431	(28)	(9)	-	-	-	3	29
TOTAL PROVISIONS	**725**	**428**	**(114)**	**(125)**	**(2)**	**156**	**(292)**	**1**	**778**
of which Non-current	*538*	*10*	*(2)*	*(19)*	-	*155*	*(281)*	*215*	*615*
of which Current	*187*	*418*	*(112)*	*(105)*	*(2)*	*2*	*(10)*	*(213)*	*163*

(1) A reclassification of presentation for €507 million from the category "other risks and expenses" (initial generic classification) to the category "claims and litigation" has been done in the opening balance.
(2) The €355 million addition mainly concerns provisions for tax litigation at GPA, including BRL 415 million (€108 million) for income tax, ICMS and PIS/COFINS tax and fines following a risk reassessment, and provisions for employee disputes.

Provisions for claims and litigation, and for other risks and expenses are composed of a multitude of provisions for employee-related disputes, property disputes (concerning construction or refurbishment work, rents, tenant evictions, etc.), tax disputes and business claims (trademark infringement, etc.).

More specifically, provisions for claims and litigation as at 31 December 2016 amounted to €628 million and mainly concerned GPA (Note 13.2).

13.2. Breakdown of GPA provisions for risks and expenses (food only)

(€ millions)	PIS/Cofins/ CPMF disputes(1)	Other tax disputes	Employee disputes	Civil litigation	Total
31 December 2016	**43**	**402**	**88**	**41**	**575**
31 December 2015	24	294	136	57	511

(1) VAT and similar taxes.

In the context of litigation disclosed above and below in Note 13.3, GPA (food only) is contesting the payment of certain taxes, contributions and payroll obligations. The legal deposits paid by GPA pending final rulings from the administrative courts on these various disputes are included in "Other non-current assets" (Note 6.9). GPA has also provided various guarantees in addition to these deposits (Note 6.11).

	2016			2015		
(€ millions)	Legal deposits paid(1)	Assets pledged as collateral(2)	Bank guarantees(2)	Legal deposits paid(1)	Assets pledged as collateral(2)	Bank guarantees(2)
Tax disputes	53	248	2,002	49	198	1,745
Employee disputes	121	1	8	165	1	9
Civil and other litigation	19	3	48	16	2	72
TOTAL	**193**	**252**	**2,057**	**229**	**202**	**1,826**

(1) See Note 6.9.
(2) See Note 6.11.1.

13.3. Contingent assets and liabilities

In the normal course of its business, the Group is involved in a number of legal or arbitration proceedings with third parties or with the tax authorities in certain countries (of which mainly GPA – see below – and for €43 million in respect of tax disputes of France Retail perimeter.

As stated in Note 3.3.5, no associates or joint ventures have any significant contingent liabilities.

Defence proceedings initiated by the sellers of a controlling interest in Globex Utilidades SA

On 14 August 2015, GPA and Wilkes were jointly ordered by an international court of arbitration to pay compensation to the former majority shareholder of Globex Utilidades SA – Morzan Empreendimentos – in settlement of a dispute that arose in connection with the acquisition of a controlling interest in this company, now named Via Varejo SA. The total cost of €113 million is borne equally between GPA and Wilkes, the holding company of GPA, including compensation, interest and legal fees, was reported under "Other operating expenses" in the 2015 income statement. The compensation was paid on 1 April 2016.

On 25 October 2016, the Brazilian regulator (CVM) ordered GPA to also pay compensation to Globex Utilidades SA's other shareholders, in an amount corresponding to 80% of the compensation paid to Morzan Empreendimentos. Based on a preliminary analysis by GPA, the compensation payable would amount to approximately BRL 150 million (€44 million). GPA and its advisors have examined the terms of CVM's notification in detail and are convinced that the arbitral award does not have the effects attributed to it by the CVM. GPA has therefore appealed to the CVM to revise its decision. Payment of the compensation is suspended pending the results of this appeal.

Class action against Cnova N.V. and the Group

Cnova, certain of the current and former officers and directors, and the underwriters of its initial public offering, have been named as defendants in a securities class action lawsuit in the United States Federal District Court for the Southern District of New York asserting claims related to macro-economic situation in Brazil and emphasized by the irregularities identified at Cnova Brazil (Note 3.5.3). Cnova may incur significant expenses (including, without limitation, substantial attorneys' fees and other professional advisor fees and obligations to indemnify certain current and former officers or directors and the underwriters of our initial public offering who are or may become parties to or involved in such matters. We are unable at this time to finalize the extent of our potential liability in these matters, if any, even if our insurances policies for such claims have been activated. Thus no reserve was provided for at 31 December 2016, except for the $1 million insurance deductible and some legal costs.

In a separate potential action the SEC might take, sanctions might be imposed as a result of the facts at issue in the internal review conducted by the Company and its advisors retained by our board of directors

Notices from CVM to Via Varejo and GPA

On 18 February 2016, Via Varejo received a notice from CVM showing its different view regarding accounting treatment related to two operations realized in the year 2013. The first relates to the acquisition by GPA to Via Varejo of 6.2% Nova Pontocom shares (there was no effect related to this transaction in the Group consolidated financial statements) and the second relates to accounting treatment applied to takeover of Bartira following acquisition of additional 75% interest of Bartira. GPA and Via Varejo presented an appeal to CVM collegiate which was accepted on 26 January 2017 related to Bartira transaction; a comity of CVM will reconsider the initial collegiate decision related to this transaction. There is no effect related to this issue on consolidated financial statements ended at 31 December 2016.

GPA contingent liabilities

(€ millions)	**2016**	2015
INSS (employer's social security contributions)	106	95
IRPJ – IRRF and CSLL (corporate income taxes)	307	477
PIS, COFINS and CPMF (VAT and similar taxes)	624	526
ISS, IPTU and ITBI (service tax, urban property tax and tax on property transactions)	48	83
ICMS (state VAT)	1,612	1,386
Civil litigation	210	192
TOTAL	**2,907**	**2,760**

Contingent liabilities of Via Varejo classified in discontinued operations and non-included in the table above amount to €433 million as at 31 December 2016.

GPA employs consulting firms to advise it in tax disputes, whose fees are contingent on the disputes being settled in GPA's favour. As at 31 December 2016, the estimated amount was €36 million (31 December 2015: €10 million).

Note 14. Related party transactions

Related parties are:
- parent companies (mainly Rallye, Foncière Euris, Finatis and Euris);
- entities that exercise joint control or significant influence over the Company;
- subsidiaries (Note 16);
- associates (primarily Mercialys) (Note 3.3);
- joint ventures (Note 3.3);
- members of the Board of Directors and Management Committee (Note 8.4).

The Company has relations with all of its subsidiaries in its day-to-day management of the Group. The Company and its subsidiaries receive strategic advice from Euris, the ultimate holding company, under strategic advice and assistance agreements. The Company also receives other recurring services from Euris and Foncière Euris (provision of staff and premises). The expenses recorded during the year in respect of these agreements with Casino and its subsidiaries totalled €3.3 million, of which €2.5 million for strategic advisory services and €0.8 million for the provision of staff and premises.

Furthermore, Casino Group has carried out property development transactions with Foncière Euris Group generating a positive contribution in EBITDA of €34 million in 2016.

In connection with the deployment of its dual model associating retail activities and commercial real estate, Casino and its subsidiaries are involved in a number of property development operations with Mercialys (see Note 3.3.6).

Related party transactions with individuals (directors, corporate officers and members of their families) are not material.

Note 15. Subsequent events

Final results of the Group's public tender offer for Cnova N.V. shares

The final results of the Group's public tender offer for Cnova N.V. shares were announced on 31 January 2017 (Note 2).

The Company made his official request for delisting of its ordinary shares from the NASDAQ which became effective on 3 March 2017; since this date, U.S. public reporting obligations under the Exchange Act are currently suspended. The Company's ordinary shares will continue to be listed on the Euronext Paris for the time being.

Assignment by the DGCCRF of EMCD

On 28 February 2017, Minister of Finance took public its decision to assign Group Casino companies following an investigation led by the DIRECCTE of the France Central Region. It concerns a series of credit notes issue in 2013 and 2014 years by 41 suppliers for a total amount of €20.7 million and it relates to reimbursement of this amount to the relevant suppliers, plus a civil fine of €2 million. The group Casino reaffirms its position as for the licit character of these credit notes and makes sure that negotiation with industrialists takes place in a well-balanced and respectful framework of applicable terms. The Group intends to dispute the reasons of this assignment to the competent court.

Note 16. Main consolidated companies

As at 31 December 2016, the Casino Group comprised 1,804 consolidated companies. The main companies are listed below.

	2016			2015		
Company	% control	% interest	Consolidation method	% control	% interest	Consolidation method
Casino, Guichard-Perrachon SA			**Parent company**			**Parent company**
FRANCE - RETAILING						
Casino Carburants	100	100	FC	100	100	FC
Casino Information Technology	-	-	-	100	100	FC
Casino Services	100	100	FC	100	100	FC
Distribution Casino France (DCF)	100	100	FC	100	100	FC
Distridyn	49.99	49.99	EM	49.99	49.99	EM
Easydis	100	100	FC	100	100	FC
EMC Distribution	100	100	FC	100	100	FC
Floréal	100	100	FC	100	100	FC
Geimex	100	100	FC	49.99	49.99	EM
Monoprix Group						
Les Galeries de la Croisette[1]	100	100	FC	100	100	FC
Monoprix	100	100	FC	100	100	FC
Monoprix Exploitation[1]	100	100	FC	100	100	FC
Monop'[1]	100	100	FC	100	100	FC
Naturalia France[1]	100	100	FC	100	100	FC
Société Auxiliaire de Manutention Accélérée de Denrées Alimentaires "S.A.M.A.D.A."[1]	100	100	FC	100	100	FC
Simonop'1[1]	100	51	FC	100	51	FC
Société L.R.M.D.[1]	100	100	FC	100	100	FC
Franprix-Leader Price Group						
Cofilead	100	100	FC	100	100	FC
DBMH	100	100	FC	100	100	FC
Distribution Franprix	100	100	FC	100	100	FC
Distribution Leader Price	100	100	FC	100	100	FC
Distri Sud-Ouest (DSO)	100	100	FC	100	100	FC
Franprix Holding	100	100	FC	100	100	FC
Franprix-Leader Price	100	100	FC	100	100	FC
Franprix-Leader Price Finance	100	100	FC	100	100	FC
HLP Ouest	70	70	FC	60	60	FC
Holding Mag 2	49	49	EM	49	49	EM
Holdi Mag	49	49	EM	49	49	EM
Holdev Mag	49	49	EM	-	-	-
Gesdis	40	40	EM	-	-	-
Leader Price Exploitation	100	100	FC	100	100	FC
Norma	100	100	FC	100	100	FC
Parfidis	100	100	FC	100	100	FC
Pro Distribution	70	70	FC	60	60	FC
R.L.P.I.	100	100	FC	100	100	FC
Sarjel	60	60	FC	60	60	FC
Sédifrais	100	100	FC	100	100	FC
Sofigep	100	100	FC	100	100	FC

Company	2016 % control	2016 % interest	2016 Consolidation method	2015 % control	2015 % interest	2015 Consolidation method
Codim Group						
Codim 2	100	100	FC	100	100	FC
Hyper Rocade 2	100	100	FC	100	100	FC
Pacam 2	100	100	FC	100	100	FC
Property Group						
GreenYellow	98.75	98.75	FC	97.50	97.50	FC
L'immobilière Groupe Casino	100	100	FC	100	100	FC
Sudéco	100	100	FC	100	100	FC
Mercialys Group						
Mercialys (listed company)	40.22	40.22	EM	40.25	40.25	EM
Property development						
Plouescadis	100	100	FC	100	100	FC
Other businesses						
Banque du Groupe Casino	50	50	EM	50	50	EM
Casino Finance	100	100	FC	100	100	FC
Casino Restauration	100	100	FC	100	100	FC
Restauration Collective Casino	100	100	FC	100	100	FC
E-COMMERCE						
Cnova N.V. Group (listed company)	**93.70**	**66.84**	**FC**	**93.39**	**55.19**	**FC**
Cdiscount Group	100	66.84	FC	99.81	55.08	FC
Cdiscount	100	66.95	FC	100	55.25	FC
C'nova Comercio Electronico[7]	-	-	-	100	55.19	FC
Cnova Finança	100	66.84	FC	100	55.19	FC
INTERNATIONAL - POLAND						
Mayland	100	100	FC	100	100	FC
INTERNATIONAL - THAILAND						
Big C Group (listed company)	-	-	-	58.55	58.55	FC
INTERNATIONAL - BRAZIL						
Wilkes	100	75.5	FC	100	77.39	FC
GPA Group (listed company)	**99.94**	**33.18**	**FC**	**99.94**	**32.76**	**FC**
Banco Investcred Unibanco S.A. ("BINV") [2] [4]	50	21.67	EM	50	21.67	EM
Financeira Itaú CBD S.A. – Crédito, Financiamento e Investimento ("FIC") [2] [4]	50	41.93	EM	50	41.93	EM
GPA Malls & Properties Gestão de Ativos e Serviços. Imobiliários Ltda. ("GPA M&P")[2]	100	100	FC	100	100	FC
Indústria de Móveis Bartira Ltda. ("Bartira")[5]	100	100	FC	100	100	FC
Novasoc Comercial Ltda. ("Novasoc")[2] [3]	99.98	10	FC	99.98	10	FC
Sendas Distribuidora S.A. ("Sendas")[2]	100	100	FC	100	100	FC
Via Varejo (Listed company)[2]	62.56	43.34	FC	62.57	43.35	FC
C'nova Comercio Electronico[5] [7]	100	100	FC	-	-	-

Company	2016 % control	2016 % interest	2016 Consolidation method	2015 % control	2015 % interest	2015 Consolidation method
INTERNATIONAL – COLOMBIA, URUGUAY AND ARGENTINA						
Éxito Group (listed company)	**55.30**	**55.30**	**FC**	**54.77**	**54.77**	**FC**
Distribuidora de Textiles y Confecciones SA DIDETEXCO(6)	97.75	97.75	FC	97.75	97.75	FC
Trust Viva Malls(6)	51	51	FC	-	-	-
Trust Viva Villavincencio(6)	51	51	FC	51	51	FC
Tuya SA(6)	50	50	EM	-	-	-
Grupo Disco (Uruguay) (6)	75.10	62.49	FC	75.10	62.49	FC
Devoto (Uruguay) (6)	100	100	FC	100	100	FC
Libertad (Argentina) (6)	100	100	FC	100	100	FC
INTERNATIONAL – INDIAN OCEAN						
Vindémia Distribution	100	99.98	FC	100	99.98	FC
Vindémia Logistique	100	100	FC	100	100	FC
INTERNATIONAL – VIETNAM						
Cavi Ltd	-	-	-	100	100	FC
Cavi Real Estate Ltd	-	-	-	100	100	FC
Cavi Retail Ltd	-	-	-	100	100	FC
Espace BigC An Lac	-	-	-	100	80	FC
Espace BigC Hai Phong	-	-	-	100	100	FC
Espace Bourbon Than Long	-	-	-	100	65	FC
Espace Business Hue	-	-	-	100	100	FC
Viet Nhat Real Estate	-	-	-	100	100	FC
FRENCH AND INTERNATIONAL HOLDING COMPANIES						
Bergsaar BV	100	100	FC	100	100	FC
Casino Finance International	100	100	FC	100	100	FC
Casino International	100	100	FC	100	100	FC
Forézienne de participations	100	100	FC	100	100	FC
Géant Foncière BV	100	100	FC	100	100	FC
Géant Holding BV	100	100	FC	100	100	FC
Géant International BV	100	100	FC	100	100	FC
Gelase	100	55.30	FC	100	54.77	FC
Helicco	100	100	FC	100	100	FC
Intexa (listed company)	98.91	97.91	FC	98.91	97.91	FC
Marushka Holding BV	100	100	FC	100	100	FC
Saowanee	-	-	-	100	48.99	FC
Ségisor SA	100	77.65	FC	100	77.39	FC
Sonnat	100	100	FC	100	100	FC
Tevir SA	100	100	FC	100	100	FC
Tonquin BV	100	100	FC	100	100	FC

(1) The percentage interests correspond to the percentages held by the Monoprix subgroup.
(2) The percentage interests correspond to the percentages held by the GPA subgroup.
(3) Although GPA only owns 10% of Novasoc, it is fully consolidated as GPA controls 99.98% of the voting rights under the shareholders' agreement.
(4) FIC and BINV finance purchases made by GPA's customers. These entities were created through a partnership between Banco Itaú Unibanco S.A ("Itaú Unibanco"), GPA, and Via Varejo. They are accounted for by the equity method as GPA exercises significant influence over their operating and financial policies.
(5) The percentage interests correspond to the percentages held by the Via Varejo subgroup.
(6) The percentage interests correspond to the percentages held by the Éxito subgroup. On 27 April 2015, Éxito signed a contractual agreement, initially with a two-year term, granting it more than 75% of the Disco voting rights and exclusive control over the subgroup's strategic decisions. On 29 December 2016, the agreement was extended until 30 June 2019. It will then be rolled over automatically until 30 June 2021 unless either party gives notice of its intention to withdraw from the agreement before 31 December 2018.
(7) Cnova Comercio Electronico has been owned by Via Varejo since 31 October 2016 (Note 2).

Note 17. Standards, amendments and interpretations published but not yet mandatory

Standards, amendments and interpretations adopted by the European Union as at the reporting date but not yet mandatory

The IASB has published the following standards, amendments to existing standards and interpretations, adopted by the European Union but not mandatory as at 1 January 2016 and which are applicable to the Group:

Standard (Group application date)	Description of the standard
IFRS 9 *Financial instruments* (1 January 2018)	This standard will be applicable retrospectively.
	IFRS 9 proposes a single, logical approach to the classification and measurement of financial assets which reflects the business model for managing them, as well as their contractual cash flows; a single, forward-looking impairment model based on expected rather than incurred losses; and a new approach to hedge accounting. The standard also requires more detailed disclosures in the notes to the financial statements.
IFRS 15 including amendment *Revenue from contracts with customers* (1 January 2018)	This standard will be applicable retrospectively.
	IFRS 15 establishes the principles for recognising revenue from contracts with customers (except for those covered by specific standards such as leases, insurance contracts and financial instruments). The core principle of IFRS 15 is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.
	Clarifications to the standard published by the IASB have not yet been adopted by the European Union. These clarifications do not change the underlying principles of the standard, they simply introduce additional changes to the basis for conclusions and provide additional illustrative guidance. The amendments primarily address three topics: identifying performance obligations, principal versus agent considerations, and intellectual property licences.

The Group plans to apply IFRS 9 and IFRS 15 as from 1 January 2018. The potential impacts are currently being analysed and are not yet known.

Standards and interpretations not adopted by the European Union as at the reporting date

The IASB has published the following standards, amendments to standards and interpretations applicable to the Group which have not yet been adopted by the European Union:

Standard (application date for the Group subject to adoption by the EU)	Description of the standard
IFRS 16 *Leases* (1 January 2019)	This standard will be applicable retrospectively. IFRS 16 describes how lessors and lessees should recognise, measure, present and disclose leases. IFRS 16 replaces IAS 17 and the related interpretations.
Amendments to IFRS 2 *Classification and measurement of share-based payments* (1 January 2018)	These amendments will be applicable on a prospective basis. The amendments describe the accounting treatment of: ▪ the effects of vesting conditions and non-vesting conditions on the measurement of cash-settled share-based payments: measurement of the liability for cash-settled share-based payments follows the same approach as used for equity-settled share-based payments; ▪ share-based payments subject to withholding tax: the share-based payment is qualified as equity-settled in its entirety (including the withholding tax) provided that, in the absence of the withholding tax, the share-based payment would have been equity-settled in its entirety; ▪ modifications of share-based payment transactions from cash-settled to equity-settled: the original liability recognised in respect of the cash-settled share-based payment is derecognised and the equity-settled share-based payment is recognised at the modification date fair value, with the difference between the two amounts recognised in profit or loss.
Amendments to IAS 12 *Recognition of deferred tax assets for unrealised losses* (1 January 2017)	These amendments will be applicable on a retrospective basis. The amendments clarify certain principles applicable to the recognition of deferred tax assets for unrealised losses on debt instruments measured at fair value. They are designed to address the diversity in practice around this issue.
Amendments to IAS 7 *Disclosure initiative* (1 January 2017)	These amendments will be applicable on a prospective basis. These amendments require entities to provide additional disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. To fulfil this obligation, entities will be required to provide disclosures on the following changes in liabilities arising from financing activities: (a) changes from financing cash flows; (b) changes arising from obtaining or losing control of subsidiaries or other businesses; (c) the effect of changes in foreign exchange rates; (d) changes in fair values; and (e) other changes.

Standard (application date for the Group subject to adoption by the EU)	Description of the standard
Amendments to IAS 40 *Transfers of investment property* (1 January 2018)	These amendments will be applicable on a prospective basis. These amendments provide guidance on transfers to or from investment properties. In addition, the list of evidence of a change of use has been designated as a non-exhaustive list of examples.
IFRIC 22 *Foreign currency transactions and advance consideration* (1 January 2018)	Companies will be allowed to apply this interpretation either retrospectively or prospectively. IFRIC 22 provides guidance on interpreting IAS 21 – The Effects of Changes in Foreign Exchange Rates It clarifies the exchange rate to be used for advance consideration.
IFRS Annual Improvements Cycles *2014-2016 cycle* (1 January 2017) for amendments to IFRS 12 (1 January 2018)	These amendments will be applicable retrospectively. The main standards concerned are: ▪ IFRS 12 – Disclosure of Interests in Other Entities ▪ IAS 28 – Investments in Associates and Joint Ventures

The adoption of IFRS 16 will affect primarily the accounting for the Group's operating leases stores and warehouses and will result in the recognition of almost all leases on balance sheet. An optional exemption exists for short-term and low-value leases assets. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. Operating lease expense will be replaced with financial interest and depreciation, so key metrics like trading profit and EBITDA will change. The Group believes that the consolidated income statement will also be affected because the total rental expense is generally higher at the beginning of the lease that is to say, a decreasing charge, unlike a straight-line charge under the current standard. Additionally, operating cash flows will be higher as cash payments for the principal portion of the lease liability and attached interest will be classified within financing activities.

The Group has started an initial assessment of the potential impact on the Group's financial information. As at 31 December 2016, the Group has off-balance sheet non-cancellable operating lease commitments (properties and equipment) of €2,514 million (see Note 7.3) which mainly corresponds to properties, such as stores and warehouses used in its business that it does not own. However, given that the Group is still in an early assessment phase, it has not yet determined to what the extension (renewal or termination options) of its non-cancellable operating lease commitments (particularly the existence of the right of termination in the three-year commercial leases in France and the possibility to terminate lease arrangement in Brazil on payment of limited penalty of one to twelve months of rent) will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.

Finally, the Group has not yet decided as to the date of first application of the standard or to the method of transition, namely a retrospective approach simplified or full retrospective.

The other amendments are not expected to have any material impact on the Group's consolidated financial statements.

Parent company financial statements for the year ended 31 December 2016

4.1. STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

Year ended December 31, 2016

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking users. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements.

This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholders' Meeting, we hereby report to you, for the year ended 31 December 2016, on:

- the audit of the accompanying financial statements of Casino, Guichard-Perrachon,
- the justification of our assessments,
- the specific verification and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I. Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 December 2016 and of the results of its operations for the year then ended in accordance with French accounting principles.

Without qualifying our opinion, we draw your attention to paragraph "Changes in accounting methods" included in the note "Accounting policies", which set outs the consequences of the first application of the French ANC 2015-06 regulation regarding the recognition of "malis techniques" arising from merging operations.

II. Justification of our assessments

In accordance with the requirements of Article L. 823-9 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we bring to your attention the following matter:

Section 2 "Accounting policies" of the notes to the financial statements describes the methods of determination of the recoverable value of investments. The Note 6 "Investments" of the notes of the financial statements discloses the data related to this closing and the variation of investments. We examined the available documentation, assessed the reasonableness of the estimates and verified that the notes give adequate information on the assumptions used therein.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific procedures and disclosures

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of Board of Directors and in the documents addressed to shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of Article L. 225-102-1 of the French Commercial Code *(Code de commerce)* relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Lyon and Neuilly-sur-Seine, 9 March 2017

The Statutory Auditors

French original signed by

ERNST & YOUNG et Autres		Deloitte & Associés	
Yvon SALAÜN	Sylvain LAURIA	Frédéric MOULIN	Gérard BADIN

4.2. PARENT COMPANY FINANCIAL STATEMENTS AND NOTES

Income statement

(€ millions)	Notes	2016	2015
Operating income	1	165.2	144.0
Operating expenses	1	(168.8)	(137.4)
Operating profit (loss)		**(3.6)**	**6.6**
Net financial income (expense)	2	444.7	(120.8)
Recurring profit (loss) before tax		**441.1**	**(114.2)**
Non-recurring income (expense)	3	(300.8)	244.0
Income tax benefit	4	265.2	314.2
NET PROFIT		**405.5**	**444.0**

Statement of financial position

Assets

(€ millions)	Notes	2016	2015
NON-CURRENT ASSETS			
Intangible assets		7.5	42.6
Amortisation and impairment		(2.4)	(20.4)
	5	5.1	22.2
Property, plant and equipment		44.1	47.9
Depreciation and impairment		(17.6)	(17.9)
	5	26.5	30.0
Long-term investments[(a)]		17,380.5	16,698.1
Impairment		(693.8)	(383.4)
	6	16,686.7	16,314.7
Total non-current assets		**16,718.4**	**16,366.9**
Current assets			
Trade and other receivables	7	1,044.3	954.2
Casino Finance current account	8	-	1,127.4
Marketable securities	8	5.5	81.0
Cash	8	2.2	0.1
Total current assets		**1,052.1**	**2,162.7**
Prepayments and other assets[(b)]	**9**	**75.2**	**98.0**
TOTAL ASSETS		**17,845.6**	**18,627.6**
(a) o/w loans due within one year		*15.1*	*11.9*
(b) o/w due in more than one year		*58.4*	*72.7*

Equity and liabilities

(€ millions)	Notes	2016	2015
Equity	**10**	**7,825.4**	**8,044.5**
Quasi-equity	**11**	**1,350.0**	**1,350.0**
Provisions	**12**	**236.7**	**308.6**
Loans and other borrowings	13	6,887.4	8,170.2
Trade payables		58.5	51.4
Tax and employee benefits payable		36.9	40.8
Casino Finance current account	13	979.6	-
Other liabilities	14	471.1	662.1
Total liabilities[(1)]		**8,433.5**	**8,924.5**
TOTAL EQUITY AND LIABILITIES		**17,845.6**	**18,627.6**
(1) o/w: due within one year		*2,981.6*	*1,927.1*
due in one to five years		*2,824.8*	*2,688.3*
due in more than five years		*2,627.1*	*4,309.1*

Statement of cash flows

(€ millions)	**2016**	2015
Net profit	405.5	444.0
Elimination of non-cash items		
▪ Depreciation, amortisation and provisions (other than on current assets)	224.4	529.1
▪ (Gains)/losses on disposals of non-current assets	326.0	(384.1)
▪ Impact of changes in Group structure	0.6	(0.8)
▪ Other non-cash items	(21.5)	(24.2)
Cash from operating activities before change in working capital	**935.0**	**564.0**
Change in working capital – operating activities	(335.9)	(283.5)
Net cash from operating activities	**599.1**	**280.5**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of non-current assets	(1,033.3)	(43.0)
Proceeds from disposals of non-current assets	116.6	1,630.0
Proceeds from capital reductions	59.9	-
Change in loans and advances granted	(32.3)	0.8
Net cash from/(used in) investing activities	**(889.1)**	**1,587.8**
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to shareholders	(520.7)	(351.9)
Proceeds from issuance/cancellation of shares for cash	(103.9)	1.3
Proceeds from new borrowings	1.5	20.8
Repayments of borrowings	(1,364.3)	(840.0)
Net cash used in financing activities	**(1,987.4)**	**(1,169.8)**
CHANGE IN CASH AND CASH EQUIVALENTS	**(2,277.4)**	**698.4**
Cash and cash equivalents at beginning of year	783.2	84.8
Cash and cash equivalents at end of year	(1,494.2)	783.2
O/w:		
Casino Finance current account	(979.6)	1,127.4
Cash and cash equivalents	7.8	81.1
Bank overdrafts	(522.4)	(425.3)

Change in working capital

(€ millions)	**2016**	2015
Trade payables	7.1	(5.5)
Trade receivables	5.5	27.4
Current accounts	19.8	(779.2)
Other operating payables	(12.9)	35.0
Other operating receivables	(355.5)	438.8
CHANGE IN WORKING CAPITAL	**(335.9)**	**(283.5)**

Notes to the financial statements

Casino, Guichard-Perrachon is a French *société anonyme*, listed in compartment A of Euronext Paris. The company will hereinafter be referred to as "Casino" or "the Company". The Company's registered office is at 1, cours Antoine Guichard, 42008 Saint-Étienne, France.

4.2.1. Significant events of the year

Rating downgrade

On 21 March 2016, Standard & Poor's announced the downgrade of Casino's rating from BBB- to BB+ outlook stable. The downgrade followed Standard & Poor's announcement on 15 January 2016 that it was placing the BBB- rating under CreditWatch in the context of the Group's problems in emerging markets and notably the Brazilian recession.

The rating downgrade resulted in a 125-bps step-up in the annual coupon paid on the Group's bonds, applicable for each bond as from the first annual interest period beginning after 21 March 2016. This clause added €15 million to finance costs for 2016. The 2017 increase is estimated at €63 million, taking into account the bonds bought back in 2016 (see below). Casino debt documentation does not include any rating-based acceleration-clause and there is no covenant related to Casino's rating.

On 14 December 2016, Fitch Ratings changed the outlook for Casino's BBB- rating to negative. This change has no financial impact for the Group.

Disposal of operations in Vietnam

Ahead of the disposal of its operations in Vietnam, the Group reorganised its legal structure in April 2016. Under the reorganisation, Vindémia SAS, which indirectly owned certain Vietnamese shopping centres:

- transferred its retail operations in Reunion Island, Madagascar, Mayotte and Mauritius to a new company, Vindémia Group;
- paid a dividend of €409.4 million, of which €383.1 million in cash and €26.3 million in GreenYellow shares;
- carried out a capital reduction in an amount of €58.7 million;
- sold the shares of Vindémia Group to Casino, Guichard-Perrachon for a total of €460.7 million.

Following these transactions, Casino sold the shares it held in Vindémia SAS to Quinam BV for €115.0 million, generating a loss of €266.4 million, and holds the entire share capital of Vindémia Group.

Exercise of the call option on Monoprix mandatory convertible bonds

On 3 May 2016, Casino exercised its call option on all of the mandatory convertible bonds issued by Monoprix in December 2013 and subscribed by Crédit Agricole CIB. The transaction took place on 10 May 2016 at a strike price of €508 million (€500 million nominal value and €8 million interest), leading to the recognition of financial income of €11.1 million euros.

Financial agreement with the Baud family and acquisition of control of Geimex

On 25 May 2016, Casino and the Baud family came to a financial agreement to end their legal dispute that had been ongoing since 2007. Pursuant to this agreement and after approval from France's anti-trust authorities, on 18 October 2016 the Casino Group acquired the Baud family's 50% stake in Geimex, owner of international rights to the Leader Price brand, for €45 million.

Interim dividend

During its meeting on 28 July 2016, the Board of Directors decided to pay a 2016 interim dividend of €1.56 per share (corresponding to 50% of the 2015 annual dividend, unchanged in the last three years). The ex-dividend date for the interim dividend was 28 November 2016 and the dividend was paid on 30 November 2016. The interim dividend was paid on 109,360,668 shares, representing a total payout of €171 million recorded as a deduction from equity.

Bond buybacks

The following buyback offers were launched in 2016 for bonds representing a total nominal amount of €978 million:

- two offers were launched in June and September 2016 for bonds due in August 2019, January 2023, February 2025 and August 2026. A total of €871 million worth of bonds were tendered to these offers and were bought back and cancelled on 15 June and 30 September 2016, respectively;
- during the first half of the year, the Group also purchased on the market €108 million worth of bonds included in these issues (€13 million due in January 2023, €42 million due in February 2025 and €53 million due in August 2026).

These transactions generated an expense of €46.3 million, corresponding to the difference between the purchase price and the nominal value of the bonds, and transaction costs.

During the year, the Company also redeemed the 2016 bond for a total amount of €386 million.

Launch of a cash tender offer for Cnova NV ordinary shares

On 6 December 2016, the Company launched a voluntary tender offer on the U.S. market and Euronext for all of the outstanding Cnova NV shares not already held, at a price of USD 5.5 per share. The Group companies that hold Cnova NV shares did not participate in the offer, which therefore concerned 10.37% of the 344.5 million outstanding shares, representing a maximum potential investment of USD 197 million. An amount of €219 million was placed in escrow as a guarantee for the Company's obligations under the offer.

On 31 January 2017, the Group announced that it had acquired 31.7 million shares tendered to the offer, representing 9.2% of Cnova NV's capital, for €163 million. Casino now directly owns 64.64% of the capital and 63.31% of the voting rights and the Group holds 98.88% of the capital of Cnova NV and 99.41% of the voting rights, leaving a free float of 1.12% of the capital and 0.59% of the voting rights.

The offer followed the business merger, on 31 October 2016, between Cnova Brazil and Via Varejo, and Via Varejo's subsequent acquisition of the entire capital of Cnova Brazil from Cnova NV in exchange for its own interest in Cnova NV and €12 million in cash.

Transfer of shares to Casino Participations France

On 21 December 2016, Casino transferred all of the shares it held in the companies listed below to its subsidiary Casino Participations France (formerly Ichor): Acherna, Boidis, Campus Casino, Casino Agro, GreenYellow, L'Immobilière Groupe Casino, Messidor SNC, Plouescadis, Régie Média Trade, Samoth and Société de Courtage d'assurance du Forez.

The transfer was carried out at net book value, with the exception of Régie Média Trade, in exchange for 2,274,024,819 new shares with a par value of €1. Following the transaction, Casino held the entire share capital of Casino Participations France.

4.2.2. Significant accounting policies

General information

The statutory financial statements have been prepared in accordance with regulation No. 2016-07 of 4 November 2016 issued by the French accounting standards authority (*Autorité des normes comptables* – ANC) on the French generally accepted accounting principles approved by ministerial decree dated 26 December 2016.

The accounting policies applied are consistent with those used for the previous year, with the exception of the change in accounting method described below.

Changes in accounting methods

Pursuant to ANC regulation No. 2015-06 applicable as of 1 January 2016, the Company allocated for accounting purposes all of the technical deficits arising from merger transactions to the underlying assets from which capital gains had arisen. As a result, the Company changed accounting methods and, as of 1 January 2016, reclassified a gross amount of €29.2 million and impairment of €18.1 million to other long-term investments. These technical deficits are subject to the depreciation, amortisation and impairment rules applicable to the underlying assets to which they are allocated.

Intangible assets

Intangible assets are measured at their cost of transfer value and primarily correspond to goodwill and software.

Where appropriate, an impairment loss is recognised to bring the carrying amount down to fair value, determined mainly on the basis of profitability criteria.

Software is amortised over a period of three years.

Property, plant and equipment

Property, plant and equipment are recognised at their cost or transfer value in the statement of financial position.

Depreciation is calculated using the straight-line or reducing-balance method, depending on the asset's specific characteristics. Differences between straight-line depreciation and reducing-balance depreciation charged for tax purposes are recorded in provisions for accelerated depreciation.

The main depreciation periods (useful lives) are as follows:

Asset category	Depreciation period
Buildings	50 years
Fixtures, fittings and refurbishments	5 to 25 years
Machinery and equipment	5 to 10 years

The depreciable amount is the cost of property, plant and equipment less residual value (nil).

Property, plant and equipment acquired through mergers or asset transfers are depreciated over the period remaining following the depreciation applied by the company that originally held the assets concerned.

Long-term investments

Investments in subsidiaries and associates are recognised at their cost or transfer value. Where appropriate, an impairment loss is recognised to bring the carrying amount down to fair value (with the exception of treasury shares recorded under long-term investments and held for cancellation).

The carrying amount is determined using a number of indicators, such as net asset values of the investees at the reporting date, profitability criteria, earnings outlooks, share price in the case of a listed company, and usefulness for the Group. Further information is provided in Note 6 "Long-term investments".

A similar method of determining the carrying amount is also used where appropriate for other long-term investments.

In accordance with notice No. 2007-C, issued by the Emerging Issues Taskforce of the French accounting standards authority (*Conseil national de la comptabilité* – CNC) on 15 June 2007, investment acquisition fees are capitalised and amortised for tax purposes over five years using the accelerated method.

Technical deficits arising from merger transactions are recognised in long-term investments.

Investment securities

Marketable securities are recognised at cost in the statement of financial position.

Where appropriate, an impairment loss is recorded when probable realisable value is lower than cost.

In the case of treasury shares, when the average share price for the last month of the year falls below the carrying amount an impairment loss is recognised for the difference.

Impairment losses on other categories of investment securities are determined by comparing cost and the average share price of the investee for the last month of the year.

Receivables

Receivables are stated at nominal value. Provisions are booked to cover any default risks.

Foreign currency exchange differences

Liabilities and receivables denominated in foreign currencies are translated into euros at the closing rate. Gains or losses arising on translation are recorded in the statement of financial position as "unrealised foreign currency exchange gains" or "unrealised foreign currency exchange losses", respectively. A provision is recorded for unrealised foreign currency exchange losses.

Provisions

The Company records a provision when it has an obligation toward a third party, the amount of the obligation can be reliably estimated and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

The Company grants its managers and other employees retirement bonuses determined on the basis of their length of service.

The projected benefit obligation representing the full amount of the employee's vested entitlements is recognised as a provision in the statement of financial position. The amount of the provision is determined using the projected unit credit method taking into account social security contributions.

Actuarial gains and losses on retirement benefit obligations are recognised in the income statement using the corridor method. Under this method, the portion of the net cumulative actuarial gains and losses that exceed 10% of the greater of the defined benefit obligation and the fair value of the plan assets is recognised in earnings over the expected average remaining working lives of the employees participating in the defined benefit plan.

The Company has also set up stock option and share grant plans for executives and employees.

A liability is recognised when it is probable that the Company will grant existing shares to plan beneficiaries based on the probable outflow of resources. The outflow of resources is measured on the basis of the probable cost of purchasing the shares if they are not already held by the Company or their "entry cost" on the date of their allocation to the plan. If the stock options or share grants are contingent upon the employee's presence in the Company for a specific period, the liability is deferred over the vesting period.

No liability is recognised for plans settled in new shares.

No provision is recognised if the Company has not yet decided at the reporting date whether to settle the plans in new or existing shares.

Other provisions concern specifically identified liabilities and expenses.

Financial instruments

The Company may use various financial instruments to manage its exposure to currency and interest rate risks. In such cases, the nominal amounts of forward contracts entered into by the Company are included in off-balance sheet commitments and gains and losses arising on interest rate hedges are recognised in the income statement on a proportional basis over the term of the hedge.

The Company may also use derivative instruments to cover the shares of its subsidiaries. A provision is recognised when the fair value of these derivatives is negative.

Recurring profit (loss)

Recurring profit (loss) includes all income and expenses relating to the Company's ordinary activities.

Non-recurring income (expense)

Non-recurring income (expense) results from events or transactions that do not correspond to Casino, Guichard-Perrachon's ordinary activities as a holding company in view of their nature, frequency or amounts.

Income tax

Casino, Guichard-Perrachon, is the head of a tax group that includes the majority of its subsidiaries. At 31 December 2016, the tax group consisted of 570 companies. Each company in the tax group accounts for taxes as if it were taxed on a stand-alone basis.

4.3. NOTES TO THE FINANCIAL STATEMENTS

Note 1. Operating profit (loss)

Breakdown

(€ millions)	**2016**	2015
Revenue from services (excluding taxes)	160.7	139.4
Other income	3.7	4.4
Reversals of provisions and impairment losses	0.8	0.2
Operating income	**165.2**	**144.0**
Other purchases and external expenses	(144.4)	(120.6)
Taxes and duties	(4.2)	(3.5)
Employee benefits expense	(14.8)	(9.0)
Depreciation, amortisation, impairment and provisions:		
▪ non-current assets	(4.0)	(3.3)
▪ liabilities and expenses	(0.5)	-
Other expenses	(0.9)	(1.0)
Operating expenses	**(168.8)**	**(137.4)**
OPERATING PROFIT (LOSS)	**(3.6)**	**6.6**

Expense transfers break down as follows:

(€ millions)	**2016**	2015
Other purchases and external expenses	16.3	11.2
Employee benefits expense	2.9	6.1
Depreciation, amortisation and provisions	0.1	0.1
EXPENSE TRANSFERS	**19.3**	**17.4**

Revenue from services (excluding taxes)

(€ millions)	**2016**	2015
Seconded employees	4.2	3.4
Banner royalties	49.9	48.2
Other services	106.6	87.8
REVENUE FROM SERVICES (EXCLUDING TAXES)	**160.7**	**139.4**

As the Casino Group's parent and holding company, Casino, Guichard-Perrachon's net sales mainly correspond to royalties received from subsidiaries for the use of brands and banners owned by the Company, as well as management fees billed to subsidiaries.

In 2016, Casino, Guichard-Perrachon generated 84% of its net sales with companies based in France, *versus* 77% in 2015.

Average number of employees

Number of employees	**2016**	2015
Managers	16	16
Supervisors	-	-
Other employees	-	-
TOTAL	**16**	**16**

Note 2. Net financial income (expense)

(€ millions)	**2016**	2015
Income from investments in subsidiaries and associates:		
▪ L'Immobilière Groupe Casino	-	52.0
▪ Vindémia SAS	409.4	25.0
▪ Monoprix	477.8	-
▪ GreenYellow	40.1	71.8
▪ Gelase	-	480.6
▪ Géant Holding BV	13.2	77.5
▪ Géant Foncière BV	18.0	-
▪ Geimex	-	25.0
▪ Tevir	120.0	14.2
▪ Other	4.2	13.1
Total	**1,082.7**	**759.2**
Other investment income	1.1	-
Other financial income(1)	42.7	57.4
Reversals of provisions and impairment losses(2)	77.0	52.7
Net gains on disposals of marketable securities(3)	8.1	6.3
Financial income	**1,211.5**	**875.6**
Financial expenses:		
▪ bonds	(252.1)	(265.9)
▪ interest on perpetual deeply subordinated bonds	(46.2)	(46.9)
▪ other financial expenses(1)	(73.8)	(121.5)
▪ amortisation and impairment(2)	(386.1)	(552.6)
▪ net losses on disposals of marketable securities(3)	(8.6)	(9.5)
Financial expenses	**(766.8)**	**(996.4)**
NET FINANCIAL INCOME (EXPENSE)	**444.7**	**(120.8)**

(1) Other financial income and other financial expenses mainly include interest income and expenses on current accounts and gains and losses on interest rate hedges and foreign exchange.
In 2016, other financial expenses included €46.3 million relating to bond buybacks and financial income of €11.1 million relating to Monoprix mandatory convertible bonds (see "Significant events of the year").
In 2015, other financial income and other financial expenses also included the €42.6 million loss arising on the liquidation of the wholly-owned subsidiary DTC Finance. Total impairment losses of €43.6 million on the DTC Finance shares had been recognised in previous reporting periods and were reversed in 2015 (see (2)).

(2) The main movements in provisions and impairments in 2016 were as follows:
- *amortisation of bond redemption premiums for €22.0 million;*
- *impairment losses on shares in an amount of €320.6 million, mainly Distribution Casino France (€256.3 million), Casino Restauration (€38.8 million), Messidor (€14.3 million) and Acherna (€8.0 million);*
- *reversal of losses on the Total Return Swap (TRS) on GPA shares (€41.2 million).*

The main movements in provisions and impairments in 2015 were as follows:
- *amortisation of bond redemption premiums for €20.8 million;*
- *provision for losses on the Total Return Swap (TRS) on GPA shares for €155.9 million;*
- *impairment losses and technical merger deficits on Distribution Casino France shares and Geimex shares for €360.3 million and €13.9 million, respectively;*
- *reversal of the impairment loss on the DTC Finance shares for €43.6 million following its liquidation;*
- *net reversal of unrealised foreign exchange losses for €3.4 million.*

(3) Sales of treasury shares resulted in a loss of €0.5 million in 2016. A loss of €3.2 million was reported in 2015.

Note 3. Non-recurring income (expense)

(€ millions)	**2016**	2015
Gains (losses) on disposals of property, plant and equipment and intangible assets	3.0	-
Gains (losses) on disposals of investments in subsidiaries and associates[1]	(266.4)	341.8
Gains (losses) on disposals of assets	**(263.4)**	**341.8**
Additions to provisions	(0.9)	(19.7)
Reversals of provisions[1]	3.5	16.0
Other non-recurring expenses	(43.8)	(94.3)
Other non-recurring income	3.8	0.2
NON-RECURRING INCOME (EXPENSE)	(300.8)	244.0

(1) On the disposal of investments in subsidiaries and associates, any reversals of provisions are presented under "Gains (losses) on disposals of investments in subsidiaries and associates".

In 2016, non-recurring income (expense) mainly comprised:

- losses on the disposal of Vindémia SAS (subsidiary representing the Group's operations in Vietnam, see Significant events of the year) in an amount of €266.4 million, after the dividend payout of €409.4 million (see Note 2);
- expenses relating to the reorganisation of the E-commerce business for €13.0 million (see "Significant events of the year");
- restructuring costs totalling €8.5 million;
- late payment interest relating to payment of the Morzan compensation in an amount of €2.8 million (see Note 3 to the 2015 parent company financial statements).

In 2015, non-recurring income (expense) mainly comprised:

- net non-recurring gains of €340.3 million resulting from the reorganisation of Group businesses in Latin America, and especially the sale of shares to Éxito described in "Significant events of the year";
- restructuring costs totalling €8.5 million;
- a write-off of a €7.0 million receivable from CStore;
- compensation of €56.7 million relating to the Morzan dispute.

Note 4. Income tax benefit

(€ millions)	**2016**	2015
Recurring profit (loss)	441.1	(114.2)
Non-recurring income (expense)	(300.8)	244.0
Profit before tax	**140.3**	**129.8**
Group relief	265.2	314.2
Income tax benefit	**265.2**	**314.2**
NET PROFIT	**405.5**	**444.0**

Casino, Guichard-Perrachon is the head of the French tax consolidation group and would not have been taxable had it not elected for group tax relief. Group relief recorded by the Company corresponds to tax savings arising from netting off the losses of Casino, Guichard-Perrachon and its subsidiaries against the profits of the consolidated Group, amounting to €280.3 million, less the 3% dividend tax due for €15.6 million.

The tax group had €1,277.8 million of tax loss carryforwards under the group relief agreement at 31 December 2016.

At that date, timing differences between accounting income and expenses and the income and expenses retained for tax purposes gave rise to an unrecognised deferred tax asset of €11.9 million.

Note 5. Property, plant and equipment and intangible assets

Breakdown

(€ millions)	**2016**	2015
Goodwill	4.0	39.4
Other intangible assets	3.5	3.2
Amortisation and impairment	(2.4)	(20.4)
Intangible assets	**5.1**	**22.2**
Land and land improvements	0.3	1.8
Depreciation	(0.1)	(0.2)
	0.2	**1.6**
Buildings, fixtures and fittings	2.8	7.2
Depreciation	(1.7)	(3.3)
	1.1	**3.9**
Other property, plant and equipment	41.0	38.9
Depreciation	(15.8)	(14.4)
	25.2	**24.5**
Property, plant and equipment	**26.5**	**30.0**
TOTAL PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS, NET	**31.7**	**52.2**

Movements for the year

(€ millions)	Cost	Amort., depr. and imp.	Net
At 1 January 2015	**76.2**	**(16.9)**	**59.3**
Increases	15.6	(21.5)	(5.9)
Decreases	(1.3)	0.1	(1.2)
At 31 December 2015	**90.5**	**(38.3)**	**52.2**
Increases	5.4	(4.1)	1.3
Decreases	(44.3)	22.4	(21.9)
AT 31 DECEMBER 2016	**51.6**	**(20.0)**	**31.6**

The decrease in intangible assets was mainly due to the reclassification of technical deficits on long-term investments, in respect of which a gross amount of €29.2 million and impairment of €18.1 million were reclassified.

The decrease in property, plant and equipment was mainly due to the transfer of real estate assets to L'Immobilière Groupe Casino, corresponding to a gross amount of €15.1 million and depreciation of €4.3 million. The transfer, which was carried out on 29 June 2016 at actual value, involved the transfer of brick-and-mortar stores received in previous mergers and generated gains of €3.0 million.

Note 6. Long-term investments

Breakdown

(€ millions)	**2016**	2015
Investments in subsidiaries and associates	17,297.9	16,676.3
Impairment(1)	(675.6)	(382.9)
	16,622.3	**16,293.4**
Loans	52.5	20.4
Impairment	-	-
	52.5	**20.4**
Other long-term investments	30.1	1.4
Impairment	(18.1)	(0.5)
	12.0	**0.9**
LONG-TERM INVESTMENTS	**16,686.7**	**16,314.7**

(1) In accordance with the accounting policies described in section 4.2.2 "Significant accounting policies", at 31 December 2016 the Company measured the fair value of its investments in subsidiaries and associates on the basis of either the market value, as assessed by an independent appraiser where appropriate, or the value in use determined using the discounted cash flows method.

Value in use is determined using estimated after-tax cash flows discounted using the rates shown below.

Assumptions used for internal calculations of 2016 values in use

Region	**Perpetual growth rate 2016(1)**	**After-tax discount rate in 2016(2)**	Perpetual growth rate 2015(1)	After-tax discount rate in 2015(2)
France (retailing)(3)	1.7%	5.6%	1.5%	5.5%
France (other)(3)	1.7% to 2.2%	5.6% to 7.2%	1.5% and 2.0%	5.5% to 7.3%
Argentina	8.5%	17.1%	10.2%	17.7%
Brazil(4)	6.0%	12.4% and 11.6%(6)	5.5%	11.3% to 13.6%
Colombia(4)	3.0%	8.9%	3.5%	8.5%
Uruguay	6.6%	13.2%	8.5%	15.8%
Indian Ocean(5)	1.7% to 5.5%	5.6% to 14.2%	1.5%	5.5%

(1) The inflation-adjusted perpetual growth rate ranges from 0% to 1.5% depending on the nature of the CGU's business/banner.
(2) The discount rate used is the weighted average cost of capital (WACC) for each country. WACC is calculated at least once a year during the annual impairment testing by taking account of the sector's indebted beta, a market risk premium and the Group's cost of debt.
(3) For the French retailing businesses, the discount rate also takes account of the CGU's type of business/banner and the associated operational risks.
(4) At 31 December 2016, the market capitalisation of the listed subsidiaries GPA, Éxito and Cnova was €4,247 million, €2,107 million and €1,785 million, respectively.
(5) The Indian Ocean region includes Reunion Island, Mayotte, Madagascar and Mauritius. The discount rates used reflect the risks inherent in each of these geographical areas.
(6) The discount rate applied to cash flows was 12.4% for the three-year period concerned by the business plan and 11.6% beyond that period, in order to reflect the application of inflation and interest rate assumptions for the years concerned.

The Company performed impairment tests on each of its investments by comparing their net carrying amount to their recoverable amount based on value in use. The impairment testing resulted in a net impairment charge of €292.7 million (see Note 2), bringing total impairment up to €675.6 million at 31 December 2016.

Changes impacting the calculation inputs, such as (i) a 100-basis point increase in the discount rate, (ii) a 25-basis point decrease in the perpetual growth rate used to calculate terminal value or (iii) a 50-basis point decrease in the EBITDA margin for the cash flow projection used to calculate the terminal value could lead to the recognition of additional impairment losses on investments in subsidiaries and associates, as follows:

- for French businesses, additional losses of €1,817 million, €530 million and €1,049 million as a result of sensitivity to changes in the three calculation inputs noted above, respectively, mainly impacting Distribution Casino France shares;
- for international businesses, no additional losses would be recognised as a result of sensitivity to changes in the three calculation inputs noted above.

A list of the Company's subsidiaries and associates is provided at the end of this document.

Movements for the year

(€ millions)	Cost	Amort., depr. and imp.	Net
At 1 January 2015	**17,499.6**	**(76.5)**	**17,423.1**
Increases	2,465.8	(357.5)	2,108.3
Decreases	(3,267.3)	50.6	(3,216.7)
At 31 December 2015	**16,698.1**	**(383.4)**	**16,314.7**
Increases	3,462.6	(374.4)	3,088.3
Decreases	(2,780.2)	64.0	(2,716.2)
AT 31 DECEMBER 2016	**17,380.5**	**(693.8)**	**16,686.7**

The increase in the cost of long-term investments mainly corresponds to the:

- acquisition of Casino Participations France shares (see Significant events of the year) for €2,274.0 million, in exchange for the transfer of all of the shares held in: Acherna, Boidis, Campus Casino, Casino Agro, GreenYellow, L'Immobilière Groupe Casino, Messidor SNC, Plouescadis, Régie Média Trade, Samoth, Société de courtage d'assurance du Forez – SCAF, following capital increases at Acherna, Casino Agro and Messidor SNC in a total amount of €59.1 million;
- buyback of bonds convertible into Monoprix shares in an amount of €505.9 million (see "Significant events of the year");
- acquisition of Vindémia Group shares in an amount of €460.7 million, in exchange for the partial transfer of Vindémia SAS assets (see "Significant events of the year");
- acquisition of 50% of shares in Geimex from the Baud family for €45.4 million (see "Significant events of the year");
- payment of a dividend in GreenYellow shares by Vindémia for €26.3 million;
- acquisition of L'Immobilière Groupe Casino shares in exchange for the transfer of property assets for €13.8 million;
- increase in Géant Holding BV shares for €12.8 million;
- grant of loans to subsidiaries Géant Foncière BV, Bergsaar BV and Géant Holding BV in an amount of €22.5 million, €5.7 million and €3.0 million, respectively;
- reclassification of technical deficits on shares relating to intangible assets in an amount of €29.2 million.

The decrease in the cost of long-term investments mainly corresponds to the:

- Vindémia capital reduction, prior to the disposal of its shares, in an amount of €58.7 million;
- sale of Vindémia SAS shares (company representing the Group's operations in Vietnam) to Quinam BV for €381.4 million;
- the transfer of all of the shares held in: Acherna, Boidis, Campus Casino, Casino Agro, GreenYellow, L'Immobilière Groupe Casino, Messidor SNC, Plouescadis, Régie Média Trade, Samoth, Société de courtage d'assurance du Forez – SCAF, to Casino Participations France for €2,335.6 million.

Note 7. Trade and other receivables

(€ millions)	2016	2015
Trade receivables	42.1	47.6
Other operating receivables	9.2	6.9
Other receivables	436.1	82.2
Current account advances	558.3	818.9
Provision for impairment of other receivables	(1.4)	(1.4)
	1,002.2	906.6
TRADE AND OTHER RECEIVABLES	**1,044.3**	**954.2**

Trade and other receivables included:

- accrued income in an amount of €133.5 million, mainly comprising Casino, Guichard-Perrachon's share of the 2016 profits of companies whose articles of association provide for profit to be distributed as of the balance sheet date (€120.6 million);
- an amount of €219.0 million placed in an escrow account for the launch of a tender offer on shares of Cnova NV (see Significant events of the year).

In 2015, accrued income amounted to €22.3 million.

All of the Company's trade and other receivables are due within one year.

Note 8. Casino Finance current account and net cash and cash equivalents

(€ millions)	**2016**	2015
Casino Finance current account	**(979.6)**	**1,127.4**
Mutual fund units (FCP & SICAV)	1.0	1.0
Treasury shares	4.5	80.0
Marketable securities	**5.5**	**81.0**
Cash	**2.2**	**0.1**
Bank overdrafts	(0.8)	(1.8)
Commercial paper[1]	(521.6)	(423.5)
Bank credit facilities	**(522.4)**	**(425.3)**
NET CASH AND CASH EQUIVALENTS	(1,494.2)	783.2

(1) Notes due within one year.

The market value of FCP mutual fund units approximates their carrying amount.

Wholly-owned subsidiary Casino Finance is the cash pooling entity for the Group's French companies. The current account with respect to this subsidiary can be used at any time and pays interest at Eonia (plus a margin).

Treasury shares

	2016	2015
NUMBER OF SHARES HELD		
At 1 January	1,831,755	19,264
Shares purchased	10,217,218	6,346,467
Shares sold	(11,947,675)	(4,533,976)
AT 31 DECEMBER	**101,298**	**1,831,755**
VALUE OF SHARES HELD *(€ MILLIONS)*		
At 1 January	80.0	1.8
Shares purchased	480.5	353.3
Shares sold	(555.8)	(275.1)
AT 31 DECEMBER	**4.7**	**80.0**
Average purchase price per share *(€)*	46.69	43.69
% of share capital	0.09	1.62
Share in equity *(€ millions)*	7.0	130.2

In February 2005, Casino, Guichard-Perrachon signed a liquidity agreement with Rothschild & Cie Banque.

The agreement authorised Rothschild & Cie Banque to trade in the Company's shares on Euronext Paris on its behalf, in order to ensure a liquid market for the shares and ensure share price stability. The Company allocated 700,000 ordinary shares and the sum of €40.0 million to the liquidity account. The Company made additional contributions of €30 million and €50 million on 25 September 2015 and 28 December 2015, respectively. The 700,000 shares were subsequently cancelled by decision of the Board of Directors on 14 June 2016.

At 31 December 2016, no shares were held in the liquidity account.

At the year-end, the Company owned 101,298 shares with a par value of €1.53.

Their quoted market value at 31 December 2016 was €4.5 million. Based on the average share price in the last month of the financial year, an impairment loss of €0.2 million was recognised.

Note 9. Prepayments and other assets

(€ millions)	**2016**	2015
Bond issue premium	69.8	91.8
Prepaid expenses	4.3	6.1
Unrealised exchange losses	1.1	0.1
PREPAYMENTS AND OTHER ASSETS	**75.2**	**98.0**

Bond issue premiums are amortised on a straight-line basis over the life of the bonds.

Note 10. Equity

Changes in equity, before and after appropriation of net profit

(€ millions)	**2016**	2015
Share capital	169.8	173.2
Additional paid-in capital	3,937.6	4,038.1
Legal reserve:		
▪ before appropriation of net profit	17.3	17.3
▪ after appropriation of net profit	17.3	17.3
Available reserve	207.5	207.5
Long-term capital gains reserve:		
▪ before appropriation of net profit	56.4	56.4
▪ after appropriation of net profit	56.4	56.4
Retained earnings:		
▪ before appropriation of net profit	3,196.6	3,102.7
▪ after appropriation of net profit	3,255.8	3,193.6
Profit for the year:		
▪ before appropriation of net profit	405.5	444.0
▪ after appropriation of net profit	-	-
Interim dividend	(170.6)	-
Regulated provisions	5.2	5.3
EQUITY		
▪ before appropriation of net profit	7,825.3	8,044.5
▪ after appropriation of net profit	7,479.0	7,691.4

Changes in equity

(€ millions)	**2016**	2015
At 1 January	**8,044.5**	**7,951.4**
Profit for the year	405.5	444.0
Dividend payout for the prior year	(350.1)	(351.9)
Interim dividend	(170.6)	-
Capital reduction	(3.4)	-
Decrease in additional paid-in capital	(100.6)	-
Increase in additional paid-in capital	-	1.2
Other movements	-	(0.2)
AT 31 DECEMBER	**7,825.3**	**8,044.5**

Movements in share capital and number of shares

	2016	2015
At 1 January	113,197,686	113,175,162
Shares issued on exercise of stock options	-	22,485
Shares issued to minority shareholders in connection with mergers	-	39
Cancellation of shares	(2,200,690)	
AT 31 DECEMBER	**110,996,996**	**113,197,686**

At 31 December 2016, the Company's share capital was made up of 110,996,996 ordinary shares with a par value of €1.53 each.

Potential dilution

	2016	2015
Number of shares at 31 December	110,996,996	113,197,686
Share equivalents:		
▪ exercise of stock options	-	-
▪ share grants	-	-
TOTAL NUMBER OF POTENTIAL SHARES	**110,996,996**	**113,197,686**

The Board of Directors has decided to grant existing shares in respect of share grants outstanding at 31 December 2016. Accordingly, share grants are not potentially dilutive.

Note 11. Quasi-equity

In 2005, Casino, Guichard-Perrachon issued €600 million worth of perpetual deeply subordinated bonds (TSSDI). The bonds are redeemable solely at the Group's discretion and interest is due only if the Group pays a dividend on its ordinary shares in the preceding 12 months. The bonds pay interest at the ten-year constant maturity swap rate +100 bps, up to a maximum of 9%. In 2016, the average interest rate was 1.69%.

On 18 October 2013, the Company issued €750 million worth of hybrid bonds. The bonds are redeemable at the Group's discretion with the first call date set for 31 January 2019. The bonds pay interest at 4.87% until that date, after which the rate will be reset every five years.

These bonds are classified as "quasi-equity" as they:

- are issued for an indefinite term with no specific redemption date;
- correspond to direct commitments with no collateral and are subordinated to all other liabilities.

Accrued interest on the bonds is reported under "Miscellaneous borrowings".

Note 12. Provisions

Breakdown

(€ millions)	2016	2015
Provision for foreign exchange losses	1.1	0.2
Provision for other liabilities	228.6	305.2
Provision for expenses	7.0	3.2
TOTAL PROVISIONS	**236.7**	**308.6**

At 31 December 2016, the provision for other liabilities included €210.7 million corresponding to the negative fair value of GPA derivative instruments, *versus* a provision of €251.9 million at 31 December 2015.

Other provisions for liabilities and expenses correspond to specifically identified liabilities and expenses.

Movements for the year

(€ millions)	2016	2015
At 1 January	**308.6**	**150.5**
Additions	8.2	175.6
Reversals	(80.1)	(17.5)
At 31 December	**236.7**	**308.6**
O/w		
Operating additions/(reversals)	(0.3)	(0.2)
Financial additions/(reversals)	(68.4)	147.8
Non-recurring additions/(reversals)	(3.2)	10.5
TOTAL	**(71.9)**	**158.1**

Retirement benefit obligations

Provision for retirement benefits *(€ millions)*	Provision at 1 January 2016	Movement for the period	Provision at 31 December 2016	Unrecognised actuarial gains and losses	Obligation at 31 December 2016
Projected benefit obligation	2.1	0.5	2.6	(0.9)	1.7
Fair value of plan assets	-	-	-	-	-
PROVISION	**2.1**	**0.5**	**2.6**	**(0.9)**	**1.7**

Movements in the provision *(€ millions)*	Unwinding	Benefits/ contributions paid	Service cost	Recognised actuarial gains and losses	Cost for the period	Expected return on plan assets	Movements for the period
Projected benefit obligation	-	-	0.5	-	0.5	-	0.5
Fair value of plan assets	-	-	-	-	-	-	-
PROVISION	**-**	**-**	**0.5**	**-**	**0.5**	**-**	**0.5**

The main actuarial assumptions used in 2016 to calculate the retirement benefit obligations were as follows:

- discount rate: 1.7% (determined by reference to the Bloomberg 15-year AA corporate composite index);
- rate of future salary increases: 1.7%;
- retirement age: 64 years;
- mortality table: INSEE 2016;
- social security contributions rate: 38%.

Note 13. Loans and other borrowings

Breakdown

(€ millions)	**2016**	2015
Bonds (including accrued interest)	6,138.7	7,519.1
Bank overdrafts	0.8	1.8
Commercial paper	521.6	423.5
Bank borrowings	**6,661.1**	**7,944.4**
Miscellaneous borrowings	226.3	225.8
TOTAL BORROWINGS	**6,887.4**	**8,170.2**

Maturity of borrowings

(€ millions)	**2016**	2015
Due within one year	1,457.9	1,210.8
Due in one to five years	2,807.7	2,659.4
Due in more than five years	2,621.8	4,300.0
TOTAL	**6,887.4**	**8,170.2**

Net debt

(€ millions)	**2016**	2015
Total borrowings	6,887.5	8,170.2
Marketable securities	(5.5)	(81.0)
Cash	(2.2)	(0.1)
Casino Finance current account	979.6	(1,127.4)
NET DEBT	**7,859.3**	**6,961.7**

Total borrowings include €193.4 million in accrued interest on borrowings and bank overdrafts.

Breakdown of borrowings

	Interest rate[1]	Effective interest rate	Amount *(€ millions)*	Term	Due
2017 bonds 2010-2017	Fixed rate 4.38%	5.27%	551.7	7 years	February 2017
2018 bonds 2010-2018	Fixed rate 5.73%	6.48%	507.7	8 years	November 2018
2019 bonds 2012-2019	Fixed rate 4.41%	4.04%	850.0	7 years	August 2019
2020 bonds 2012-2020	Fixed rate 3.99%	5.21%	600.0	8 years	March 2020
2021 bonds 2011-2021	Fixed rate 5.98%	6.38%	850.0	10 years	May 2021
2023 bonds 2013-2023	Fixed rate 3.31%	4.45%	758.0	10 years	January 2023
2024 bonds 2014-2024	Fixed rate 3.25%	5.41%	900.0	10 years	March 2024
2025 bonds 2014-2025	Fixed rate 2.33%	3.60%	449.9	10 years and 2 months	February 2025
2026 bonds 2014-2026	Fixed rate 4.05%	4.09%	513.9	12 years	August 2026
TOTAL BONDS			**5,981.2**		

(1) The interest rate on euro-denominated bonds takes into account the rating downgrade, except the 2020, 2023, 2024 and 2025 tranches, which will be affected as of the first quarter of 2017.

Other borrowings

(€ millions)	Amount
Bank overdrafts	0.8
Commercial paper	521.6
Miscellaneous borrowings[1]	190.1
Accrued interest on borrowings	193.8
TOTAL OTHER BORROWINGS	**906.2**

(1) Including a €183.2 million loan from Marushka BV (100% indirectly-owned subsidiary of Casino, Guichard-Perrachon).

Liquidity risk

Casino, Guichard-Perrachon had confirmed credit facilities totalling €3,148.7 million at 31 December 2016, ensuring that it had sufficient liquidity to meet its needs.

Confirmed bank credit lines		Amount of the facility	Drawdowns	Due
Syndicated credit lines[1]	Floating rate	2,148.7	-	2018-2021
Confirmed bank credit lines	Floating rate	150.0	-	2017
Confirmed bank credit lines	Floating rate	50.0	-	2018
Confirmed bank credit lines	Floating rate	800.0		2019
TOTAL		**3,148.7**	**-**	

(1) Includes the €1,200 million syndicated credit line renewed in February 2014 for five years, whose maturity was extended by (i) one year in 2015, and (ii) an additional year in 2016, bringing its maturity to 2021, as well as the USD 1,000 million credit line due in July 2018.

Notes issued under Casino, Guichard-Perrachon's €9 billion Euro Medium Term Note (EMTN) programme totalled €5,981.2 million at 31 December 2016.

Notes issued under Casino, Guichard-Perrachon's €2 billion commercial paper programme totalled €521.6 million at 31 December 2016.

At 31 December 2016, Casino, Guichard-Perrachon's main covenants were as follows:

- the €1.2 billion syndicated credit line renewed in February 2014, the USD 1.0 billion club deal renewed in July 2013, and bilateral credit lines totalling €900 million are subject to a consolidated net debt (ii) to consolidated EBITDA (i) ratio of < 3.5;
- one bilateral credit line for €50 million is subject to a consolidated net debt to consolidated EBITDA ratio of < 3.7:

  (i) EBITDA (earnings before interest, taxes, depreciation and amortisation) corresponds to trading profit plus net depreciation and amortisation expense,

  (ii)net debt as defined in the loan agreements is not the same as net debt recognised in the consolidated financial statements. It corresponds to loans and other borrowings, less (i) cash and cash equivalents, (ii) financial assets held for cash management purposes and financial investments, (iii) hedges of debt with a positive fair value, and (iv) financial assets arising from a significant disposal of non-current assets.

At 31 December 2016, the consolidated net debt to consolidated EBITDA from continuing operations ratio was 2.4.

The Group considers that it can comply very comfortably with its covenants over the next twelve months.

Casino, Guichard-Perrachon's bonds and commercial paper are not subject to any financial covenant.

The Group's bond issues (other than deeply subordinated perpetual notes) have been rated BB+ by Standard & Poor's since 21 March 2016 and BBB- by Fitch Ratings with a negative outlook since 14 December 2016.

Standard & Poor's rating downgrade from BBB- to BB+ triggered application of the clause in the bond indentures providing for a 125-bps interest rate step up in the event of Casino, Guichard-Perrachon's debt being rated non-investment grade by at least one rating agency. The step-up is applicable for each issue as from the first annual interest period beginning after 21 March 2016. Application of the step up clause added €15 million to finance costs in 2016. Based on currently outstanding bond debt, the impact in 2017 is estimated at €63 million (See "Significant events of the year").

The bond indentures (other than for deeply subordinated perpetual bonds) also include a step down clause providing for a return to the original interest rate if Standard & Poor's and Fitch Ratings restore Casino, Guichard-Perrachon's investment grade rating.

The Group's loan and bond agreements include the usual commitment and default provisions of this type of contract: limitations to *pari passu* senior debt, negative pledges and cross default.

Its facility agreements contain a mandatory acceleration clause in the event of a change of control of the Company.

In addition, bonds issued by Casino, Guichard-Perrachon contain an acceleration clause at the investors' discretion (except for two perpetual deeply subordinated bond issues), should its long-term senior debt rating be downgraded to non-investment grade (or should it be further downgraded, if the rating is already non-investment grade), but only if this downgrade is due to a change of majority shareholder (if a third party other than Rallye or a related entity thereof holds more than 50% of Casino's voting rights).

Note 14. Other liabilities

(€ millions)	**2016**	2015
Related companies	359.4	541.1
Sundry liabilities	89.7	86.5
Deferred income	22.0	34.5
OTHER LIABILITIES	**471.1**	**662.1**
▪ due within one year	448.7	624.1
▪ due in more than one year	22.4	38.0

Other liabilities include €63.6 million in accrued expenses, mainly corresponding to compensation due in relation to the Morzan dispute.

Note 15. Transactions and balances with related companies

(€ millions)	**2016**	2015
ASSETS		
Investments in subsidiaries and associates	17,186.1	16,498.2
Loans and advances to subsidiaries and associates	-	-
Trade receivables	41.6	48.0
Related companies	305.8	1,650.1
LIABILITIES		
Loans and other borrowings	190.2	189.2
Trade payables	31.5	21.2
Related companies	1,396.1	592.4
INCOME STATEMENT		
Financial income	70.6	55.2
Financial expenses	364.1	415.4
Dividends	1,082.7	727.2

Related companies correspond to Group companies that are fully consolidated.

In 2016, the Company did not enter into any new material agreement with a related party, within the meaning of Article R. 123-198 of the French Commercial Code (*Code de commerce*), that was not concluded in the ordinary course of business on arm's length terms.

Note 16. Off-balance sheet commitments

Commitments entered into in the ordinary course of business

(€ millions)	**2016**	2015
Bonds and guarantees received from banks	-	0.2
Undrawn confirmed credit lines	3,148.7	3,243.5
TOTAL COMMITMENTS RECEIVED	**3,148.7**	**3,243.7**
Bonds and guarantees given(1)	854.4	794.3
Deficits allocated to tax group subsidiaries(2)	1,030.6	939.3
TOTAL COMMITMENTS GIVEN	**1,885.0**	**1,733.6**

(1) Including €641.7 million to related companies and €60.0 million to joint ventures at 31 December 2016.
(2) The tax consolidation agreement (see Note 4) specifies that tax savings arising from deficits transferred to the Group will not be repaid to the subsidiary. Tax group subsidiaries are only entitled to deficit allocations in the event that they become profitable again and only for the amount of tax they would have borne in the absence of a tax consolidation agreement.

Other commitments

(€ millions)	**2016**	2015
Seller's warranties given in connection with:		
▪ Monoprix mandatory convertible bonds	-	200.0
▪ the disposal of Ségisor and Gelase shares[(1)]	260.0	252.0
▪ GPA tax disputes[(2)]	152.0	121.0
Other commitments given	-	3.2
TOTAL COMMITMENTS GIVEN	**412.0**	**676.2**
Written put options in Uruguay[(3)]	115.4	90.0
Cnova written put options[(4)]	186.5	-
Seller's warranties given in connection with:		
▪ Total Return Swap on GPA shares[(5)]	121.1	79.9
▪ Monoprix mandatory convertible bonds	-	500.0
TOTAL RECIPROCAL COMMITMENTS	**423.0**	**669.9**

(1) Casino granted the customary warranties in connection with the acquisition by its subsidiary Éxito of 50% of the voting shares of GPA (Brazil) and 100% of Libertad (Argentina). The Company has undertaken to compensate Éxito for any inaccuracies in its reporting disclosures, on the understanding that publicly available information and information provided to Éxito by Casino as part of the due diligence process exempt the Company of any obligation to provide compensation. The warranty remains in force for a period of two years, with the exception of tax-related issues for which the warranty covers the limitation period. The obligation to provide compensation is limited to (i) a minimum amount of USD 500,000 for each claim, (ii) an excess of USD 10 million after which Éxito can claim compensation for any amount and (iii) a cap corresponding to 15% of the acquisition price for losses related to an inaccuracy in fundamental disclosures or related to holding companies.

(2) Like many companies with operations in Brazil and given the complexity of the country's tax laws, GPA is involved in a significant number of tax disputes. With the exception of the specific warranty discussed below, Casino does not underwrite any tax-related risks. Casino granted a special warranty to its Brazilian subsidiary covering the reassessments received from the tax authorities for a total amount of BRL 1,046 million (including interest and fines) at 31 December 2015 and under which Casino undertakes to compensate GPA for 50% of any damages incurred, providing those damages are definitive. Casino's maximum exposure as a result of the commitment given to its subsidiary is therefore BRL 523 million, or €152 million at the 31 December 2016 exchange rate. Casino has not recognised a provision in its financial statements for the amount as the risks of liability to all or part of the amount are only considered possible rather than probable.

(3) Uruguay: Casino has granted a put option on the percentage of share capital it holds to the family shareholders. The option is exercisable until 21 June 2021. Its price is based on Disco Uruguay's consolidated operating profit, with a floor of USD 41 million plus interest at 5% per year. A mutual mechanism is in place between Casino and Éxito in the event that the option is exercised: Casino has granted a put option to Éxito and Casino holds a call option from Éxito.

(4) Cnova: Following the public tender offer for Cnova NV shares (see "Significant events of the year"), Casino, Guichard-Perrachon agreed to purchase free float shares held by the shareholders at a price of USD 5.5 per share, i.e. a maximum total of around USD 197 million. As set out in Note 7, an amount of €219 million was placed in escrow in respect of the Company's obligations.

(5) In December 2011, the Company entered into a Total Return Swap (TRS) with a financial institution covering 7.9 million American Depositary Receipts (ADRs) representing 3% of GPA's share capital. It will be settled in cash. At 31 December 2016, the swap covered 7.8 million ADRs (2.9% of GPA's share capital) and a notional amount of €332 million. The contract was amended on 23 December 2016 to extend the TSR's maturity to June 2018. The negative fair value of the instrument at 31 December 2016 of €210.7 million (versus €251.9 million at 31 December 2015) was recognised in provisions. The amount disclosed in the table above corresponds to the difference between the notional amount and the provision.

In addition, Casino, Guichard-Perrachon has a put option on the Ségisor shares held by Éxito in the event of a change of control of Éxito. The strike price for the conditional option would be equivalent to fair value.

Maturities of contractual commitments

		Payments due by period		
(€ millions)	Total	Due within one year	Due in one to five years	Due in more than five years
Long-term borrowings	6,887.5	1,457.9	2,807.8	2,621.8
Non-cancellable written put options	301.9	301.9		
TOTAL	**7,189.4**	**1,759.8**	**2,807.8**	**2,621.8**

Note 17. Currency risk

	2016		2015	
(in millions of foreign currency)	USD	BRL	USD	BRL
Assets	6.9		6.8	-
Liabilities	(293.3)	-	(280.4)	(221.7)
Net balance sheet position	**(232.4)**	**-**	**(273.6)**	**(221.7)**
Off-balance sheet positions	(720.3)	(523.0)	(459.3)	(523.0)
TOTAL NET POSITION	**(952.7)**	**(523.0)**	**(732.9)**	**(744.7)**

Note 18. Equity risk

(€ millions)	2016	2015
Carrying amount of treasury shares	4.7	80.0
Market value (average December share price of €44.49)	4.5	82.6
Impairment	(0.2)	-
Sensitivity to a 10% fall in share price	(0.4)	(5.8)

Note 19. Gross compensation and benefits of directors and officers

(€ millions)	2016	2015
Compensation paid	1.4	1.0
Loans and advances	-	-

Note 20. Consolidation

Casino, Guichard-Perrachon is consolidated by Rallye SA, whose registered office is located at 83, rue du Faubourg Saint-Honoré – 75008 Paris, France (Siren No.: 054 500 574).

Note 21. Events after the reporting period

- The final results of the Group's public tender offer for Cnova NV shares were announced on 31 January 2017 (see "Significant events of the year"). On 21 February 2017, Cnova NV submitted an official request to Nasdaq to delist its shares. The delisting became effective on 3 March 2017; since this date, U.S. public reporting obligations under the Exchange Act are currently suspended. The Company's ordinary shares will continue to be listed on Euronext Paris for the time being.
- On 28 February 2017, the French Ministry for the Economy and Finance published its decision to jointly summon EMC Distribution, Casino Guichard-Perrachon and several other Group companies further to an investigation conducted by the DIRECCTE (regional department for businesses, competition, consumption, work and employment) for France's Centre region. It concerns a series of credit notes issue in 2013 and 2014 years by 41 suppliers for a total amount of €20.7 million and it relates to reimbursement of this amount to the relevant suppliers, plus a civil fine of €2 million. The Group reaffirms its position as for the licit character of these credit notes and makes sure that negotiation with industrialists takes place in a well-balanced and respectful framework of applicable terms. The Group intends to dispute the reasons of this assignment before the competent court. The Group intends to challenge the grounds for this decision before the competent courts.

4.4. FIVE-YEAR FINANCIAL SUMMARY

	2016	2015	2014	2013	2012
FINANCIAL POSITION AT THE REPORTING DATE					
Share capital *(€ millions)*	169.8	173.2	173.2	173.1	172.4
Number of outstanding voting shares(1)	110,996,996	113,197,686	113,175,162	113,105,831	112,674,236
RESULTS OF OPERATIONS *(€ MILLIONS)*					
Net sales (excluding taxes)	160.7	139.4	136.7	133.0	172.0
Profit before tax, employee profit-sharing, depreciation, amortisation and provisions	386.9	629.2	78.7	449.2	305.1
Income tax expense	(265.2)	(314.2)	(276.7)	(85.4)	(131.2)
Employee profit-sharing for the period	-	-	-	-	0.1
Net profit for the period	405.5	444.0	370.3	432.0	412.7
Total profit paid as dividends	346.3	353.2	353.1	352.9	338.0
PER SHARE DATA *(€)*					
Weighted average number of shares outstanding during the period(2)	111,185,050	112,826,784	113,006,584	112,766,174	111,741,859
Earnings per share after tax and employee profit-sharing but before amortisation, depreciation and provisions	5.86	8.36	3.14	4.74	3.90
Net earnings per share	3.65	3.94	3.28	3.83	3.69
Dividend paid per share	3.12	3.12	3.12	3.12	3.00
EMPLOYEE DATA					
Number of employees (full-time equivalent)	16	16	16	20	28
Employee remuneration expenses(3) *(€ millions)*	11.2	6.7	7.8	9.3	15.0
Total benefits *(€ millions)*	3.6	2.3	2.6	3.0	5.1

(1) The capital reduction reflects the cancellation of 2,200,690 shares in 2016.
(2) Excluding treasury shares.
(3) Excluding discretionary profit-sharing.

4.5. SUBSIDIARIES AND ASSOCIATES

(€ millions)

Company	Share capital	Equity	% ownership	Number of shares held	Carrying amount Gross	Carrying amount Net	Loans and advances granted by the Company	Guarantees given by the Company	2016 net sales (excluding taxes)	2016 net profit (loss)	Dividends received by the Company in the prior year
A. Data on investments whose carrying amount exceeds 1% of the share capital											
1. SUBSIDIARIES (AT LEAST 50%-OWNED)											
Distribution Casino France 1, cours Antoine Guichard 42008 Saint-Étienne, France	107	5,049	98.85	105,571,213	7,149	6,550		4	8,899	(517)	-
Casino Participations France 1, cours Antoine Guichard 42008 Saint-Étienne, France	2,274	2,274	100.00	2,274,025,819	2,274	2,274			-	-	-
Monoprix 14-16, rue Marc Bloch 92116 Clichy, France	78	1,400	100.00	9,795,630	2,526	2,526			262	385	478
Tevir 1, cours Antoine Guichard 42008 Saint-Étienne, France	410	990	100.00	409,911,792	689	689			-	43	120
Easydis 1, cours Antoine Guichard 42008 Saint-Étienne, France	63	44	100.00	3,953,968	106	106		6	566	1	-
Intexa 1, cours Antoine Guichard 42008 Saint-Étienne, France	2	3	97.91	990,844	7	7			-	-	-
Casino Finance 1, cours Antoine Guichard 42008 Saint-Étienne, France	70	208	100.00	69,999,999	100	100		403	-	172	-
Geimex[1] 15, rue du Louvre 75001 Paris, France	-	18	99.96	9,996	108	95			192	4	
Casino Services 1, cours Antoine Guichard 42008 Saint-Étienne, France	-	11	100.00	100,000	19	19			131	-	-
Vindémia Group 5, impasse du Grand Prado 97438 Sainte-Marie, France	268	272	100.00	268,012,924	461	461		7	26	4	-
Casino Restauration 1, cours Antoine Guichard 42008 Saint-Étienne, France	36	(45)	100.00	35,860,173	103	64		6	166	(22)	-
International											
Sonnat 5, place du Champs de Mars B-1050 Brussels, Belgium	800	797	99.99	800,061,499	800	800			-	(2)	-

Company	Share capital	Equity	% ownership	Number of shares held	Carrying amount Gross	Carrying amount Net	Loans and advances granted by the Company	Guarantees given by the Company	2016 net sales (excluding taxes)	2016 net profit (loss)	Dividends received by the Company in the prior year
2. ASSOCIATES (10% TO 50%)											
Banque du Groupe Casino 58-60, avenue Kléber 75116 Paris, France	25	81	50.00	125,597	109	89			106	5	-
Ségisor 1, cours Antoine Guichard 42008 Saint-Étienne, France	604	1,801	50.00	887,239,542	1,114	1,114			-	(14)	-
Uranie 1, cours Antoine Guichard 42008 Saint-Étienne, France	45	82	25.95	11,711,600	31	31			3	3	1
Casino Carburant 1, cours Antoine Guichard 42008 Saint-Étienne, France	5	11	31.44	1,597,357	3	3			363	4	-
International											
Géant Foncière BV 1, Beemdstraadt NL 5653 MA Eindhoven, Netherlands	-	325	50.00	20,000	85	85			-	13	18
Cnova NV 1, Beemdstraadt NL 5653 MA Eindhoven, Netherlands	22	575	43.28	190,974,069	285	285			-	7	-
Géant Holding BV 1, Beemdstraadt NL 5653 MA Eindhoven, Netherlands	1	4,702	25.00	3,900	1,320	1,320			-	3,074	13
B. Aggregated data for all other subsidiaries or associates											
1. SUBSIDIARIES (NOT INCLUDED IN SECTION A ABOVE)											
Various companies					7	4					
2. ASSOCIATES (NOT INCLUDED IN SECTION A ABOVE)											
Other companies					2	0					
Total investments in subsidiaries and associates					**17,298**	**16,622**					
O/w consolidated companies					17,296	16,622					
▪ French companies					14,805	14,131					
▪ Foreign companies					2,491	2,491					
o/w non-consolidated companies					2	0					
▪ French companies					2	0					
▪ Foreign companies											
Other long-term investments											
Investment securities					-	-					
Casino shares					-	-					
Mutual funds					1	1					
Total					**1**	**1**					

(1) 2015 data.

All key information on foreign subsidiaries in a given country is provided in Note 6.

As a result of the judgement applied when measuring the fair value of investments in foreign entities, provisions to cover the negative difference between the Company's share in the equity of subsidiaries of a given country and the value of the corresponding investment are not systematically recognised (see Note 6).

4.6. STATUTORY AUDITORS' REPORT ON REGULATED PARTY AGREEMENTS AND COMMITMENTS

This is a free translation into English of a report issued in French and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France

To the Shareholders,

In our capacity as Statutory Auditors of your company, we hereby report on certain regulated party agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the principal terms and conditions of those agreements and commitments brought to our attention, or that we may have identified in the performance of our audit, as well as of the grounds given to justify that such agreements and commitments are in the company's interest. We are not required to comment as to whether they are beneficial or appropriate or to ascertain the existence of any such agreements and commitments. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code *(Code de commerce)*, to evaluate the benefits resulting from these agreements and commitments prior to their approval.

In addition, we are required, where applicable, to inform you in accordance with Article R. 225-31 of the French Commercial Code *(Code de commerce)* concerning the implementation, during the year, of the agreements and commitments already approved by the Shareholders' Meeting.

We performed those procedures which we considered necessary to comply with professional guidance issued by the French National Institute of Statutory Auditors *(Compagnie nationale des commissaires aux comptes)* relating to this engagement. These procedures consisted in verifying that the information provided to us was consistent with the documentation from which it was extracted.

Agreements and commitments submitted for approval by the Shareholders' Meeting

Agreements authorised during the year

In accordance with Article L. 225-40 of the French Commercial Code *(Code de commerce)*, we have been advised of the following agreements and commitments which received prior authorisation from your Board of Directors.

1. Act amending the real estate partnership agreement entered into with Mercialys

Persons concerned
Jacques Dumas and Michel Savart, members of the Board of Directors of Mercialys

Nature and purpose
During its meeting on 15 December 2016, your Board of Directors authorised the signature of an act amending the partnership agreement entered into between your company and Mercialys, which had previously been amended on 12 November 2014 (the "Partnership Agreement"), as set out in section a).1 of the second part of this report.

This amending act, signed on 31 January 2017, extends the Partnership Agreement with Mercialys for an additional term of three years until 31 December 2020, and adapts it with respect to the following points in particular, so as to improve the conditions of collaboration between the parties, while maintaining the general principles of the Agreement and the original balance of the respective rights and obligations of the parties:

- the perpetuation of the accelerated project validation procedure, which has been increasingly used since its introduction in 2014, with the formalisation and development of its conditions of use, the latter remaining subject to the agreement of both parties;
- the adjustment of the mechanisms used to determine the price (scale or IRR), with:
  - details on the determination of the rate applicable in the event of use of the scale and inclusion of food hypermarkets in the calculation;
  - use of the surface area of the malls after extension in order to determine the mall category in the scale instead of the average of the surface areas before/after extension, so as to avoid any significant threshold effects that would generate an unjustified additional discount to the valuation of the asset.

Within the scope of the procedure concerning regulated party agreements, these changes were reviewed by the Audit Committee which issued a favourable opinion.

Conditions
No transactions falling within the scope of the act amending the real estate partnership agreement entered into with Mercialys took place during financial year 2016.

Reasons justifying that the commitment is in the company's interest
Your Board of Directors believes that the changes made are in line with the Partnership Agreement and that it is in the common interest of Casino and Mercialys to renew this agreement under the proposed terms in order to safeguard their current relationship and, more specifically, for Casino and its subsidiaries to continue to benefit from a natural outlet for their real estate projects, accompanied by a non-compete commitment made by Merialys.

2. Strategic advisory services agreement entered into with Euris

Persons concerned
Jean-Charles Naouri (Chairman of Euris) and Euris (member of the Board of Directors of your company). Euris, with an indirect holding of more than 10% of your company's voting rights, is a controlling company within the meaning of Article L. 233-3 of the French Commercial Code *(Code de commerce)*.

Nature and purpose

During its meeting on 15 December 2016, your Board of Directors, having obtained the opinion of the Audit Committee, authorised the signature of an amendment to the advisory services agreement between Casino and Euris that had been signed on 5 December 2003 and to which a first amendment had been signed on 9 April 2015. The purpose of this further amendment, signed on 16 December 2016, is to renew the advisory services engagement for 2016 and to maintain the conditions for the determination of the amount to be invoiced, adjusted as from 1 January 2015.

Euris conducts the policy of its group and participates directly in its strategy and development. Euris advises its subsidiaries in determining their strategic orientations and in managing and developing their activities, both in France and abroad. Euris thus participates in reflection on the orientation and development of the business, in studies and in the optimisation of the financial structure and resources of your company. It also provides its advice and assistance in strategic areas, on legal, governance, accounting and tax matters, communication, human resources and, occasionally, on the implementation of complex operations, particularly in finance and development. In this respect, it provides your company with studies and analyses both on a regular basis and occasionally, depending on the project and reflection in progress.

Conditions

The financial terms and conditions of the amendment signed on 9 April 2015, taking into account the significant, lasting increase in the work performed by Euris for the Company, concerned the correlating adjustment of the conditions for invoicing the strategic assistance costs incurred by Euris as from 1 January 2015 and henceforth shared between all of the companies concerned in the group, further to the conclusions and recommendations of an external financial appraisal, via the application of the most generally-accepted allocation keys and a 10% margin. The change in invoicing in 2016, calculated under these conditions, thus reflects the changes in strategic assistance costs incurred by Euris and in shares in the allocation keys.

Under the aforementioned amendment dated 16 December 2016, the amount invoiced in respect of this engagement was increased to 910,000 euros for financial year 2016 (compared to 840,000 euros for financial year 2015). This amount was recorded as an expense in financial year 2016.

Reasons justifying that the commitment is in the company's interest

Your Board of Directors believes that under this agreement your company ensures that it will continue to benefit permanently, under favourable conditions, from the resources and competence of Euris.

3. Letter of commitments with regard to Cnova N.V. to make a public bid for the shares of Cnova N.V. and to vote in favour of the merger, within the framework of the combination of the business activities of Cnova Brésil and Via Varejo

Person concerned

Jean-Charles Naouri, Chairman of the Board of Directors of Companhia Brasileira de Distribuição

Nature and purpose

During its meeting on 11 May 2016, your Board of Directors authorised your company to sign a letter of commitments to its subsidiary Cnova N.V.

According to the letter of commitments signed on 8 August 2016, your company made a commitment to its subsidiary Cnova N.V., within the framework of the operations to combine the business activities of Cnova Brésil, subsidiary of Cnova N.V., with those of Via Varejo, subsidiary of Companhia Brasileira de Distribuicão ("CBD"), to make a public offer for the ordinary shares of Cnova N.V. at the price of USD 5.50 per share, subject to the prior merger of the business activities of Cnova Brésil and Via Varejo, and to vote in favour of the merger at the general meeting of shareholders of Cnova N.V. in its capacity as shareholder of Cnova N.V.

The commitment to launch the public offer concerned the shares comprising the Cnova N.V. float, i.e. the shares other than those held directly or indirectly by Casino, and its subsidiaries CBD and Éxito.

Conditions

This letter of commitments ceased to be effective upon the conclusion of the public offer, which closed on 25 January 2017, for an amount of 163 million euros, following which your company and its subsidiaries hold 98.88% of the ordinary shares issued by Cnova N.V., representing 99.41% of the voting rights.

Reasons justifying that the commitment is in the company's interest

Your Board of Directors believes that this agreement enables the combination of the creation of a leader in the omni-channel, non-food trade in Brazil and the refocusing of Cnova N.V. on its traditional, most buoyant market with, in addition, the creation of value as a result of the synergies and the increase of Casino's stake in the capital of Cnova N.V. following the cancellation of the shares held by Via Varejo and the public offer launched for the minority shareholdings.

Agreements authorised after closing

We have been advised of the following related party agreement which received prior authorisation from your Board of Directors after closing.

Strategic advisory services agreement entered into with Euris

Person concerned

Jean-Charles Naouri (Chairman of Euris) and Euris (member of the Board of Directors of your company). Euris, with an indirect holding of more than 10% of your company's voting rights, is a controlling company within the meaning of Article L. 233-3 of the French Commercial Code *(Code de commerce)*.

Nature and purpose

During its meeting on 6 March 2017, your Board of Directors, having obtained the opinion of the Audit Committee, authorised the signature of an amendment to the advisory services agreement with Euris that had been signed on 5 December 2003 and to which two amendments were signed on 9 April 2015 and 16 December 2016. The purpose of this new amendment was to renew the agreement entered into with Euris, as from 2017 and, taking into account new financial valuations presented and an external valuation, to maintain the same conditions for invoicing, with the duration of the contract brought to three years and the corresponding inclusion of a clause for the annual update of the amount invoiced to Casino on the basis of changes in the costs of strategic assistance incurred by Euris and of proportions in the allocation keys.

Conditions

There was no application of the aforementioned amendment entered into with Euris in respect of the financial year ended 31 December 2016.

Reasons justifying that the agreement is in the company's interest

Your Board of Directors believes that the renewal and adjustment of the duration of Euris' strategic advisory engagement will allow Casino to continue to benefit permanently, under favorable conditions, from the resources and competence of Euris.

Agreements and commitments already approved by the Shareholders' Meeting

Agreements and commitments approved in prior years

a) Whose implementation continued during the year

In accordance with Article R. 225-30 of the French Commercial Code *(Code de commerce)*, we have been advised that the implementation of the following agreements and commitments which were approved by the Shareholders' Meeting in prior years continued during the year.

1. Real estate partnership agreement entered into with Mercialys

Persons concerned

Jacques Dumas and Michel Savart, members of the Board of Directors of Mercialys.

Nature and purpose

During its meeting on 17 October 2014, your Board of Directors authorised the signature of an act amending the partnership agreement entered into between your company and Mercialys, which had been signed on 2 July 2012 and had terminated the agreement signed on 19 March 2009.

Pursuant to this amending act, signed on 12 November 2014, the partnership agreement, which was to expire on 31 December 2015, was extended until 31 December 2017, and various adjustments were made in order to facilitate the implementation of the respective strategies of both companies, while maintaining the balance of their rights and obligations (the "Partnership Agreement"). The general principles of this Partnership Agreement are as follows:

- The maintaining, for the benefit of Mercialys, of privileged access to your company's real estate development projects portfolio (priority right).
- Increased security of real estate development projects by way of an upstream mutual commitment, since your company will begin the work only after Mercialys has confirmed the order, it being noted that the order can only be confirmed after the final authorisations have been duly obtained.
- The maintaining of the current economic balances between your company and Mercialys (capitalisation rate defined according to a matrix updated every six months based on changes in the value of Mercialys' real estate assets and a 50/50 sharing of the "upside/downside" noted at the start of the project compared to estimated rent).
- Annual "rendez-vous" clause.

The scope of the Partnership Agreement corresponds to the business of Mercialys (shopping arcades and medium-sized retail stores, excluding food stores, i.e. supermarkets and hypermarkets).

The three types of project that fall or may fall within the scope of the Partnership Agreement are as follows:

- "New Projects" corresponding to the projects falling within the scope of the Partnership Agreement which your Company decides to develop, regardless of whether the completion period extends beyond 31 December 2017, and which your Company undertakes to present to Mercialys. Mercialys has the option of presenting to your company any project, falling within or outside the scope of the agreement, which your company then undertakes to study in order to determine whether or not it wishes to proceed with its development.
- "Projects to be Confirmed" corresponding to "new projects" approved by the governing bodies of the parties for which the latter undertake to do their utmost to have the projects validated.
- "Validated Projects" corresponding to "projects to be confirmed" for which an order has been placed.

The various steps and commitments provided for are as follows:

- Identification of "Projects to be Confirmed" (projects underway which do not yet have sufficient visibility or are not yet sufficiently secure for an order to be placed).
- Placing of the "Validated Projects" order (projects offering sufficient visibility and a sufficient level of profitability for both parties).
- Confirmation of the order based on a final, specific project (allowing for customary flexibility/tenant requests), subject to obtaining final authorisations and provided that the pre-commercialisation rate of 60% of leases signed has been reached (in terms of value).
- Sale of the asset (transfer of ownership at the start of the project and payment by your company on delivery with 50/50 sharing of the "upside/downside").

The agreement also provides for the option of setting up an accelerated project validation procedure through the direct signing of an officially recorded deed of sale after validation by the governing bodies.

The terms and conditions for setting and adjusting prices are as follows:

- Setting of the price, when the order is placed, based on actual or budgeted rents determined by an independent expert, capitalised on the basis of rates calculated in accordance with the type of assets in question (cf. below).
- Updating of the price upon confirmation of the order to take into account changes in lease commercialisation and the capitalisation rate.
- Updating of the price upon sale, based on the rental situation two months prior to public opening, without the updating of the capitalisation rate.

In this regard, in order to take into account any fluctuations in market conditions, the capitalisation rates, applicable under the Partnership Agreement, are revised by the parties every six months. The capitalisation rates in respect of financial year 2016 were as follows:

- 1st half-year 2016

	Shopping malls		Retail parks		
Type of asset	Mainland France	Corsica and French overseas departments and territories (DOM TOM)	Mainland France	Corsica and French overseas departments and territories (DOM TOM)	City centres
Regional shopping malls/Large shopping malls (> 20,000 m²)	5.7%	6.3%	6.3%	6.7%	5.5%
Neighbourhood shopping malls (from 5,000 to 20,000 m²)	6.2%	6.7%	6.7%	7.1%	5.8%
Other assets (< 5,000 m²)	6.7%	7.1%	7.1%	7.7%	6.3%

- 2nd half-year 2016

Type of asset	Shopping malls – Mainland France	Shopping malls – Corsica and French overseas departments and territories (DOM TOM)	Retail parks – Mainland France	Retail parks – Corsica and French overseas departments and territories (DOM TOM)	City centres
Regional shopping malls/Large shopping malls (> 20,000 m²)	5.7%	6.2%	6.2%	6.9%	5.5%
Neighbourhood shopping malls (from 5,000 to 20,000 m²)	6.1%	6.6%	6.6%	6.9%	5.7%
Other assets (< 5,000 m²)	6.6%	6.9%	6.9%	7.6%	6.2%

Notwithstanding the foregoing provisions, the Partnership Agreement provides that one or other of the parties may propose, for a given project, to calculate the forecast sale price based on a forecast internal rate of return ("IRR") for said project. This IRR will be calculated using the forecast business plan prepared for the project. As an indication, the parties' aim is to target projects likely to generate a forecast IRR of around 8% to 10%.

In consideration of the priority right to which Mercialys is entitled, the Partnership Agreement includes a non-compete clause for the benefit of your company, applicable throughout the term of the Agreement. Consequently, Mercialys may not invest in a "New Project" that competes with a Casino Group food store, without the consent of your company. A "New Project" is defined as follows:

- any project developed on a new site including a food store with a retail surface area in excess of 1,000 square metres;
- any existing shopping mall with a food product sales area in excess of 1,000 square metres subject to an extension representing a floor area in excess of or equal to 30% of the existing shopping mall's surface area; or
- any existing shopping mall with a food product sales area subject to an extension that would increase the sales area to over 1,000 square metres.

This non-compete clause will be applicable for a period of three years as from the expiration of the Partnership Agreement.

Lastly, it should be noted that, as stated in section 1) of the first part of this report, a further act amending the Partnership Agreement was signed on 31 January 2017.

Conditions

In financial year 2016, the sale by your company's subsidiaries of two Monoprix stores (Saint Germain en Laye and La Garenne-Colombes) and the project for the extension of the Carcassonne Salvaza arcade were carried out within the scope of this agreement.

2. Membership of Jean-Charles Naouri, CEO, in a healthcare, death and disability insurance plan

Person concerned

Jean-Charles Naouri, CEO of your company

Nature, purpose and conditions

In respect of this plan, employer contributions relating to healthcare coverage and to death and disability coverage for financial year 2016 amounted to €63,237 and €1,377 respectively.

In addition, the CEO is also a member of group compulsory pension plans, the contributions to which are determined by national joint agreements.

b) Which were not implemented during the year

In addition, we have been advised that the following agreements and commitments which were approved by the Shareholders' Meeting in prior years were not implemented during the year.

Trademark licence agreement entered into with Mercialys

Persons concerned

Jacques Dumas and Michel Savart, members of the Board of Directors of Mercialys

Nature, purpose and conditions

Under this agreement entered into on 24 May 2007, your company grants Mercialys, for no consideration, a non-exclusive right to use, in France only, the "Nacarat" word mark and semi-figurative mark, the "Beaulieu" word mark and semi-figurative mark, and the "Beaulieu… pour une promenade" semi-figurative mark.

Mercialys has a priority purchase right over these trademarks, should your company intend to sell them.

Neuilly-sur-Seine and Lyon, 9 March 2017

The Statutory Auditors

French original signed by:

Deloitte & Associés		ERNST & YOUNG et Autres	
Frédéric MOULIN	Gérard BADIN	Yvon SALAÜN	Sylvain LAURIA

Corporate governance/ Chairman's Report

The Report of the Chairman of the Board of Directors, prepared in accordance with the terms of Article L. 225-37 of the French Commercial Code, was reviewed and approved by the Board of Directors at its meeting dated 6 March 2017.

The section of this Report on the composition of the Board of Directors, on the equal representation of women and men, on the conditions applicable to the preparation and organisation of the Board's work, and to the limits that the Board of Directors has imposed on the powers of the Chairman and Chief Executive Officer is provided in Chapter 5 hereof.

The section of the Report that presents the principles and rules set by the Board for the determination of the compensation and benefits of any kind granted to corporate officers *(mandataires sociaux)* is provided in Chapter 6, and the section of the Chairman's Report on the Company's internal control and risk management procedures is provided in Chapter 7. Lastly, Chapters 7 and 8 include the section of the Report that details the financial risks related to climate change and the measures taken by the company to reduce said risks by implementing a low-carbon strategy in all areas of its business.

The Chairman's Report was prepared by the Board secretary with input from the Group's Senior Management and Legal Department. The presentation of internal control and risk management procedures was prepared by the Internal Control and Internal Audit department, and overseen by the Finance department, and the section of the Report on financial risks associated with effects of climate change was prepared by the Corporate Social Responsibility ("CSR") department with the Finance department's assistance. In preparing this Report, the following were taken into account: current regulations, the Afep-Medef Corporate Governance Code for listed companies, as amended in November 2016, the recommendations contained in the Code's application guide, as updated in December 2016, the report of the Afep-Medef High Committee in charge of Corporate Governance, the recommendations of *Autorité des Marchés Financiers* (French financial markets regulatory, or "AMF"), and the recommendations of shareholders, consulting agencies, and non-financial rating agencies.

The draft version of the report was submitted to the Governance Committee, the Audit Committee and the Appointments and Compensation Committee for their respective opinions at their meetings on 1, 2, and 3 March 2017 for the sections falling within the scope of their respective duties.

The Statutory Auditors have prepared a report setting out that they have no observation on the description of internal control procedures applicable to the preparation and processing of accounting and financial information contained in the Chairman's report and on the fact that the report includes the other information required by Article L. 225-37 of the French Commercial Code.

5.1. CORPORATE GOVERNANCE CODE

In line with the Company's policy of implementing sound governance practices, the Board of Directors refers to the Afep-Medef Corporate Governance Code for listed companies (hereinafter the "Afep-Medef Code"), in particular when drafting the Chairman's report on corporate governance and the compensation and benefits granted to corporate officers (chapters 5 and 6).

The Afep-Medef Code, as revised in November 2016, is available on the Company's website (http://www.groupe-casino.fr), on the Medef website (www.medef.com) and on the Afep website (www.afep.com).

The Board confirmed this policy with the creation, in 2015, of a Governance Committee dedicated to governance matters and the implementation of a procedure for the systematic review of agreements between related parties within the Group by the Audit Committee. These initiatives and the corresponding work done completed by these Committees illustrate the Board's determination to ensure the application of the best corporate governance practices.

The Company aims to implement each of the recommendations of the Afep-Medef Code. However, in accordance with the "apply or explain" rule referenced in Article 25.1 of the Afep-Medef Code, recommendations that have not been fully implemented in the 2016 fiscal year are listed below:

- The objective of increasing the proportion of women on the Board to 40% has been pursued in 2016. After the General Shareholders' Meeting dated 5 May 2017, the Board of Directors should thus include five women and seven men, complying with French Law No 2011-103 dated 27 January 2011, which requires that 40% of Board members be women as of the first General Shareholders' Meeting following 1 January 2017. This objective could not be achieved by the 2016 Annual General Meeting in accordance with the Afep-Medef Code.
- For 2016, the Board of Directors decided, on the recommendation of the Governance Committee, to entrust the general and formalised evaluation of the Board's functioning to an external consultant. This evaluation, which helped to assess the terms and conditions of the Board's functioning and to make sure that key issues were adequately prepared and discussed, confirmed the fact that directors are very satisfied with the Board's functioning. Since this is the first evaluation conducted by a third party since 2003, individual directors' formal assessments of each of their colleagues' effective contribution to the Board of Directors' work, as suggested by the Afep-Medef Code, were not performed. However, the process and the results of the evaluation have highlighted the professionalism and personal implication of the Board members, especially independent directors. When asked about the implementation of this recommendation, the Board members agreed to revisit the subject when the next evaluation is performed. For further details on the process and its results, please refer to the section entitled "Evaluation of the Board's functioning."

5.2. COMPOSITION OF THE BOARD OF DIRECTORS

5.2.1. Composition of the Board of Directors as of 6 March 2017 (date or approval of the 2016 accounts and draft resolutions submitted to the Annual General Meeting)

As of 6 March 2017, the Board of Directors has twelve members, including five members qualified as independent (42%) based on the criteria in the Afep-Medef Code and one non-French national member. The functions of Chairman and Chief Executive Officer are combined as one and Jean-Charles Naouri serves as Chairman and Chief Executive Officer.

Directors are elected for a three-year term and the renewal of such terms is distributed partially each year. The Company's Articles of Association specifies the legal age limit according to which no more than one-third of the directors may be aged over 70. In addition, at the Ordinary and Extraordinary Shareholders' Meeting dated 5 May 2017, it will be proposed to increase the age limit of the Chairman and the Chief Executive Officer to 75.

The Board of Directors pays close attention to complying with the recommendations of the Afep-Medef Code concerning its composition. With the help of the Committees of the Board, it regularly reviews its size, structure and composition as well as the size, structure and composition of its Committees. Directors are selected for their experience, skills and readiness to be involved in the Group's development and while aiming for a balanced representation of women and men. The Appointments and Compensation Committee is responsible for recommending candidates for election or re-election to the Board. The size of the Board is deemed appropriate. The Board continues to favour a diverse and complementary mix of technical skills and experiences, and the balanced representation of women and men, and considered it wise to increase the number of independent directors, international experts, and distribution professionals.

The Board of Directors, after receiving the opinions of the Governance Committee and Appointments and Compensation Committee, decided that the representation of employees on the Company's Board of Directors should be organised according to the provisions of French Law No 2013-504 dated 14 June 2013 on employment security, as amended by French Law No 2015-994 on Labour and Employment dated 17 August 2015. To this end, the statutory changes allowing for this representation will be proposed to the Ordinary and Extraordinary Shareholders' Meeting dated 5 May 2017. Provided they are approved, the appointment of a director representing employees should take place no later than six months after the Shareholders' Meeting.

The members of the Board of Directors as of 6 March 2017 are as follows:

Name	Position	Age	Independent director	Audit Committee	Governance Committee	Appointments and Compensation Committee	First elected	Current term expires	Years on the Board as of the Shareholders' Meeting 2017
Jean-Charles Naouri(1)	Chairman and Chief Executive Officer	67					2003	2019	14
Nathalie Andrieux	Director	51	✓			✓	2015	2018	2
Didier Carlier(1)	Representative of Cobivia, Director	65					2006	2018	11
Diane Coliche(1)	Representative of Matignon Diderot, Director	39					2016	2019	1
Jacques Dumas(1)	Representative of Euris, Director	64				✓	2015	2017	2
Sylvia Jay	Director	70	✓		✓		2012	2018	5
Didier Lévêque(1)	Representative of Finatis, Director	55					2008	2018	9
Catherine Lucet	Director	58	✓	✓ Chairman			2011	2018	6
Gérald de Roquemaurel	Director	70	✓	✓		✓ Chairman	2006	2017	11
David de Rothschild	Director	74			✓		2003	2017	14
Frédéric Saint-Geours	Lead Director	66	✓	✓	✓ Chairman		2006	2017	11
Michel Savart(1)	Representative of Foncière Euris, Director	54					2011	2017	6

(1) Representing the controlling shareholder.

The Board of Directors does not include any director representing employee shareholders, as employees hold less than 3% of the share capital.

Under the Board's Internal Rules, each director appointed by the General Shareholders' Meeting is required to own a number of registered shares equal in value to at least one year in attendance fees.

5.2.2. Changes to the Board of Directors proposed at the Annual General Meeting on 5 May 2017

The directorships of Gérald de Roquemaurel, David de Rothschild, Frédéric Saint-Geours, and the companies Euris and Foncière Euris will expire after the General Shareholders' Meeting convened on 5 May 2017.

As proposed by the Appointments and Compensation Committee, the General Shareholders' Meeting is therefore asked to renew the directorships of Gérald de Roquemaurel, David de Rothschild, Frédéric Saint-Geours, and the companies Euris and Foncière Euris for three years, the latter of which will be represented by Jacques Dumas and Michel Savart, respectively (see page 163 *et seq.*). In addition, it is proposed that the General Shareholders' Meeting appoint a new female independent director, Christiane Féral-Schuhl, who is an attorney and has been the Chairman of the Paris Bar Association *(Bâtonnier du Barreau de Paris)*, and the profile of whom is complementary to the experience and expertise of current Board members (see page 180).

To this end, Cobivia, director representing the controlling shareholder, will resign from its directorship prior to the General Shareholders' Meeting in order to maintain the number of members on the Board of Directors at twelve.

Following the Shareholders' Meeting, the Board of Directors would be comprised of twelve members, including six independent directors (50%), while the number of women would rise from 4 to 5, or 42% (see below). The Board will review the composition of the Committees after the Shareholders' Meeting.

5.2.3. Summary of changes in the composition of the Board of Directors and the Committees of the Board

The General Shareholders' Meeting of the Company dated 13 May 2016 approved all of the directorship renewal proposals submitted to it.

Changes in the composition of the Board of Directors that took place in 2016 and those proposed at the upcoming General Shareholders' Meeting are as follows:

	General Shareholders' Meeting dated 13 May 2016	General Shareholders' Meeting dated 5 May 2017
Current term expires	Jean-Charles Naouri Henri Giscard d'Estaing Matignon Diderot (Gérard Koenigheit) Marc Ladreit de Lacharrière Gilles Pinoncély	Gérald de Roquemaurel[1] David de Rothschild Frédéric Saint-Geours[1] Euris (Jacques Dumas) Foncière Euris (Michel Savart)
Renewal	Jean-Charles Naouri Marc Ladreit de Lacharrière[2] Matignon Diderot (Diane Coliche)	Gérald de Roquemaurel[1] David de Rothschild Frédéric Saint-Geours[1] Euris (Jacques Dumas) Foncière Euris (Michel Savart)
Appointment	[3]	Christiane Féral-Schuhl[1]

(1) Independent director
(2) Director who ended his/her directorship on 16 September 2016.
(3) Appointment of Henri Giscard d'Estaing and Gilles Pinoncély as non-voting directors (see page 156).

Changes in the composition of the Committees of the Board in 2016 were as follows:

	Since 7 July 2015	As from 13 May 2016
Audit Committee		
Chairman	Catherine Lucet[1]	Catherine Lucet[1]
Members	Frédéric Saint-Geours[1] Gérald de Roquemaurel[1] Gilles Pinoncély	Frédéric Saint-Geours[1] Gérald de Roquemaurel[1]
Appointments and Compensation Committee		
Chairman	Gérald de Roquemaurel[1]	Gérald de Roquemaurel[1]
Members	Nathalie Andrieux[1] Henri Giscard d'Estaing[1]	Nathalie Andrieux[1] Jacques Dumas
Governance Committee[2] *(no changes in composition)*		
Chairman	Frédéric Saint-Geours[1][3]	Frédéric Saint-Geours[1][3]
Members	Sylvia Jay[1] David de Rothschild	Sylvia Jay[1] David de Rothschild

(1) Independent director
(2) Committee created on 7 July 2015.
(3) Lead Independent Director.

5.2.4. Gender balance on the Board of Directors and the Committees of the Board

As of 6 March 2017, four of the twelve members of the Board of Directors are women, representing 33.33%.

In 2016, the Appointments and Compensation Committee continued to implement a selection procedure designed to raise the proportion of women to 40% by the 2017 General Shareholders' Meeting, as required by law.

At the time of the renewal of Matignon Diderot's directorship, which was approved by the Shareholders' Meeting on 13 May 2016, its permanent representative mandate was entrusted to a woman, Diane Coliche, whose expertise and experience are presented in the section entitled "Information about Directors".

Based on the Appointments and Compensation Committee's recommendation, the 2017 General Shareholders' Meeting will be asked to appoint a new female director.

The Board of Directors selected Christiane Féral-Schuhl, a Franco-canadian woman, registered with the Paris and Québec Bar Associations and who has been Chairman of the Paris Bar Association in 2012 and 2013. Christiane Féral-Schuhl has a lot of expertise in the law of new technologies, IT and communication in particular as well as in intellectual property law (see page 180).

Following the Committee's advice, the Board of Directors also concluded that Christiane Féral-Schuhl met all the Afep-Medef criteria for consideration as independent.

Consequently, after the 2017 General Shareholders' Meeting, the proportion of women on the Board would grow to 42% (5 out of 12), in compliance with the minimum 40% threshold set by the Afep-Medef Code and under the terms of French Law No 2011-103 dated 27 January 2011.

The Board of Directors also ensures to improve the gender balance on the Committees of the Board. As of 6 March 2017, each Committee includes one woman and the Audit Committee has been chaired by a woman, Catherine Lucet, since 7 July 2015.

5.2.5. Independent directors

In accordance with Afep-Medef Code recommendations, during the annual review of its composition, the Board of Directors considers the proposals of the Appointments and Compensation Committee and the opinion of the Governance Committee concerning the representation of independent directors.

In line with the definition contained in the Afep-Medef Code, the Board considers that a director is independent when he or she has no relationship of any kind whatsoever with the Company, its Group or the management of either that could compromise the independence of his or her judgement.

The independence of each director serving on the Board after the General Shareholders' Meeting of 5 May 2017 (if all the proposed resolutions concerning renewals and appointment of a new female director are approved) has been assessed in relation to all the independence criteria set forth in the Afep-Medef Code. These criteria are as follows:

- criterion 1: Is neither an employee or senior executive corporate officer of the Company, nor an employee, senior executive corporate officer, or director of a company the Company consolidates, or of the Company's parent or a company said parent consolidates, and has not held any of said positions in the previous five years;
- criterion 2: not to be an executive corporate officer of a company in which the Company holds a directorship, directly or indirectly, or in which an employee appointed as such or an senior executive corporate officer of the Company (currently in office or having held such office for less than five years) is a director;
- criterion 3: not to be, (or not to be related to either directly or indirectly), a customer, supplier, investment banker or commercial banker that is material to the Company or its Group, or for a significant part of whose business the Company or the Group accounts;
- criterion 4: not to be related by close family ties to a corporate officer;
- criterion 5: not to have been a Statutory Auditor of the Company within the previous five years;
- criterion 6: not to have been a director of the Company for more than twelve years (with loss of independent status occurs when the 12-year limit is reached);
- criterion 7: not to be, control or represent a shareholder that owns, alone or in concert, over 10% of the shares or 10% of the voting rights at General Meetings of the Company.

Every year, the Board pays particular attention to complying with the third criterion (absence of material business ties). Where business transactions or ties have been identified between the Company or the Group and companies in which directors who are qualified as independent hold executive positions or directorships, a number of qualitative and/or quantitative factors are generally taken into account by the Board to confirm their independence, including the materiality of the transactions for each of the parties, whether the director holds an executive position within the company or group concerned or has a stake in managing the relationship and whether the business relationship pre-dated his or her election to the Company's Board.

Like last year, five directors meet all of the independence criteria: Nathalie Andrieux, Sylvia Jay, Catherine Lucet, Gérald de Roquemaurel and Frédéric Saint-Geours.

Nathalie Andrieux, Sylvia Jay as well as Frédéric Saint-Geours have no direct or indirect business relationship with the Company or Group that might compromise the exercise of their independence of their judgement within the Board. The same applies to the new female director, Christiane Féral-Schuhl, who satisfies all the criteria set forth in the Afep-Medef Code and the appointment of whom is subject to the approval of the General Shareholders' Meeting convened on 5 May 2017.

Concerning Catherine Lucet, the Board has confirmed its assessment that the business ties between the Editis/Nathan group of which she is an executive corporate officer and the Casino Group in France are not likely to compromise the exercise of her independence of judgement on matters discussed by the Board or give rise to a conflict of interests. These business ties pre-date her election to the Casino Board by many years. All transactions are on arm's length terms and no potential conflict of interest has ever been raised. The Casino Group deals with over

30,000 suppliers and, moreover, this type of purchases is managed independently by a dedicated subsidiary, EMC Distribution, or by the operating subsidiaries. Based on the Appointments and Compensation Committee's review of the parties' respective purchase and sale volumes with each other (which are not disclosed for reasons of commercial secrecy) compared to their total purchases and sales, the Board has moreover concluded that the transaction volumes are not material at the level of either party.

Catherine Lucet has also confirmed that she is not exposed to any conflict of interest and that, if any such conflict were to arise, she would refrain from taking part in Board decisions involving any of these companies in compliance with the Board's Internal Rules.

Gérald de Roquemaurel is a Senior Advisor for M&A consulting firm Messier Maris & Associés, which Casino hires to complete certain assignments, as it does with other financial consultants. The Board considered that this relationship would not call into question his independence and would not create a conflict of interest insofar as Mr. de Roquemaurel is neither a partner nor an executive of Messier Maris & Associés, carries out his duties for the latter in a limited geographical area, and is not involved in the mandates which may be given by Casino to Messier Maris & Associés.

One other qualified external director does not qualify as independent due to material business ties with the Group and/or its executive officers: David de Rothschild.

Based on Cobivia's announced resignation from its directorship before the General Shareholders' Meeting, heretofore the following five directors would represent the controlling shareholder: Jean-Charles Naouri, Chairman and Chief Executive Officer, Jacques Dumas, Didier Lévêque, Michel Savart and Diane Coliche and thus do not have a voting majority on the Board of Directors.

The following table shows the situation of independence of each member of the Board of Directors in its proposed composition after the Annual General Meeting of 5 May 2017:

Directors	Criterion 1	Criterion 2	Criterion 3	Criterion 4	Criterion 5	Criterion 6	Criterion 7
Independent directors							
Nathalie Andrieux	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Christiane Féral-Schuhl(1)	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Sylvia Jay	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Catherine Lucet	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Gérald de Roquemaurel(1)	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Frédéric Saint-Geours(1)	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Non-independent directors							
David de Rothschild(1)	Yes	Yes	No	Yes	Yes	No	Yes
Jean-Charles Naouri	No	Yes	Yes	Yes	Yes	No	No
Diane Coliche, representing Matignon Diderot	No	Yes	Yes	Yes	Yes	Yes	No
Jacques Dumas, representing Euris(1)	No	Yes	Yes	Yes	Yes	Yes	No
Didier Lévêque, representing Finatis	No	Yes	Yes	Yes	Yes	Yes	No
Michel Savart, representing Foncière Euris(1)	No	Yes	Yes	Yes	Yes	Yes	No

(1) Director proposed for renewal or appointment at the General Shareholders' Meeting dated 5 May 2017.

If the resolutions concerning Board members' renewals or appointments are approved, after the General Shareholders' Meeting dated 5 May 2017, the Board of Directors will have twelve members, six of whom will be independent, *i.e.*, 50%. This exceeds the one-third minimum recommended by the Afep-Medef Code for controlled companies.

It should be noted that, in accordance with the Afep-Medef Code, the director representing employees who will be designated pursuant to the amendments to the Articles of Association submitted for approval at this General Shareholders' Meeting, will not be taken into consideration for the calculation of the independence rate.

The Board of Directors noted that based on the criteria of the Afep-Medef Code, as revised in 2016, Frédéric Saint-Geours and Gérald de Roquemaurel, for whom the renewal of their directorships is proposed at the General Shareholders' Meeting dated 5 May 2017, will no longer be considered independent directors as from the 2018 General Shareholders' Meeting, since they will have served for twelve years. On the recommendation of the Governance Committee, the Board agreed to review the composition of the Board of Directors in order to continue to apply the Code's recommendations concerning the representation of independent members.

5.2.6. Non-voting Directors

Non-voting directors, elected for a three-year term, attend Board meetings in an advisory capacity only. They issue any opinion or observation they deem appropriate and can participate in the meetings of the Board's specialised Committees. No more than five non-voting Directors can sit on the Board. The age limit for holding office as non-voting director is 80.

Based on the Board of Directors' proposal, after it received the Governance Committee's opinion, Henri Giscard d'Estaing and Gilles Pinoncely were appointed as non-voting directors at the General Shareholders' Meeting dated 13 May 2016, after they had exercised their duties as directors of the Company for 12 and 13 years, respectively.

Their presence on the Board of Directors fuels the debates and discussions held by directors, due to their expertise and perfect knowledge of the Group, its dealings, and the distribution sector. At the Audit Committee's request, Gilles Pinoncély also attends Committee meetings where he shares his opinions or observations based on his large expertise regarding the transactions discussed.

5.3. SENIOR MANAGEMENT

5.3.1. The Chairman and Chief Executive Officer

The functions of Chairman of the Board of Directors and Chief Executive Officer, which were combined by the Board of Directors at its meeting dated 21 March 2005, have since then been exercised by Jean-Charles Naouri, controlling shareholder of the Group and the sole senior executive corporate officer of the Company.

After Jean-Charles Naouri was re-appointed as director at the General Shareholders' Meeting dated 13 May 2016, the Board of Directors decided that the functions of Chairman and Chief Executive Officer would remain combined, since combining these roles was considered well adapted to the context of a company with a sole controlling shareholder and, as a result, also decided to re-appoint Jean-Charles Naouri as Chairman and Chief Executive Officer.

In a highly-competitive, fast-changing environment, the Board believes that combining the roles of Chairman and Chief Executive Officer makes decision-making processes more efficient by strengthening the link between strategic planning and implementation.

In accordance with the Chairman and Chief Executive Officer's wishes, Senior Management's powers were restricted and a Lead Independent Director was appointed to ensure, in particular, that the combined duties of Chairman of the Board of Directors and Chief Executive Officer are performed in compliance with the principles of sound governance. As a result, the role of Lead Director was created as from 11 May 2012 and entrusted to an independent director. Several measures were taken in order to support sound governance and the balance of power on the Board, including the creation of the Governance Committee in 2015, a Board Committee responsible for matters relating to governance, required to stay abreast of any changes in governance rules while ensuring they are properly applied and relevant for the Group, and the Audit Committee's systematic review of related-party agreements.

The Lead Independent Director ensures that combining the roles of Chairman and Chief Executive Officer does not have an adverse impact on the proper functioning of the Board, on such matters as the information given to directors, the inclusion of items of the agenda of Board meetings and the organisation of Board discussions and votes. He or she may submit to the Governance Committee any issues that arise during the fulfilment of his or her assignments. The Lead Independent Director's 2016 report is presented on page 187. Since 7 July 2015, the appointed Lead Director is also the Chairman of the Governance Committee. Moreover, he is also a member of the Audit Committee.

The sound practices that favour balanced governance are listed in the Board's internal rules, and are mainly the following:

- the existence of specialised committees that prepare the Board's work and the chairmanship of which must be entrusted to an independent director: the Audit Committee; the Appointments and Compensation Committee, and since 2015 the Governance Committee;
- the Afep-Medef Code's recommendations concerning the proportion of independent directors are complied with at the level of both the Board of Directors and its Committees;
- the creation of a Lead Director position in 2012, who is appointed based on the proposal of the Chairman and Chief Executive Officer and the opinion of the Appointments and Compensation Committee, from among independent members;
- the monitoring of significant or strategic transactions, or the study of specific matters, entrusted to the Audit Committee or *ad hoc* committees comprised of independent directors who can seek advice from external experts;
- an annual meeting that excludes the presence of executive or internal directors is held once a year, able to discuss any topic; this meeting is chaired by the Lead Director and is the right context for an annual review of the functioning of the Board;
- applying the systematic review process for related-party agreements, entrusted since 2015 to the Audit Committee in addition to the review of regulated agreements;
- the routine review of the Board's internal rules and the Committees' charters, and adapting their provisions, as the case may be.

5.3.2. Restrictions on the Powers of the Chief Executive Officer – Powers of the Board of Directors

Article L. 225-56 of the French Commercial Code gives the Chief Executive Officer the broadest powers to act in the Company's name in all circumstances. He exercises his powers within the scope of the corporate purpose and subject to those powers specifically vested by law in the shareholders at Shareholders' Meetings or on the Board of Directors. The Chief Executive Officer represents the Company in its dealings with third parties.

In line with the principles of sound corporate governance, Jean-Charles Naouri proposed that certain management transactions should be submitted to the Board for prior authorisation in view of the type of transaction and/or the amounts involved. These restrictions ensure that the Board of Directors remains responsible for the most significant transactions, in line with the law and with corporate governance practices.

Specifically, the Chief Executive Officer is required to obtain the Board's prior authorisation for the following:

- transactions that could potentially affect the strategy of the Company and its controlled subsidiaries, their financial structure or scope of business, particularly the execution or termination of industrial and commercial agreements that could significantly impact the Group's future development;
- transactions valued individually at over €500 million, including but not limited to:
  - investments in securities and immediate or deferred investments in any company or business venture,
  - contributions or exchanges of assets, with or without additional compensation, concerning goods, rights, or securities,
  - acquisitions of real property or real property rights,
  - purchases or sales of receivables, acquisitions or divestments of goodwill or other intangible assets,
  - issues of securities by directly or indirectly controlled companies,
  - granting or obtaining loans, borrowings, credit facilities or short-term advances,
  - transactions or compromises to settle legal disputes,
  - disposals of real property or real property rights,
  - full or partial divestments of equity interests,
  - constitution of collateral and guarantees.

As an exception to the above rules, the Chief Executive Officer may, on an exceptional basis and after seeking the opinion of the Audit Committee, carry out any transaction not exceeding 15% of consolidated equity as measured at the previous year-end. The Chief Executive Officer reports on any such transaction at the next Board of Directors' meeting. These provisions apply to transactions carried out directly by the Company and by all entities the Company directly or indirectly controls, except for intragroup transactions.

The Chief Executive Officer is also given specific authorisations to issue all types of guarantees and to carry out financing transactions. These authorisations are renewed each year on the recommendation of the Governance Committee, and were most recently renewed in December 2016 for 2017.

Under these authorisations, the Chief Executive Officer may issue securities, collateral, or guarantees to third parties in the Company's name for up to €1.5 billion per year and €500 million per commitment.

The Chief Executive Officer may also negotiate, accept and/or roll over, extend or renew loans, confirmed credit lines and syndicated and non-syndicated financing facilities for up to €3.5 billion per year and €500 million per transaction.

Furthermore, to cover seasonal financial needs, the Chairman and Chief Executive Officer is authorised to negotiate, accept, roll over, extend or renew cash advances for up to €1 billion.

The Chief Executive Officer may also issue bonds or other debt securities (other than commercial paper) under the EMTN programme or otherwise for up to €3.5 billion, decide the terms and conditions of any such issues and carry out all related market transactions. He may also issue commercial paper for a maximum of €2 billion.

As well as these specific annual authorisations, the Chief Executive Officer may act in the Company's name to guarantee all commitments given by Casino Finance on behalf of third parties in respect of:

- the implementation of bond issues, including those under Casino Finance's EMTN programme, commercial paper issues and/or issues of other debt securities, and the signature of loan agreements for all borrowings, confirmed lines of credit, financing facilities and short term advance facility agreements within the same annual limits and limits per transaction defined above for the annual authorisations;
- foreign currency transactions and derivatives transactions covered by an ISDA master agreement or an FBF agreement signed by Casino Finance, up to €100 million per bank and €1.2 billion in total.

5.3.3. Executive Committee

The Executive Committee, headed by the Chairman and Chief Executive Officer, is responsible for the day-to-day management of the Group's operations. It implements the Group's strategy, as defined by the Board of Directors and the Chief Executive Officer. Responsible for strategic thinking, as well as coordinating, sharing, and monitoring cross-functional projects, it ensures that action plans implemented by all its subsidiaries and operating divisions are consistent with each other and, in that respect, can take any necessary decisions. It monitors the Group's results and financial position and draws up the Group's overall business plans. The Committee meets once a month.

The Executive Committee comprises twelve members, including the Chairman and Chief Executive Officer, the Chief Executive Officers of the Group's main subsidiaries and Directors of the corporate functions:

- Jean-Charles Naouri, Chairman and Chief Executive Officer;
- Hervé Daudin, Merchandise Director and Chairman of EMC Distribution;
- Yves Desjacques, Corporate Human Resources Director;
- Carlos Mario Giraldo Moreno, Chairman and Chief Executive Officer of Grupo Éxito (Colombia);
- Antoine Giscard d'Estaing, Chief Financial Officer;
- Ronaldo Labrudi, Chief Executive Officer of GPA (Brazil);
- Julien Lagubeau, Chief Operating Officer and Executive Committee Secretary;
- Jean-Paul Mochet, Chief Executive Officer of Franprix and the Convenience Banners;
- Tina Schuler, Chief Executive Officer of Leader Price and Casino Supermarkets;
- Régis Schultz, Chairman of Monoprix;
- Arnaud Strasser, Corporate Development and Holdings Director;
- Gérard Walter, Chief Executive Officer of Géant Casino.

5.4. INFORMATION ABOUT CORPORATE OFFICERS

Jean-Charles Naouri

The Chairman and Chief Executive Officer

Born

8 March 1949

Nationality: French

Business address

1, cours Antoine Guichard

42000 Saint-Étienne, France

Number of Casino shares held: 376

Expertise and experience

A graduate of *École normale supérieure* (majoring in science), Harvard University and *École nationale d'administration*, Jean-Charles Naouri began his career as an *Inspecteur général des Finances* at the French Treasury. He was appointed Chief of Staff for the Minister of Social Affairs and National Solidarity in 1982, then Chief of Staff for the Minister of the Economy, Finance and Budget in 1984. In 1987, he founded Euris, which became the controlling shareholder of Rallye in 1991 and then of Casino in 1998. Jean-Charles Naouri has been Chairman and Chief Executive Officer of Casino since March 2005.

Main executive positions

Chairman and Chief Executive Officer of Casino, Guichard-Perrachon (listed company)

Chairman of Euris

Directorships and other positions held within the Company

Directorship/position	First elected/appointed	Current term expires
Director	4 September 2003	2019 AGM
Chairman of the Board of Directors	4 September 2003	2019 AGM
Chief Executive Officer	21 March 2005	2019 AGM

Other directorships and positions held in 2016 and as of 6 March 2016

Within the Casino/Euris Group

- Chairman and Director of the Board of Directors of Rallye (listed company);
- Chairman and Director of the Board of Directors of Companhia Brasileira de Distribuição (listed company - Brazil);
- Chairman and Chief Executive Officer and Director of Casino Finance;
- Vice-Chairman and Director of Fondation d'Entreprise Casino;
- Chairman of Fondation Euris.

Outside the Casino/Euris Group

- Director of Fimalac (listed company) and Member of the Selection, Nominations and Remunerations Committee;
- Member of the Banque de France Advisory Committee;
- Honorary Chairman and Director of *Institut de l'École Normale Supérieure*.

Other directorships and positions held in the past five years (excluding those listed above)

- Chairman and Director of the Board of Directors of Cnova N.V.* (listed company - Netherlands) and Wilkes Participações* (Brazil);
- Chief Executive Officer of Rallye (listed company);
- Chairman of the Supervisory Board and Member of the Supervisory Board of Monoprix SA;
- Chairman and Chief Executive Officer, then Chairman of the Board of Directors of Monoprix SA;
- Legal Manager of SCI Penthièvre Neuilly;
- Chairman of *"Promotion des Talents,"* a non-profit organisation*.

* *Until 2016.*

Nathalie Andrieux

Independent director

Born

27 July 1965

Nationality: French

Business address

171, rue de l'Université

75007 Paris, France

Number of Casino shares held: 375

Expertise and experience

Nathalie Andrieux is a graduate of *École supérieure d'informatique* (*Sup'Info*) and ESCP Europe. She joined La Poste Group in 1997, was appointed Chief Executive Office of Média Poste in 2004, Chairman of Média Poste in 2009 and Chairman of La Poste Numérique in 2012, a position she held until March 2015. Prior to joining La Poste, she held various positions in the Banque Populaire group, Casden (1993-1997) and Bred (1990-1993).

Main executive position

Independent director of various companies

Directorships and other positions held within the Company

Directorship/position	First elected/appointed	Current term expires
Director	12 May 2015	2018 AGM
Independent member of the Appointments and Compensation Committee	7 July 2015	2018 AGM

Other directorships and positions held in 2016 and as of 6 March 2017

Outside the Casino Group

- Member of the Supervisory Board and Member of the Audit Committee of Lagardère (listed company);
- Member of the Scientific Board of Institut Mines Telecom;
- Chairman of the Board of Directors of ENSCI – Les Ateliers.

Other directorships and positions held in the past five years (excluding those listed above)

- Chairman of Cabestan, Financière Adverline, Matching, MDP 1, Media Prisme, Mediapost, Mediapost Holding, Mediapost Multicanal, Mediapost Publicité and SMP;
- Chairman and Chief Executive Officer of Mediapost;
- Chairman of the Board of Directors of Adverline, Mediapost and Mix Commerce;
- Chairman of the Board of Directors of Mediapost Hit Mail (Romania), Mediapost SGPS (Portugal) and Mediapost Spain (Spain);
- Director of Mediapost Hit Mail (Romania), Mediapost SGPS (Portugal) and Mediapost Spain (Spain);
- Director of Docapost, Maileva and Mix Commerce;
- Permanent representative of Financière Adverline as Chairman of Adverline;
- Permanent representative of SMP as Chairman of Financière Sogec Marketing;
- Member of the Strategy Committee of Cabestan, Matching, Mediapost, Media Prisme, Mediapost Publicité, Neopress and SMP;
- Member of the Investment Committee of Xange Capital 2;
- Member of the Supervisory Board of La Banque Postale and Xange Private Equity;
- Member of the Strategy Committee of La Banque Postale and Idenum;
- Member of the Executive Committee of Mediapost Multicanal;
- Member of the *Conseil National du Numérique**.

* *Until 2016.*

Sylvia Jay

Independent director

Born

1 November 1946

Nationality: British

Business address

38 Markham Street

London SW3 3NR, United Kingdom

Number of Casino shares held: 400

Expertise and experience

Lady Sylvia Jay, Commander of the Order of the British Empire, is a graduate of the University of Nottingham and a researcher at the London School of Economics. She held various positions as a senior civil servant in the British civil service between 1971 and 1995, being involved in particular in financial aid to developing countries. She was seconded to the French Ministry of Cooperation and the French Treasury. Later, she was Assistant Director in Jacques Attali's office at the European Bank for Reconstruction and Development. She entered the private sector in 2001, as Chief Executive Officer of the UK Food and Drink Federation. In 2005, she became Vice-Chairman of L'Oréal UK & Ireland and in 2011, she was appointed Chairman of L'Oréal UK & Ireland, a position she held until August 2013.

Main executive position

Independent director of various companies

Directorships and other positions held within the Company

Directorship/position	First elected/appointed	Current term expires
Director	11 May 2012	2018 AGM
Independent member of the Governance Committee	7 July 2015	2018 AGM

Other directorships and positions held in 2016 and as of 6 March 2017

Outside the Casino Group

- Director of Lazard Ltd (listed company – United States).

Other directorships and positions held in the past five years (excluding those listed above)

- Chairman of L'Oréal UK & Ireland and of Pilgrim Trust;
- Director of Alcatel-Lucent and Saint-Gobain* (listed companies);
- Trustee of the Body Shop Foundation;
- Trustee of the Entente Cordiale Scholarship Scheme and the Prison Reform Trust.

* *Until 2016.*

Catherine Lucet

Independent director

Born

3 February 1959

Nationality: French

Business address

25, avenue Pierre-de-Coubertin

75013 Paris, France

Number of Casino shares held: 445

Expertise and experience

Catherine Lucet is a graduate of *École polytechnique* (1979) and *École des mines de Paris* (1984) and holds an MBA from INSEAD (1987). She began her career as an analyst at the Analysis and Forecasting Centre of the French Ministry of Foreign Affairs. She joined McKinsey in 1986 as a consultant, and was then appointed project manager. In 1991, she was appointed Chief Executive Officer of Éditions Harlequin, subsidiary of Éditions Hachette and of Canadian publisher Torstar. In 1996, she joined the Anglo-Dutch group Reed Elsevier where she headed their French scientific and medical publishing subsidiary until 2001, when she left to join the Vivendi Group as Chief Executive Officer of Éditions Nathan. Catherine Lucet is now a member of the Executive Committee of Editis, Chief Executive Officer of its Education and Reference division which includes Éditions Nathan, Bordas, Clé, Retz and the Le Robert dictionaries, and Chairman of Éditions Nathan. Since 2010, she has also served as Vice-Chairman of the Cap Digital business cluster.

Main executive position

Chief Executive Officer of the Education and Reference division of Editis

Directorships and other positions held within the Company

Directorship/position	First elected/appointed	Current term expires
Director	28 February 2011	2018 AGM
Chairman of the Audit Committee	7 July 2015	2018 AGM
Independent member of the Audit Committee	19 June 2012	2018 AGM

Other directorships and positions held in 2016 and as of 6 March 2017

Outside the Casino Group

Within the Editis group	Outside the Editis group
▪ Chairman of S.e.j.e.r.; ▪ Chairman and Chief Executive Officer of Librairie Fernand Nathan; ▪ Chairman of Daesign.	▪ Member of the Supervisory Board of Brill (Netherlands).

Other directorships and positions held in the past five years (excluding those listed above)

▪ Chairman and Chief Executive Officer of Paraschool; ▪ Chairman of Dokeo TV*;	▪ Director of Dictionnaires Le Robert and of Pôle de compétitivité Cap Digital*.

* *Until 2016.*

Gérald de Roquemaurel

Independent director
(directorship submitted for renewal)

Born

27 March 1946

Nationality: French

Business address

Rue de Belle Vue, 64

Brussels 1000, Belgium

Number of Casino shares held: 400

Expertise and experience

Gérald de Roquemaurel has a law degree, is a graduate of *Institut d'études politiques de Paris* and an alumnus of the *École nationale d'administration* (1970-1972). A direct descendant of Louis Hachette (founder of Librairie Hachette), he joined Publications Filipacchi in 1972 and became director of Paris-Match in 1976. In 1981, he was appointed Vice-Chairman and Chief Executive Officer of Groupe Presse Hachette (which became Hachette Filipacchi Presse in 1992). From 1983 to 1985, he was responsible for the Group's international expansion. In 1984, he became director and Chief Executive Officer of Publications Filipacchi (later Filipacchi Medias) and then a member of the Executive and Strategy Committee of Lagardère SCA, a director of Hachette SA, and Legal Manager of NMPP. On 18 June 1997, he was appointed Chairman and Chief Executive Officer of Hachette Filipacchi Médias, then in 1998, Chief Operating Officer of the Lagardère Group in charge of the media division. In April 2001, he became Chairman of FIPP (*Fédération Internationale de la Presse Périodique*) for two years. In June 2001, he was appointed Chairman of *Club de la Maison de la Chasse et de la Nature*. In early 2007, he became Managing Partner of HR Banque. In January 2009, he was appointed Senior Partner of Arjil. On 15 December 2012, he was appointed Legal Manager of BGR Partners, Arjil's partner in Belgium. In September 2015, he resigned from his position with Arjil and became Senior Advisor at Messiers-Maris.

Main executive position

Legal Manager of BGR Partners

Directorships and other positions held within the Company

Directorship/position	First elected/appointed	Current term expires
Director	31 May 2006	5 May 2017 AGM
Chairman of the Appointments and Compensation Committee	7 July 2015	5 May 2017 AGM
Independent member of the Appointments and Compensation Committee	31 May 2006	5 May 2017 AGM
Independent member of the Audit Committee	3 March 2010	5 May 2017 AGM

Other directorships and positions held in 2016 and as of 6 March 2017

Outside the Casino Group

- Member of the Supervisory Board of Baron Philippe de Rothschild SA

Other directorships and positions held in the past five years (excluding those listed above)

- Director of Musée des Arts Décoratifs (non-profit organisation) and of Nakama (Skyrock);
- Vice-Chairman of Presse Liberté (non-profit organisation).

David de Rothschild

Director
(directorship submitted for renewal)

Born

15 December 1942

Nationality: French

Business address

29, avenue de Messine

75008 Paris, France

Number of Casino shares held: 400

Expertise and experience

David de Rothschild has run the Rothschild & Co. group (formerly Paris-Orléans) since 2003. He has been Chairman of Rothschild & Co Gestion SAS and Statutory Managing Partner of Rothschild & Co. since June 2012. He is a descendant of Mayer Amschel Rothschild, founder of the Rothschild dynasty, and of Baron James de Rothschild, who created the bank in Paris in 1812. David de Rothschild has worked in banking for 40 years, gaining experience in the various branches of the family business. Banque Rothschild, which was created by James de Rothschild in 1812 under the name Rothschild Frères, was nationalised in 1981. In 1986, David de Rothschild and his cousin Eric de Rothschild were authorised to create a new Rothschild bank in France following the 1981 nationalisation, and in 2003 were able to merge the family’s UK and French businesses. David de Rothschild is a graduate of *Institut d’études politiques de Paris*.

Main executive positions

Chairman of Rothschild & Co. Gestion, Legal Manager of Rothschild & Co.

Permanent representative of Rothschild & Co. Gestion as Managing Partner of RCB Gestion, Lead Statutory Manager of Rothschild & Cie Gestion, Rothschild & Cie Banque and Rothschild & Cie.

Legal Manager of Rothschild & Cie Banque

Managing Partner of Rothschild & Cie.

Directorships and other positions held within the Company

Directorship/position	First elected/appointed	Current term expires
Director	4 September 2003	5 May 2017 AGM
Member of the Governance Committee	7 July 2015	5 May 2017 AGM

Other directorships and positions held in 2016 and as of 6 March 2017

Outside the Casino Group

Within the Rothschild group	Outside the Rothschild group
▪ Chairman of Rothschild & Co Gestion, Rothschild Concordia, SCS Holding, Rothschild & Co Commandité, RCG Partenaires, RCI Partenaires, Cavour, Verdi, Aida, Financière Rabelais, Paris Orléans Holding Bancaire (POHB), Financière de Reux and Financière de Tournon; ▪ Legal Manager of Bero, RCB Partenaires, Rothschild & Cie, and Rothschild & Cie Banque; ▪ Permanent representative of Rothschild & Co. Gestion as Legal Manager of RCB Gestion; ▪ Sole director of GIE Sagitas; ▪ Chairman of Rothschild Europe BV (Netherlands); ▪ Member of the Board of Directors of Continuation Investments NV (Netherlands).	▪ Legal Manager of Rothschild Ferrières, SCI 2 Square Tour Maubourg, Société Civile du Haras de Reux; ▪ Sole director of GIE Five Arrows Messieurs de Rothschild Frères; ▪ Member of the Supervisory Board of the bank Martin-Maurel.

Other directorships and positions held in the past five years (excluding those listed above)

▪ Chairman of RCG Gestion, RCB Gestion, RCBP Gestion, RCI Gestion and Norma; ▪ Chairman of NM Rothschild & Sons Ltd (United Kingdom), Rothschilds Continuation Holdings AG (Switzerland) and Rothschild North America Inc. (United States); ▪ Vice-Chairman of Rothschild Bank AG* (Switzerland); ▪ Director of Edmond de Rothschild and Compagnie Financière Martin-Maurel**;	▪ Member of the Board of Directors De Beers SA (Luxembourg) (listed company), Rothschild Asia Holdings Ltd (China), Rothschild Concordia AG* (Switzerland), Rothschilds Continuation Holdings AG* (Switzerland), Rothschild Holding AG* (Switzerland) and Rothschild Employee Trustees Ltd* (United Kingdom); ▪ Member of the Remuneration and Nomination Committee of Rothschilds Continuation Holdings AG (Switzerland).

* *Until 2016.*
** *Until 2017.*

Frédéric Saint-Geours

Independent director
(directorship submitted for renewal)

Born

20 April 1950

Nationality: French

Business address

Campus Étoiles - 2, place aux Étoiles

93200 La Plaine Saint-Denis, France

Number of Casino shares held: 350

Expertise and experience

Frédéric Saint-Geours has a degree in economics, is a graduate of *Institut d'études politiques de Paris* and an alumnus of *École nationale d'administration*. He began his career at the Ministry of Finance and in the offices of the President of the National Assembly and the Secretary of State for the Budget (1975-1986). He then joined the PSA Peugeot Citroën Group in 1986 as Deputy Chief Financial Officer and became Chief Financial Officer of the Group in 1988. From 1990 to 1997, he was Deputy Chief Executive Officer of Automobiles Peugeot, where he was appointed Chief Executive Officer in early 1998. He was a member of the Management Board of PSA Peugeot Citroën from July 1998 to December 2007. In January 2008, he was appointed Advisor to the Chairman of the Management Board of PSA Peugeot Citroën and member of the Management Committee. He was elected Chairman of the UIMM trade federation on 20 December 2007. As from 2009, he was successively a member of the Management Board of Peugeot SA, Chief Financial Officer and Head of Strategy for the PSA Peugeot Citroën Group, head of the Peugeot and Citroën brands and Special Advisor to the Chairman of the Management Board of PSA Peugeot Citroën. In September 2013, he was elected Chairman of *Groupe des Fédérations Industrielles* (GFI). In November 2014, France's Council of Ministers appointed him as Chairman of the Supervisory Board of SNCF, an appointment that was renewed in July 2015. In April 2016, he was appointed Vice-Chairman of the French *Conseil National de l'Industrie*.

Main executive positions

Chairman of the Supervisory Board of SNCF

Vice-Chairman of the French *Conseil National de l'Industrie*

Directorships and other positions held within the Company

Directorship/position	First elected/appointed	Current term expires
Director	31 May 2006	5 May 2017 AGM
Lead Director	7 July 2015	5 May 2017 AGM
Independent member of the Audit Committee	31 May 2006	5 May 2017 AGM
Chairman and independent member of the Governance Committee	7 July 2015	5 May 2017 AGM

Other directorships and positions held in 2016 and as of 6 March 2017

Outside the Casino Group

- Director of BPIFrance Investissement;
- Director of BPIFrance Participations.

Other directorships and positions held in the past five years (excluding those listed above)

- Chairman and Chief Executive Officer of Banque PSA Finance;
- Chairman of Automobiles Citroën and Automobiles Peugeot;
- Chairman of the Board of Directors of Banque PSA Finance;
- Vice-Chairman and Managing Director of PSA International SA (Switzerland);
- Vice-Chairman of Dongfeng Peugeot Citroën Automobiles Company Ltd (China);
- Chairman of the Supervisory Board of Peugeot Finance International NV (Netherlands);
- Director of Peugeot Citroën Automobiles S.A., Faurecia and Gefco;
- Director of PCMA Holding B.V. (Netherlands) and Changan PSA Automobiles Co Ltd (China);
- Permanent representative of Peugeot SA on the Board of Directors of Automobiles Peugeot;
- Chairman of the *Union des Industries et des Métiers de la Métallurgie* and of the Groupe des Fédérations Industrielles.

Cobivia

Director

A French *Société par actions simplifiée* with share capital of €31,812,000

Registered in the Paris Trade and Companies Registry under number 318 906 146

Registered headquarters located at:

83, rue du Faubourg-Saint-Honoré

75008 Paris, France

Number of Casino shares held: 9,100,999

Directorships and other positions held within the Company

Directorship/position	First elected/appointed	Current term expires
Director	12 May 2015	(*)

Other directorships and positions held in 2016 and as of 6 March 2017

Within the Casino/Euris Group
None

Other directorships and positions held in the past five years (excluding those listed above)

None

(*) Cobivia will resign prior to the General Shareholders' Meeting (see Paragraph 5.2.2. page 154).

Didier Carlier

Permanent representative of Cobivia since 9 February 2017

Born

5 January 1952

Nationality: French

Business address

83, rue du Faubourg-Saint-Honoré

75008 Paris, France

Expertise and experience

Didier Carlier is a graduate of *École supérieure de commerce de Reims* and a qualified accountant. He began his career in 1975 at Arthur Andersen in the Audit department, rising to the position of Manager. He subsequently became Corporate Secretary of Équipements Mécaniques Spécialisés and then Chief Financial Officer of the Hippopotamus restaurant group. He then joined the Rallye Group as Chief Financial Officer in 1994 and was appointed Deputy Chief Executive Officer in January 2002. He was appointed Chief Executive Officer of Rallye on 28 February 2013.

Main executive position

Chief Executive Officer of Rallye (listed company)

Other directorships and positions held in 2016 and as of 6 March 2017

Within the Casino/Euris Group

- Chairman and Chief Executive Officer of Miramont Finance et Distribution SA and La Bruyère SA;
- Chairman of Alpétrol, Cobivia, L'Habitation Moderne de Boulogne, Les Magasins Jean, Matignon Sablons and Parande;
- Chairman and Chief Executive of MFD, Inc. United States;
- Representative of Parande as Chairman of Pargest and Parinvest;
- Permanent representative of Matignon Sablons on the Board of Directors of Groupe Go Sport;
- Legal Manager of SCI de Kergorju, SCI des Perrières and SCI des Sables.

Outside the Casino/Euris Group

- Legal Manager of SC Dicaro.

Other directorships and positions held in the past five years (excluding those listed above)

- Chairman of Genty Immobilier et Participation*;
- Chief Executive of Limpart Investments BV (Netherlands);
- Permanent representative of Euris on the Board of Directors of Casino, Guichard-Perrachon** (listed company);
- Permanent representative of Foncière Euris on the Board of Directors of Rallye (listed company);
- Permanent representative of Matignon Diderot on the Board of Directors of Rallye (listed company);
- Chairman of Crapon LLC, King LLC, Lobo I LLC, Oregon LLC, Parker I LLC, Pointer I LLC, Sharper I LLC and Summit I LLC (United States).

* *Until 2016.*
** *Until 2017.*

Euris

Director
(directorship submitted for renewal)

A French *Société par actions simplifiée* with share capital of €164,806

Registered in the Paris Trade and Companies Registry under number 348 847 062

Registered headquarters located at:

83, rue du Faubourg-Saint-Honoré

75008 Paris, France

Number of Casino shares held: 365

Directorships and other positions held within the Company

Directorship/position	First elected/appointed	Current term expires
Director	4 September 2003	5 May 2017 AGM

Other directorships and positions held in 2016 and as of 6 March 2017

Within the Casino/Euris Group

- Director of Finatis, Foncière Euris and Rallye (listed companies)

Other directorships and positions held in the past five years (excluding those listed above)

None

Jacques Dumas

Permanent representative of Euris since 9 February 2017

Member of Appointments and Compensation Committee since 13 May 2016

Born

15 May 1952

Nationality: French

Business address

148, rue de l'Université

75007 Paris, France

Expertise and experience

Expertise and experience Jacques Dumas has a Master's degree in law and is a graduate of *Institut d'études politiques de Lyon*. He began his career in the Legal department of Compagnie Française de l'Afrique Occidentale (CFAO) before becoming Administrative Director (1978-1986). He left CFAO to take up a position as Deputy Company Secretary of Rallye Group (1987) and subsequently moved to the Euris Group as Legal Affairs Director (1994). He is currently Deputy Chief Executive Officer of Euris and Advisor to the Chairman of Casino, Guichard-Perrachon.

Main executive positions

Advisor to the Chairman of Casino, Guichard-Perrachon

Deputy Chief Executive Officer of Euris

Other directorships and positions held in 2016 and as of 6 March 2017

Within the Casino/Euris Group

- Director and member of the Appointments and Compensation Committee of Rallye (listed company);
- Member of the Supervisory Board of Monoprix;
- Permanent representative of Euris on the Board of Directors of Finatis (listed company) and Member of the Audit Committee.

Outside the Casino/Euris Group

- Director and Member of the Audit Committee of Mercialys (listed company);
- Legal Manager of Cognac-Parmentier and Longchamp-Thiers.

Other directorships and positions held in the past five years (excluding those listed above)

- Chairman of GreenYellow;
- Chairman and member of the Supervisory Board of Leader Price Holding;
- Vice-Chairman and member of the Supervisory Board of Franprix Holding and Monoprix SA;
- Permanent representative of Cobivia on the Board of Directors of Casino, Guichard-Perrachon** (listed company);
- Permanent representative of Casino, Guichard-Perrachon on the Board of Directors of Monoprix SA;
- Permanent representative of Casino, Guichard-Perrachon on the Supervisory Board of Monoprix SA;
- Permanent representative of Distribution Casino France on the Board of Directors of Distribution Franprix;
- Permanent representative of Messidor SNC on the Board of Directors of CDiscount.

** *Until 2017.*

Finatis

Director

A French *société anonyme* (joint stock company) with a share capital of EUR 84,852,900

Registered in the Paris Trade and Companies Registry under number 712 039 163

Registered headquarters located at:

83, rue du Faubourg-Saint-Honoré

75008 Paris, France

Number of Casino shares held: 380

Directorships and other positions held within the Company

Directorship/position	First elected/appointed	Current term expires
Director	15 March 2005	2018 AGM

Other directorships and positions held in 2016 and as of 6 March 2017

Within the Casino/Euris Group

- Director of Carpinienne de Participations, Foncière Euris and Rallye (listed companies)

Other directorships and positions held in the past five years (excluding those listed above)

None

Didier Lévêque

Permanent representative of Finatis since 9 February 2017

Born

20 December 1961

Nationality: French

Business address

83, rue du Faubourg-Saint-Honoré

75008 Paris, France

Expertise and experience

Expertise and experience Didier Lévêque is a graduate of *École des hautes études commerciales*. From 1985 to 1989, he was research manager for the Finance Department of Roussel-Uclaf. He joined the Euris Group in 1989 as deputy Corporate Secretary. Then, in 2008, he was appointed Corporate Secretary.

Main executive positions

Corporate Secretary of Euris

Chairman and Chief Executive Officer of Finatis (listed company)

Other directorships and positions held in 2016 and as of 6 March 2017

Within the Casino/Euris Group

- Chairman and Chief Executive Officer and Director of Carpinienne de Participations (listed company);
- Chairman and Chief Executive Officer of Euris North America Corporation (ENAC), Euristates Inc., Euris Real Estate Corporation (EREC) and Parande Brooklyn Corp. (United States);
- Chairman of Par-Bel 2 and Matignon Diderot;
- Director of Euris Limited (United Kingdom);
- Member of the Supervisory Board of Centrum Baltica, Centrum Development, Centrum Krakow, Centrum Poznan, Centrum Warta and Centrum Weiterstadt (Luxembourg);
- Permanent representative of Finatis on the Board of Directors of Foncière Euris (listed company);
- Permanent representative of Foncière Euris on the Board of Directors of Rallye (listed company);
- Representative of Matignon Diderot as Legal Manager of SCI Penthièvre Neuilly;
- Co-Legal Manager of Silberhorn (Luxembourg);
- Director and Treasurer of Fondation Euris;
- Member of the Audit Committee and of the Appointments and Compensation Committee of Foncière Euris (listed company).

Other directorships and positions held in the past five years (excluding those listed above)

- Chairman of the Board of Directors of Cnova N.V. (listed company – Netherlands);
- Vice-Chairman and Non-executive Director of the Board of Directors of Cnova N.V.** (listed company – Netherlands);
- Chairman of Matimmob 1;
- Member of the Supervisory Board of Centrum Leto (Luxembourg);
- Permanent representative of Foncière Euris on the Board of Directors of Casino, Guichard-Perrachon ** (listed company);
- Permanent representative of Matignon Diderot on the Board of Directors of Rallye (listed company);
- Permanent representative of Matignon Corbeil Centre on the Board of Directors of Rallye (listed company);
- Legal Manager of EMC Avenir 2.

** *Until 2017.*

Foncière Euris

Director
(directorship submitted for renewal)

A French *société anonyme* (joint stock company) with a share capital of EUR 149,578,110

Registered in the Paris Trade and Companies Registry under number 702 023 508

Registered headquarters located at

83, rue du Faubourg-Saint-Honoré

75008 Paris, France

Number of Casino shares held: 365

Directorships and other positions held within the Company

Directorship/position	First elected/appointed	Current term expires
Director	29 April 2010	5 May 2017 AGM

Other directorships and positions held in 2016 and as of 6 March 2017

Within the Casino/Euris Group

- Chairman of Marigny Foncière, Mat-Bel 2 and Matignon Abbeville;
- Director of Rallye (listed company).

Other directorships and positions held in the past five years (excluding those listed above)

- Chairman of Marigny Belfort, Marigny-Élysées, Matignon Bail and Matignon Corbeil Centre;
- Legal Manager of SCI Les Herbiers and SCI Sofaret.

Michel Savart

Permanent representative of Foncière Euris since 9 February 2017

Born

1 April 1962

Nationality: French

Business address

83, rue du Faubourg-Saint-Honoré

75008 Paris, France

Expertise and experience

Michel Savart is a graduate of *École polytechnique* and *École nationale supérieure des mines de Paris*. He began his career with Havas in 1986, and joined Banque Louis Dreyfus as project manager in 1987 and Banque Arjil (Lagardère group) in 1988, where he was project manager then Advisor to the Management Board until 1994. He joined Dresdner Kleinwort Benson (DKB) in 1995, where he was notably Managing Director in charge of mergers and acquisitions until 1999. He joined the Euris-Rallye Group in October 1999 as Director ± Advisor to the Chairman, in charge of private equity investments. He is currently Advisor to the Chairman of the Rallye-Casino Group. He has also been Chairman and Chief Executive Officer of Foncière Euris since August 2009.

Main executive positions

Advisor to the Chairman of the Rallye/Casino Group

Chairman and Chief Executive Officer of Foncière Euris (listed company)

Other directorships and positions held in 2016 and as of 6 March 2017

Within the Casino/Euris Group

- Managing Director of Centrum Serenada Sp. Zoo and Centrum Krokus Sp. Soo (Poland);
- Permanent representative of Rallye on the Board of Directors of Groupe Go Sport;
- Representative of Delano Holding as co-Legal Manager of Delano Participations;
- Representative of Foncière Euris as Chairman of Marigny Foncière, Mat-Bel 2 and Matignon Abbeville;
- Representative of Immat Bel as Legal Manager of Marigny Fenouillet and co-Legal Manager of Delano Holding;
- Representative of Marigny Foncière as co-Legal Manager of SCI Les Deux Lions and SCI Ruban Bleu Saint-Nazaire and Legal Manager of SCI Pont de Grenelle and SNC Centre Commercial Porte de Châtillon;
- Representative of Mat-Bel 2 as Legal Manager of Immat Bel and Matbelys;
- Co-Legal Manager of Guttenbergstrasse BAB5 GmbH (Germany).

Outside the Casino/Euris Group

- Director, member of the Investment Committee and member of the Appointments and Compensation Committee of Mercialys (listed company);
- Chairman of Aubriot Investissements;
- Legal Manager of Montmorency.

Other directorships and positions held in the past five years (excluding those listed above)

- Chairman of the Board of Directors of Mercialys;
- Chairman of the Board of Centrum Wzgorze Sp. zoo (Poland);
- Director of CDiscount;
- Representative of Finatis on the Board of Directors of Casino, Guichard-Perrachon** (listed company);
- Representative of Foncière Euris as Legal Chairman of Marigny Elysées, Marigny Belfort, Matignon-Bail and Matignon Corbeil Centre;
- Representative of Foncière Euris as Legal Manager of SCI Sofaret and SCI Les Herbiers;
- Representative of Matignon Abbeville as Manager of Centrum Z Sarl, Centrum K Sarl and Centrum J Sarl and Manager A of Centrum NS Luxembourg Sarl;
- Representative of Marigny Foncière as Chairman of Mat-Bel 2 and co-Legal Manager of SCI Palais des Marchands;
- Representative of Mat-Bel 2 as Legal Manager of Marigny Fenouillet*;
- Representative of Fenouillet Participation as Legal Manager of Fenouillet Immobilier*;
- Representative of Marigny Fenouillet as Legal Manager of Fenouillet Participation*;
- Managing Director of Centrum Riviera Sp. zoo (Poland);
- Legal Manager of Aubriot Investissements;
- Co-Manager of Alexanderplatz Voltairestrasse GmbH, Einkaufszentrumam Alex GmbH and Loop 5 Shopping Centre GmbH* (Germany).

* *Until 2016.*
** *Until 2017.*

Matignon Diderot

Director

A French *Société par actions simplifiée* with a share capital of €83,038,500

Registered in the Paris Trade and Companies Registry under number 433 586 260

Registered headquarters located at:

83, rue du Faubourg-Saint-Honoré

75008 Paris, France

Number of Casino shares held: 350

Directorships and other positions held within the Company

Directorship/position	First elected/appointed	Current term expires
Director	17 October 2007	2019 AGM

Other directorships and positions held in 2016 and as of 6 March 2017

Within the Casino/Euris Group

- Director of Finatis and Foncière Euris (listed companies);
- Legal Manager of SCI Penthièvre Neuilly.

Other directorships and positions held in the past five years (excluding those listed above)

- Director of Rallye (listed company)

Diane Coliche

Permanent representative of Matignon Diderot since 13 May 2016

Born

23 December 1977

Nationality: French

Business address

14-16, rue Marcel Bloch, 92110 Clichy, France

Expertise and experience

A graduate of ESSEC business school and with a Master's degree in business law from Université de Paris II - Assas, Diane Coliche was M&A and Investments Director at Casino (2010-2016). Prior to joining the Casino Group, she worked in the mergers and acquisitions department of investment bank Morgan Stanley in Paris and London (2000-2010). She is the Chief Financial Officer of the Monoprix group since January 2017.

Main executive position

Chief Financial Officer of the Monoprix group

Other directorships and positions held in 2016 and as of 6 March 2017

Within the Casino/Euris Group

- None

Other directorships and positions held in the past five years (excluding those listed above)

- Permanent representative of Messidor S.N.C. on the Supervisory Committee of Monoprix**;
- Permanent representative of Messidor S.N.C. on the Supervisory Board of Monoprix SA;
- Director of the Management Board and Managing Director of Quinam BV (Netherlands) and Géant Foncières BV* (Netherlands);
- Chief Executive Officer of Latic LLC* (United States);
- Non-Executive Director of the Board of Directors of Big C Supercenter Public Company Limited* (listed company – Thailand).

* *Until 2016.*
** *Until 2017.*

Henri Giscard d'Estaing

Non-voting Director

Born

17 October 1956

Nationality: French

Business address

11, rue de Cambrai

75019 Paris, France

Number of Casino shares held: 313

Expertise and experience

Henri Giscard d'Estaing is a graduate of the *Institut d'études politiques de Paris* and holds a Master's degree in economics. He began his career in 1982 with Cofremca, where he was associate director specialising in the study of food-consumer behaviour patterns and their impact on marketing and strategy. In 1987, he joined the Danone group as Head of business development, subsequently becoming Managing Director of UK subsidiary HP Food Lea & Perrins, then Chief Executive Officer of Évian-Badoit and lastly director of the Mineral Waters division. In 1997, he joined Club Méditerranée where he was successively Deputy Chief Executive Officer in charge of Finance, Business Development and International Relations (1997-2001), Chief Executive Officer (2001-2002), Chairman of the Management Board (2002-2005), before being appointed Chairman and Chief Executive Officer then Chairman (when the company was transformed into a French *société par actions simplifiée*).

Main executive position

Chairman of Club Med

Directorships and other positions held within the Company

Directorship/position	First elected/appointed	Current term expires
Non-voting Director	13 May 2016	2019 AGM

Other directorships and positions held in 2016 and as of 6 March 2017

Outside the Casino Group

Within the Club Med group	Outside the Club Med group
▪ Chairman and founding director of Fondation d'Entreprise Club Méditerranée; ▪ Chairman of Club Med Invest and Club Med Holding; ▪ Director of Club Med Holding.	▪ Member of the Supervisory Board of Randstad (listed company – Netherlands)

Other directorships and positions held in the past five years (excluding those listed above)

- Director and Independent member of the Appointments and Compensation Committee of Casino, Guichard-Perrachon* (listed company);
- Chairman and Chief Executive Officer of Club Méditerranée*.

* *Until 2016.*

Gilles Pinoncély

Non-voting Director

Born

5 January 1940

Nationality: French

Business address

1, cours Antoine Guichard

42000 Saint-Étienne, France

Number of Casino shares held: 4,000 shares with full title and 21,000 shares with a beneficial interest

Expertise and experience

A graduate of the *École supérieure d'agriculture* de Purpan in Toulouse, Gilles Pinoncély began his career with L'Épargne, which was acquired by the Casino Group in 1970. He was appointed fondé de pouvoir in 1976, Managing Partner of Casino in 1981, then Statutory Manager in 1990. He became a member of Casino's Supervisory Board in 1994, then a member of the Board of Directors in 2003.

Main executive position

Company director

Directorships and other positions held within the Company

Directorship/position	First elected/appointed	Current term expires
Non-voting Director	13 May 2016	2019 AGM

Other directorships and positions held in 2016 and as of 6 March 2017

Outside the Casino Group

- Director of Financière Célinor (Vie & Véranda);
- Director of the Centre Long Séjour Sainte-Élisabeth.

Other directorships and positions held in the past five years (excluding those listed above)

- Director of Monoprix;
- Director and Member of the Audit Committee of Casino, Guichard-Perrachon* (listed company).

* *Until 2016.*

Information on Mrs Christiane Féral-Schuhl whose appointment is submitted to the Shareholders' Meeting

Born

21 May 1957

Nationality: French and Canadian

Business address

24, rue Erlanger

75016 Paris, France

Expertise and experience

Member of the Paris Bar (since 1981) and of Quebec (since 2016), Ms. Christiane Féral-Schuhl, is a graduate of the University of Paris II (Master of Business Law). She joined the international law firm Serrero, Giroux & Buhagiar, then the law firm Huglo-Lepage. In 1988, she founded FG Associés, a law firm specializing in the law of new technologies, with Mr. Bruno Grégoire Sainte-Marie. In 1998, they joined with their team the international firm Salans to form the IT Department of their Paris office, and in 2006 decided to create the firm FÉRAL-SCHUHL/SAINTE-MARIE which is ranked for over ten consecutive years as "unavoidable" and "leading firm" by the professional guides of reference, and has been designated several times "IT Law Firm of the Year" in France.

Christiane Féral-Schuhl is specialised in information, communication and technology law as well as intellectual property law. She is particularly involved in matters of computer, internet, media and telecommunications. She also performs the duties of mediator, arbitrator and cyber-arbitrator.

Christiane Féral-Schuhl was Chairman of the Paris Bar (24,000 lawyers) in 2012 and 2013, and the second elected woman to such position in the history of the Paris bar. She was a member of the "*Haut Conseil à l'égalité entre les femmes et les hommes*" (High Council for Gender Equality) (2013-2015), and co-President of the French Parliamentary *"Commission de réflexion et de propositions ad hoc sur le droit et les libertés à l'âge du numérique*" (the "Digital and Freedom Commission" responsible for formulating proposals on legislation in the era of digital technology") (2014-2015). She serves at the French *Conseil Supérieur des tribunaux administratifs et des cours d'appel administratives* (CSTA CAA).

Author of "Cyberdroit : le droit à l'épreuve de l'Internet" (Dalloz Praxis – 7th re-edition to be published), a reference work in all digital fields, she has also published numerous articles in the IT specialised press and participates in numerous debates and conferences on issues related to new technologies. She received numerous professional awards and was designated in 2016 and 2017 by The Best Lawyers® as "Lawyer of the Year" in New Technologies for Paris.

Main executive position

Lawyer at the Paris and Québec Bars

Accredited mediator by the Arbitration and Mediation Center of Paris (CMAP) and by the World Intellectual Property Organization (WIPO).

Other directorships and positions held in 2016 and as of 6 March 2017

Outside the Casino Group

- Member of French *Conseil Supérieur des tribunaux administratifs et des cours administratives d'appel* (CSTA CAA) – appointed by decree of the President of the French Republic as qualified person **;
- Member of the Executive Committee of the French CARPA.

Other directorships and positions held in the past five years (excluding those listed above)

- Chairman of the Paris Bar Association (2012-2013);
- Chairman of the Executive Committee of the French CARPA ;
- Member of the French High Council for Gender Equality (HCEfh) ;
- Co-president of the Digital and Freedom French Parliamentary Commission ;
- Member of the French Council of the Paris Bar Association*.

* *Until 2016.*
** *Until July 2017.*

5.5. PREPARATION AND ORGANISATION OF THE BOARD OF DIRECTORS' WORK

5.5.1. Functioning of the Board of Directors

The Board of Directors' organisation and functioning are defined by law, the Company's Articles of Association, the provisions of the Internal Rules of the Board of Directors and of the Charters of the Board's specialised Committees.

The Board of Directors meets as often as necessary in the interests of the Company and whenever deemed useful. A quorum of at least half the directors is required for the Board of Directors to deliberate validly. Decisions are taken based on a majority vote of the members present and represented. In the event of a split decision, the Chairman of the meeting casts the deciding vote.

The Chairman organises and leads meetings of the Board of Directors and reports to shareholders on the Board's work at the General Shareholders' Meeting.

He calls Board meetings and is responsible for drawing up the agenda and minutes. He also ensures that the Company's corporate governance structures operate properly and, in particular, that the directors have all that is required to fulfil their duties.

Internal Rules of the Board of Directors

The organisation and functioning of the Board of Directors are described in Internal Rules adopted in December 2003 and last amended by the Board of Directors on 6 March 2017. The Internal Rules present in a single document all of the various rules applicable to the Board of Directors by virtue of applicable legal and regulatory provisions and the Articles of Association of the Company. It also includes the corporate government principles, the implementation of which is structured by the Board of Directors. The Internal Rules are reviewed periodically by the Board to identify any amendments or clarifications that may be needed to comply with the applicable regulations or to improve the efficiency and operation of the Board and its Committees.

The Internal Rules describes the rules of procedure, roles and responsibilities of the Board of Directors and its specialised Committees. It also exposes the process for appointing the Lead Director and his or her role. It also describes the restrictions on the powers of the Chairman and Chief Executive Officer.

In 2015, the main changes to the Internal Rules concerned i) the creation of the Governance Committee on 7 July 2015 and the description of its role, together with amendments to reflect resulting changes to the role of the Lead Director and the Appointments and Compensation Committee, and ii) the new requirement for agreements between related parties to be submitted to the Audit Committee for prior review. It was again reviewed in 2016, and most recently on 6 March 2017, to complement the Director's charter section and to reflect legal and regulatory changes associated with the entry into force of European Regulation No 596/2014 on Market Abuse and with statutory audit reform, and the adoption of an insider trading policy.

The rules of conduct and the principles of sound governance applicable to members of the Board of Directors are described in section 5.5.5. below entitled "Rules of Conduct."

The Internal Rules establish the principle of regular formal assessments of the Board of Directors' performance.

It also describes how Board meetings are to be convened and conducted and decisions adopted, and authorises in particular directors to take part in meetings *via* videoconference or any other means of telecommunication.

The Board of Directors' Internal Rules are available in the Registration Document (see Chapter 11). Additionally, the Internal Rules of the Board of Directors and its Committees' charters are available on the Company's website at: http://www.groupe-casino.fr.

Information provided to the Board of Directors

The Internal Rules of the Board of Directors specifies the terms and conditions set by law with respect to communication and any related non-disclosure obligations.

The Chairman and Chief Executive Officer is responsible for providing all directors with all documents and information they need to fulfil their role and duties.

The documents and information required for reviewing the items for discussion at Board of Directors' meetings are sent to directors before the meetings take place. As such, each Board member is provided with a brief containing all available information and documents relative to the items on the meeting's agenda, subject to their availability and based on the status of each respective item. A secure platform installed in 2016 introduced the process of digitalisation of the work files used by the Board and its specialised Committees for its meetings.

The members of the Board of Directors receive information on changes in the market, the competitive environment, and the main challenges, including in the domain of the Company's corporate social responsibility.

In accordance with the Board's Internal Rules, Senior Management reports to the Board of Directors at least once a quarter on the Company's business and that of its main subsidiaries, including information on sales and results, debt and available credit lines and employee numbers of the Company and its main subsidiaries.

The Group's off-balance sheet commitments are reviewed by the Board at least once every six months.

Every year, specific meetings or seminar are organised to present the Group's strategy and budget to the members of the Board.

The Chief Financial Officer attends all meetings of the Board. Other Executive Committee members, Senior Management of the subsidiaries and the heads of the Corporate departments are also invited to attend based on the matters on the agenda.

When they are first elected, directors are given all the information they need to fulfil their role and duties, and they may also request any documents that they believe would be useful. Meetings are organised with the heads of the main Corporate departments and Senior Management of the main Group's subsidiaries so that the directors can get to know the management teams and deepen their understanding of the Company's businesses, markets and specific features.

Directors may also ask the Chief Executive Officer, the Chief Financial Officer and the Secretary to the Board for information or explanations as needed.

In the period between Board meetings, directors receive any important information concerning the Company or any events that materially affect the Company, its operations, or any information previously given to the directors or any matters discussed by the Board during the meetings. They are invited to meetings presenting the financial results to analysts.

Each Director can receive, if he or she deems it necessary, additional training on the Group's specificities, its business activities and sectors, as well as on accounting or financial concepts to complement their knowledge.

Role and responsibilities of the Board of Directors

In accordance with the provisions of Article L. 225-35 of the French Commercial Code, the Board of Directors sets the company's business strategy and oversees its implementation. Except for those matters that may only be decided by shareholders at General Shareholders' Meetings, the Board of Directors considers and decides on all matters related to the Company's operations, subject to compliance with the corporate purpose.

It carries out any audits or controls it considers appropriate.

The Board of Directors also reviews and approves the annual and interim financial statements of the Company and the Group, as well as the management reports on the operations and results of the Company and its subsidiaries. It also approves the Company forecasts. It reviews and approves the Chairman's report. I also determines whether the positions of Chairman and Chief Executive Officer are to be combined or split, appoints the Chairman and Chief Executive Officer and decides on his compensation. It carries out stock option grants, free allocations of shares, and implements employee shareholding plans. It also reviews the Company's gender equality policies (pay and promotions) each year. It calls for General Shareholders' Meetings.

As explained earlier in this report, in line with the restrictions on the Chief Executive Officer's powers, management transactions that are significant in terms of their nature and/or amount must be submitted to the Board for prior approval.

In line with the principles of sound governance, the Audit Committee or a specific *ad hoc* committee of independent directors is tasked with examining or monitoring significant transactions or discussing corporate governance structures upon the Board's decision. The Board may also consult external legal or financial advisers as needed.

Activities of the Board of Directors during 2016

In fiscal year 2016, the Board of Directors met eleven times (eleven times the previous year as well). It had an average attendance rate of 85.3% (*versus* 85.3% in 2015). The meetings lasted an average of one hour and forty-five minutes.

The 2016 fiscal year was marked, in particular, by the implementation of the €4 billion deleveraging plan and asset disposals. With the assistance of an external financial consultant and the Audit Committee, the Board of Directors decided to sell its Big C Thailand and Big C Vietnam businesses. These disposals triggered a new in-depth review of the Group's strategy for all of its businesses in France and abroad. The Board also reviewed and approved the demerger of the Cdiscount and Nova Brazil businesses, the latter's merger with Via Varejo, and Casino's public tender offer for the shares held by Cnova N.V.'s minority shareholders. In the context of these transactions, it made sure the procedures allowing for the identification and control of potential conflicts of interest were in place, relying once more on the work performed by the Audit Committee and an external financial consultant. It also approved its subsidiary CBD's strategic decision to favour the development of its food-related businesses and to engage in the process of selling its equity holdings in Via Varejo.

The Board also discussed and made decisions on all other important matters concerning the Group.

Approval of the financial statements – Financial Position – Operations of the Company and its subsidiaries

The Board of Directors reviewed and approved the financial statements as of 31 December 2015 (annual and consolidated) and the interim financial statements for the first half of 2016 (consolidated), together with the related reports and management forecasts of Casino, Guichard-Perrachon, determined the amount of the 2015 dividend, and approved an advance payment on 2016 dividends. Its review also covered the business performance of the Company and its subsidiaries, the business outlook and the Group's detailed financial position, and took into account the opinion of the Audit Committee and the Statutory Auditors' audit opinion. The Board discussed and approved the Group's press releases. It was informed of the Group's business performance for the three months to 31 March 2015 and the nine months to 30 September 2016, and received presentation of its debt, financing and liquidity positions at each quarter-end.

The Board of Directors paid close attention to the implementation of the Group's deleveraging plan and closely monitored the change in its financial rating.

The Board reviewed all of the Group's material risk exposures, changes in the levels of risk and the action plans deployed to address them. It received half-yearly reports from the Internal Audit and Internal Control department and was informed on the status of action plans to strengthen anti-corruption measures and prevent cybercrime.

Over the course of the fiscal year, the Board of Directors benefited from specific presentations on the situation, businesses, and strategic plans for Casino supermarkets, Monoprix, and Cdiscount, as presented by their respective operating officers. It was informed of the Leader Price development project in Italy and the agreement between Casino and Conforama to create a joint purchasing centre for non-food items.

Based on the Audit Committee's recommendation, the Board of Directors approved the renewal of the Statutory Auditors' appointment, which was submitted for approval at the 2016 General Shareholders' Meeting.

Following the annual General Shareholders' Meeting, the Board also decided to implement a share repurchase plan and later decided to reduce the share capital *via* the cancellation of repurchased shares.

Compensation – Free allocations of shares

The Board of Directors set the Chairman and Chief Executive Officer's fixed salary and variable compensation for 2016, and dealt with his variable compensation for 2015. It decided on the basis for allocating attendance fees allocated, in respect of 2016, to all members of the Board of Directors, its specialised Committees, as well as to non-voting directors and the Lead Independent Director.

The Board of Directors also decided on plans for the free allocation of performance shares as well as the free allocation of shares to executives responsible for the successful completion of strategic and/or particularly complex operations.

Annual General Shareholders' Meeting

The Board of Directors sets the meeting's agenda, the reports and draft resolutions presented at the Ordinary and Extraordinary Shareholders' Meetings dated 13 May 2016, including the components of the Chairman and Chief Executive Officer's compensation, as subject to the shareholders' advisory vote.

Governance and CSR

The Board of Directors performed its annual review of the Company's position with regard to corporate governance principles. The review covered such issues as the composition and organisation of the Board and the Committees of the Board, the situation of directors in relation to independence criteria and the proportion of women on the Board, particularly in light of the proposed re-appointment of the directors whose term expired at the 13 May 2016 Annual General Shareholders' Meeting.

It reviewed the Lead Independent Director's annual report on the application of the principles of sound governance by the Chairman and Chief Executive Officer in each of these roles, as well as by the Board of Directors and the Committees of the Board. It reviewed and discussed the report of the independent directors' meeting on the functioning of the Board.

It renewed the annual authorisations granted to the Chairman and Chief Executive Officer, as presented above in section 5.2.3.

The Board of Directors approved the Chairman's report on the organisation and functioning of the Board of Directors and Senior Management, as well as on the internal control and risk management procedures.

The Board also approved the chapter of the 2015 Registration Document presenting the Group's CSR policies in the context of the development and progress plan that began several years ago, 2015 accomplishments and action plans. By late December 2016, the Group's Director of Human Resources made a presentation to the Board regarding the key actions taken in 2016 in the context of the Group's gender policy and 2017 action plans.

In respect of the asset disposal plan, the Board of Directors decided that it was not required to consult with shareholders, based on the quantitative criteria exposed by the *Autorité des Marchés Financiers* (French financial markets regulator, or "AMF").

The Board of Directors approved the changes to the strategic advisory agreement between Euris and the Company, as well as the early renewal of the real estate partnership agreement between Mercialys and the Company.

In December, it deliberated on the formalised assessment of the Board of Directors' functioning for the 2016 fiscal year, and approved the conclusions of said assessment and their implementation (see section 5.5.4 below).

It updated the Internal Rules of the Board of Directors and the Charter of the Audit Committee, and approved the implementation of the Insider Trading Policy on the recommendation of the Governance Committee.

Before the Board began to deliberate, a presentation of all of the work performed by the Board's specialised Committees was made, as this work is presented in detail below.

5.5.2. The Specialised Committees of the Board of Directors

The Board of Directors is assisted by three Committees that report to the Board: the Audit Committee, the Appointments and Compensation Committee and, since 7 July 2015, the Governance Committee.

The members of these Committees are appointed by the Board, which is also responsible for appointing their respective chairmen. The Committees' composition and organisation are reviewed each year by the Appointments and Compensation Committee, the Governance Committee and the Board of Directors. When selecting Committee members, the Board takes into account their professional background and expertise.

The role, duties and functioning of each Committee are defined and are regularly reviewed by the Board of Directors. They are included in the Board of Directors' Internal Rules and in the Charter prepared for each Committee describing their respective organisation and rules of procedure.

Board meetings generally take place after a meeting of one or several Committees depending on the matters on the agenda of the Board meeting in question. The Committees report to the Board on their work and observations, and inform the Board of their opinions, proposals or recommendations, as appropriate, in each of their respective fields of expertise.

The Board may also decide at any time to set up a special *ad hoc* committee of independent directors to examine a specific issue. On 16 February 2015, one such committee was set up to look into the creation of a new Governance Committee, define its role and responsibilities on a compatible basis with those of the two other Committees of the Board and draw up its Charter.

The Audit Committee and Governance Committee Charters stipulate that they both should have at least three members, at least two-thirds of whom, including the Chairman, should qualify as independent directors based on the criteria in the Afep-Medef Code. The Appointments and Compensation Committee Charter states that it should have at least three members, a majority of whom should qualify as independent directors.

Each Committee may organise meetings with the Senior Management of the Company and its subsidiaries, as deemed necessary, and freely call on the services of outside consultants or ask for any information that it needs to fulfil its duties.

The Chairmen of the Committees report on their Committee's activities during Board meetings and a written report is also made available to members of the Board.

Audit Committee

Composition

The Committee is currently comprised of three members, all of whom are independent: Catherine Lucet, Frédéric Saint-Geours, and Gérald de Roquemaurel. Catherine Lucet has served as Chairman of the Committee since 7 July 2015, taking over for Frédéric Saint-Geours.

The proportion of independent directors on the Committee exceeds the two-thirds recommended by the Afep-Medef Code.

All members of the Audit Committee hold or have held senior executive positions and therefore have the financial or accounting skills required by Article L. 823-19 of the French Commercial Code.

Role and duties

The Audit Committee is responsible for assisting the Board of Directors in reviewing the annual and interim financial statements and in dealing with transactions or events that could have a material impact on the position of the Company or its subsidiaries in terms of commitments and/or risks.

The Company ensures that the Audit Committee meets to review the annual and interim financial statements at least two days before the Board meeting held to approve them.

As required by Article L. 823-19 of the French Commercial Code, the Committee deals with matters relating to the preparation and control of accounting and financial information. It reviews the terms and conditions applicable to approving the financial statements, as well as the type, scope and outcome of the work undertaken by the Statutory Auditors for the Company and its subsidiaries.

Thus, it notably monitors the effectiveness of internal control and risk management systems, the audit of the financial statements of the Company and the Group by the Statutory Auditors and the Statutory Auditors' independence.

To this end, it interviews the Statutory Auditors and is given a presentation of their procedures and audit findings. The Audit Committee may meet with the Statutory Auditors at any time and at least once a year in the absence of any Company representatives.

The Committee organises the Statutory Auditor selection procedure.

Since 15 February 2015, the Audit Committee also reviews, prior to their signature, all material agreements between on the one hand, the Company or its wholly-owned subsidiaries and, on the other hand, related parties (defined as the other Casino Group companies, the Group's parent companies and their subsidiaries and the associated companies). It informs the Chief Executive Officer and the Board of Directors of its opinion on these agreements, for information or prior to their approval as applicable. The Audit Committee's role in this case is to establish that the transaction falls within the scope of the related party procedure and express an opinion on whether the agreement fairly balances the interests of the Company and the related party (see also paragraph 5.5.5 below on the procedure for reviewing related party agreements and its scope).

The Audit Committee's powers and duties are set out in a Charter, including those concerning risk analysis and the detection and prevention of management errors. The Charter was last updated in July 2016 as a result of the EU statutory audit reform legislation. Its powers and duties are also presented in the Board of Directors' Internal Rules.

Activity of the Audit Committee in 2016

The Audit Committee met eight times in 2016. Two scheduled meetings were held to review the annual and interim financial statements and two others to discuss the work of the Internal Audit and Internal Control department, while four special meetings were devoted to examining major asset disposals, restructuring, or related party matters (in 2015, fourteen meetings were held in total). The average attendance rate at these meetings reached 96.43% (as opposed to 83.9% in 2015).

The Chief Financial Officer, the Chief Accountant, the Director of Group Consolidation, Reporting, and Standards, the head of the Internal Audit and Internal Control department, the Group Legal Counsel and the Board Secretary all participated in all or substantially all of these meetings. Representatives of the Statutory Auditors attend the meetings when the annual and interim financial statements and the work of the Internal Audit and Internal Control Department are reviewed. Other executives, including the Strategic Planning Director, representatives of the Corporate Development and Holdings department, the Chief Financial Officer for Latin America, the Head of the Risk Prevention Committee, the Head of Real Estate Transactions, and the Head of the Group's Information Systems Security department also participated in Audit Committee meetings. During its review of the 2016 financial statements, the Committee met the Statutory Auditors in the absence of any representatives of the Company.

The Committee's work focused on the following areas:

When the 2015 annual financial statements and the 2016 interim financial statements were subject to approval, the Audit Committee monitored the closing process and the integration of the closing of the Group's various listed subsidiaries. It reviewed and discussed the note prepared by the Financial and Accounting Department on the off-balance sheet risks and commitments and the Statutory Auditors' report that includes, in particular, their conclusions with respect to their auditing work, the review of all completed consolidation transactions, and the financial statements of the Company. In this context, the Committee reviewed the main risks to which the Group is exposed and the accounting options retained with respect to provisions. In particular, it examined the accounting of GPA's tax risks, the accounting impact of fraud identified in 2015 within Cnova N.V, as well as changes in the applicable legal and accounting framework. It made sure the accounting methods and processes used in the financial statements were relevant.

The Committee received the breakdown of the Statutory Auditors' fees and acknowledged the latter's confirmation that there were not identified situations or risks that could affect their independence in the past fiscal year.

The Committee proposed that the Board renew the appointment of the Statutory Auditors of the Company, as submitted for approval at the General Shareholders' Meeting dated 13 May 2016, and was informed regarding the renewal process for the Statutory Auditors of subsidiaries CBD, Via Varejo, and Assai.

During its review of the annual financial statements, the Committee also reviewed the draft version of the Chairman's Report on the Internal Control and Risk Management Procedures.

In the context of its review of all strategic transactions, the Committee was exposed to the asset disposal and deleveraging plan and, in particular, reviewed the disposals of Big C Thailand and Big C Vietnam, as well as the monetisation of real estate assets in Colombia. In addition, the Committee also reviewed the terms and conditions of the business merger between Nova Brazil and Via Varejo and Casino's launch of a public tender offer for Cnova N.V.'s share float.

The Committee was also regularly informed on the evolution of the Group's indebtedness and financial rating, as well as on the class action suit filed against Cnova N.V. in the United States.

Furthermore, the Committee reviewed the partnerships put in place in the context of its strategy aimed at expanding and re-energising the Franprix Leader Price network as a franchise.

In the context of its systematic review of the significant related party transactions, it issued an opinion on the related party agreements (letter of commitments issued by Casino relative to its launch of a public tender offer for the shares of Cnova N.V., the three-year renewal of the real estate partnership agreement with Mercialys, amendments to the strategic consulting agreement with Euris) as well as on various real estate transactions between related parties, after reviewing in each case, financial and legal experts' reports. In addition, it reviewed an annual report on all of the related party transactions, the purpose of which is to regroup all of the agreements and transactions that took place in between these related parties in 2015, including transactions exempted from the scope of application of the Committee's prior systematic review, in order to make a judgment on the outcome of this procedure after its first year in effect.

The Committee reviewed the EU reform concerning statutory auditing, recommended amendments to the Audit Committee's Charter, and approved non-audit related assignments pursuant to the prior approval procedure applicable to these types of assignments implemented based on new regulations in force with the approval of the Board of Directors.

The Committee received the presentation prepared by the Statutory Auditors regarding their audit plan in the context of the closing of the financial statements for the 2016 fiscal year.

The Internal Auditing Management Department presented its interim business reports on completed audit assignments to the Committee, the results of the annual campaign for monitoring the status of implementation of risk management action plans, and the assignments performed in coordination with the internal auditing teams of the various entities of the Group. The monitoring of the action plans aimed at preventing cybercriminality was subject to a joint presentation with the Head of the Group's security and information systems department. The management of the Internal Auditing department also presented the internal auditing resources and programme for the 2017 fiscal year.

The Committee was also informed of the work carried out in 2016 by the Group's Internal Control department, including the status of the action plans implemented to improve the internal control and the risk management mechanism, eliminate weaknesses, and ensure compliance with regulations in force. In particular, it met with the Internal Control department for a review of the Group's main risk mapping issues, the methodology used, and the actions plans put in place. The Committee examined the status of the mechanism to improve the prevention and detection of fraudulent behaviour at the Group level and the action plans aimed at strengthening the anti-corruption mechanisms in place, which is now part of the framework of implementation of the provisions of the French *Sapin 2* law. The Committee informed the head of Internal Audit of its observations and recommendations concerning these audits and their follow-up.

The Chairman of the Committee reported to the Board of Directors on the work carried out at each Audit Committee meeting.

Appointments and Compensation Committee

Composition

The Appointments and Compensation Committee is currently comprised of three members, two of which are independent (66.66%): Gérald de Roquemaurel, Nathalie Andrieux, independent directors, and Jacques Dumas.

The Committee has been chaired by Independent Director Gérald de Roquemaurel since 7 July 2015.

The proportion of independent directors on the Committee complies with the Afep-Medef Code's recommendation calling for a majority of independent directors.

The Chairman and Chief Executive Officer participates in the Committee's director selection and appointment process and assists in preparing the information on the compensation policy of key executives who are not corporate officers.

Role and duties

The Appointments and Compensation Committee's primary roles are to assist the Board of Directors in reviewing candidates for appointment to Senior Management positions and for election to the Board of Directors based on criteria set jointly with the Governance Committee, assessing directors' independence, setting and overseeing the executive corporate officers' compensation, stock option and share grant policies, and establishing employee share ownership plans.

The Appointments and Compensation Committee's Charter, most recently reviewed on 9 November 2015, defines its role and responsibilities, particularly in the context of assisting the Board in reviewing applications for Senior Management positions and in selecting future directors, as well as in defining and monitoring the Company's executive corporate officers compensation policy. Its powers and duties are also presented in the Board of Directors' Internal Rules.

Activity of the Appointments and Compensation Committee in 2016

The Appointments and Compensation Committee met five times in 2016 (*versus* five times in 2015). The average attendance rate at these meetings was 86.67% (as opposed to 81.6% in 2015).

During the fiscal year, the Committee continued to implement it process to select new women directors in order to achieve a balanced representation of men and women on the Board. It approved the Governance Committee's recommendations on the gradual reduction in the size of the Board of Directors and issued a favourable opinion on the proposed renewals of expiring directorships submitted at the General Shareholders' Meeting dated 13 May 2016. Furthermore, in the context of the renewal of the Chairman and Chief Executive Officer's directorship following the aforementioned General Shareholders' Meeting, the Committee also recommended to keep the roles of Chairman and Chief Executive Officer combined as one, and made recommendations on the composition of the Board's Committees based on the changes in the Board's composition.

The Committee performed its annual review of the independence of directors while taking into account all of the criteria exposed in the Afep-Medef Code. As part of this review, it examined whether any directors had, as the case may be, any relationships with Group companies that might affect their judgement or lead to conflicts of interest.

It was consulted about the method of determining the Chairman and Chief Executive Officer's fixed compensation and variable part for 2016 and regarding the variable compensation in respect of 2015. It was also informed regarding the compensation of other members of the Executive Committee. It reviewed the proposed resolution and the Board's report on the elements of the Chairman and Chief Executive Officer's compensation submitted to the shareholders' advisory vote at the General Shareholders' Meeting convened in May 2016. It also reviewed the sections of the Chairman of the Board of Directors' report, which can be found in the 2015 Registration Document, relative to matters for which it is responsible.

The Committee made recommendations on the director attendance fees to be allocated to Board members and members of the Board's Committees, as well as to the Lead Director and the non-voting directors.

The Committee was also consulted about proposals to carry out free allocations of shares for the benefit of managers of the Group.

In the context of its assignments with respect to corporate and social responsibility (CSR), the Committee examined and discussed the content of the 2015 Registration Document's chapter on CSR, which was presented to it by the group's Head of CSR and the approval of which it recommended to the Board. In this context, it reviewed the workplace gender equality policy deployed in each of the countries in which the Group operates.

The Committee reviewed the Group's existing succession and development plans. It noted the continuous efforts to update the succession plans of the various operating units' management committees, their key managers, and the Chief Executive Officer.

The Committee also discussed Senior Management's proposal to organise the legal representation within the Board of Directors of the Company, of employees pursuant to the French Rebsamen law dated 17 August 2015,

The Chairman of the Committee reported to the Board of Directors on the work carried out at each Committee meeting.

The Appointments and Compensation Committee uses outside research and benchmarking surveys, mainly carried out by specialist firms, to assist it in some of its duties.

Governance Committee

Composition

The Governance Committee was set up on 7 July 2015 and consists of three members, two of whom are independent (66.66%): Frédéric Saint-Geours, Lady Sylvia Jay, independent members, and the third member, David de Rothschild, a qualified external individual.

The Committee is chaired by Frédéric Saint-Geours, Lead Director.

Role and duties

The Governance Committee was created to monitor the development of governance rules, oversee their application by the Group and their alignment with the Group's organisation. It is also responsible for reviewing the Group's policy towards social and environmental responsibility. Its duties have been defined so as to be consistent with those of the other two Board Committees.

With respect to governance, such duties include monitoring issues related to the directors' rules of conduct, determining the terms and conditions of and conducting assessments of the Board's organisation and functioning and managing conflicts of interest. It periodically reviews the Board's structure, size and composition.

The Governance Committee's organisation and procedures are described in a Charter approved by the Board of Directors. Its powers and duties are also presented in the Board of Directors' Internal Rules.

Work performed in 2016

In 2016, the Governance Committee met three times (as opposed to twice in 2015, after it was created on 7 July). The Committee's attendance rate was 100% (and 100% in 2015).

The Committee's work mainly focuses on the following matters:

It reviewed the Lead Director's annual report on the functioning of the Board and the conditions under which the duties of Chairman and Chief Executive Officer are respectively carried out. It examined the Company's governance management structure at the time of the renewal of the directorship of the Chairman and Chief Executive Officer in 2016. It examined the section of the Chairman's report on corporate governance included in the 2015 Registration Document.

The Committee reviewed the size and the composition of the Board and its Committees and was regularly briefed on the status of the selection process for new female directors.

It continued its comparative analysis of governance practices among the Group's listed subsidiaries. It noted that the subsidiaries applied sound governance practices based on a comprehensive set of consistent external and internal rules.

In the 2016 fiscal year, it reviewed the insider trading prevention rules following regulatory changes. It was kept abreast of the measures implemented by the Company, recommended amendments to the Internal Rules of the Board of Directors, as well as the consolidation of insider trading prevention rules into an Insider Trading Policy in line with current European regulations on market abuse. Together with the Audit Committee, the Governance Committee was also consulted regarding the changes associated with EU reform of statutory audit legislation.

The Committee also oversaw the formalised evaluation of the functioning of the Board of Directors, an assignment it entrusted to an external consultant. The Chairman of the Committee shared a summary of the process with the Board of Directors.

The Committee reviewed the Company's situation relative to reports issued in 2016 by the AMF and the High Committee in charge of Corporate Governance (HCGE), and to the recommendations of the Afep-Medef Code, as amended in November 2016.

The Committee also examined the proposed renewal of the specific annual authorisations granted to the Chairman and Chief Executive Officer, as described in the Internal Rules of the Board of Directors.

In the context of its CSR responsibilities, the Committee examined and discussed the Social and Environmental Responsibility policy implemented by the Company, when it was presented by the Group's Head of Human Resources and the Head of the Group's CSR. In this context, it reviewed the defined focus areas and priorities, the selected non-financial indicators, and the actions plans and their achieved performance. It approved the continuation of the deployed strategy and issued recommendations, including strengthening the external communication strategy regarding the Group's achievements.

The Committee used outside analyses and studies carried out by specialist firms to assist it in some of its duties.

The Committee's Chairman reported to the Board of Directors on the work carried out at each meeting of the Committee.

5.5.3. Lead Independent Director – Work Performed in 2016

The Internal Rules of the Board of Directors provides for the mandatory appointment of a lead independent director whenever the same person holds the offices of Chairman of the Board of Directors and Chief Executive Officer.

The position of Lead Independent Director was created on 11 May 2012 upon the proposal of the Chairman and Chief Executive Officer. Since 7 July 2015, this position is entrusted to Frédéric Saint-Geours, appointed Chairman of the Governance Committee on that same day.

The Lead Director participated in nine of the 11 Board of Directors' meetings and chaired all of the meetings of the Governance Committee. He is also a member of the Audit Committee and participated in all of its meetings.

His powers and duties are described in Article 13 of the Board's Internal Rules. The Lead Director ensures that combining the roles of Chairman and Chief Executive Officer does not have an adverse impact on the proper functioning of the Board, on such matters as the information given to directors, the inclusion of items of the agenda of Board meetings and the organisation of Board discussions and votes.

To this end, he may consult the Governance Committee at any time about any matters that may create any issue.

In 2016:

- The Lead Director chaired the annual independent directors meeting which, this year, focused on the findings of the evaluation, performed in late 2016, of the functioning of the Board and its Committees.
- In his report to the Governance Committee, the Lead Independent Director confirmed that the positions of Chairman of the Board of Directors and Chief Executive Officer and the duties of the Board and the Board Committees were performed satisfactorily and that no problems had come to light or been reported to the Appointments and Compensation Committee or the Governance Committee or the Lead Independent Director during the fiscal year concerning any actual or potential conflicts of interest. The Lead Independent Director therefore confirmed the proper functioning of the Board with regard notably to the organisation of its discussions and votes and the information given to directors. He informed the Chairman and Chief Executive Officer of the observations and recommendations.
- With respect to chairing the Governance Committee, the Lead Director oversaw the formalised evaluation procedure to assess the functioning of the Board of Directors, an assignment he entrusted to an external consultant. He then shared a summary of the process with the Board of Directors. He also examined the annual review of governance practices relative the Afep-Medef Code, its application guide, and the reports of the AMF and the High Committee in charge of Corporate Governance. He opened discussions on the provisions proposed by the Company pursuant to the regulatory changes resulting from the EU statutory audit reform and the coming into force of the EU regulation on market abuse. He made sure that governance-related matters were properly reviewed within the Board's specialised Committees;
- The Lead Director participated in the selection process of candidates under review for joining the Board of Directors and in the discussions relative to the representation of employees on the Board.
- As member of the Audit Committee, he participated in all of its work, including the review of related party agreements and strategic transactions carried out over the course of the fiscal year.
- The Lead Director met regularly with the Board Secretary to help prepare meetings of the Board Committees and presentations of important issues to be examined by the Board or requiring a Board decision.
- The Lead Director reported on his activities to the Governance Committee and the Board of Directors.

The Board Secretary is available to assist the Lead Director in the fulfilment of his duties.

5.5.4. Evaluation of the Board's Functioning

In accordance with the Afep-Medef Code, the Board of Directors' Internal Rules provide for an annual discussion and regular assessment of the Board's functioning and performance, entrusted to the Governance Committee (since its creation on 7 July 2015). The latter is responsible for managing the evaluation together with the assistance of an outside consultant, if it so desires.

A such, for 2016, the Governance Committee entrusted the sixth formalised evaluation to an external firm (SpencerStuart). It performed said evaluation in late 2016, the report of which was sent to all the directors. The Chairman of the Committee and Lead Director presented a summary of the findings to the Board of Directors. The latter reviewed it, discussed it, and approved the implementation of all of the recommendations.

The evaluation unanimously presents the Board's functioning as efficient, professional, and improving. The transparency and clarity of the responses to the questions, the quality of the preparatory files sent to the Board and its Committees (and, generally, the quality of the services delivered by the Board's secretariat) and the good communication between the Board and its Committees contribute positively to this overall assessment.

The directors applauded the importance of routine meetings on strategy and budgetary issues, the development of business reviews presented by the Group's operating officers, the creation of a digital platform for the Board and the Committees, the creation of the Governance Committee, and the creation of the lead director position and his work.

The main suggestions were to continue to involve the Board in strategic discussions and the analysis of business plans, to develop the analysis of completed projects by systematically comparing them to the set budget, to organise a routine follow-up of decisions taken as well as encourage a more in-depth knowledge of its members' skills in the context of the analysis of succession plans for the Group's key responsibilities.

With respect to the desired composition of the Board, the directors favour staying below the twelve director threshold and deems it desirable to increase the ratio of independent members, highly qualified international members, distribution professionals, and women.

Various suggestions to improve the organisation of the Board's work were formulated with respect to the creation of a tentative meeting schedule over a longer period, the terms and conditions applicable to keeping documents on the digital platform set up in 2016, and to keeping directors informed between Board meetings. Planning to visit a French work site to better understand the operating reality of certain businesses was also proposed.

The evaluation process had not formally planned for an assessment of directors' individual contribution, as recommended by the Afep-Medef Code. As such, each director was not asked to evaluate the contribution of each of the other members on the Board. However, during the interviews, each of them was able to talk freely on the composition and the dynamic of the Board and Committee meetings, the work carried out by the Chairmen of the Committees and the Lead Director, and review his or her own contributions. The process put in place and the positive findings on the Board's functioning are indicative of the level of professionalism and personal implication of the Board's members, especially its independent directors. Members' opinions were sought regarding the future implementation of this process recommended by the Afep-Medef Code, which is now increasingly implemented. Although its necessity was not mentioned, it was agreed that the matter would be revisited at the time of the Board's next evaluation.

5.5.5. Rules of Conduct

The Internal Rules of the Board of Directors and, in particular, its Section VI, describe the rules of conduct applicable to Board members. This section was completed and updated in 2016 and early 2017. The rules state that each director must fulfil his or her duties in full compliance with the rules of independence, business ethics, loyalty, and integrity. It includes, in particular, the disclosure rules applicable to directors, namely their obligation to protect the Company's interests, to avoid and manage conflicts of interest, to make every effort to attend all meetings, and to protect the confidentiality of information, and for directors appointed by the General Shareholders' Meeting to hold some equity the Company. The measures associated with the prevention of insider trading have also been regrouped in the Insider Trading Policy that was adopted in 2017 and to which the Internal Rules of the Board expressly refer (see below). These documents are available on the Company's website.

Section VI of the Internal Rules state that prior to accepting his or her assignment, each director must read the legal and regulatory provisions associated with his or her position, the applicable codes and sound governance practices, as well as any provision specific to the Company discussed in the Articles of Association and the Internal Rules.

Directors are required to request the information they believe is necessary to fulfil their duties. To this end, they must ask the Chairman, within the appropriate time frame, for the information they need to make useful contributions in the discussions on the items on the Board meetings' agenda.

With respect to the rules applicable to the prevention and management of conflicts of interest, the Internal Rules state that each director is required to inform the Board of Directors of any actual or potential conflict of interest in which they might be directly or indirectly involved and, in such a case to, abstain from taking part in discussing and voting on the matter concerned. In addition, each Director must consult with the Chairman prior to committing to any business or accepting any duties or obligations that could trigger a conflict of interest for him or her, even a potential one. The Chairman can consult with the Governance Committee and the Board of Directors regarding these matters.

It is hereby reminded that, over the course of the 2015 fiscal year, in order to better account for the Group's strong international footprint and the fact that several of the Group's subsidiaries or parent companies are listed on the stock market in France or abroad, the Board of Directors decided to strengthen its sound governance processes by internally adjusting or complementing its existing procedures and/or corporate bodies. Therefore, the Board decided to introduce a procedure for the review of all agreements between related parties (see below), and to create the Governance Committee with specific responsibility for examining governance issues and social and environmental responsibility matters.

As part of its duties, the Governance Committee may therefore examine any exceptional issue that may give rise to a conflict of interest within the Board of Directors and render any opinion or recommendation on the matter.

Prior review of Related Party Agreements by the Audit Committee

The Board considered that close attention should be paid to agreements between, on the one hand, the Company or its wholly-owned subsidiaries and, on the other hand, the other companies of the Casino Group, the Group's parent companies and their subsidiaries, as well as companies accounted for by the equity method, known as the "related parties."

In this context, and in order to prevent conflicts of interest and protect the various minority shareholders within the Group, in 2015 the Board of Directors therefore instituted a procedure for the systematic review of related party agreements by the Audit Committee. Indeed, the procedure for the prior authorisation of regulated (*i.e.*, related party) agreements, as set forth in the French Commercial Code (prior authorisation of the Board of Directors, Statutory Auditors' special report, and approval by the General Shareholders' Meeting), is intended to apply mainly to agreements to which Casino is a direct party, and it does not cover routine agreements entered into under normal terms even though they represent the vast majority of intra-group agreements.

For this reason, the Board has introduced a procedure for the review by the Audit Committee, prior to their presentation to the Board for information or authorisation, of all agreements between i) the Company or its wholly-owned subsidiaries and ii) the other Group companies, the companies that control the Group and the companies accounted for by the equity method in the Group accounts, where the transaction amount individually or in total with the same related party is greater than €10 million, or €1 million per transaction if the total amount of transactions with the same related party in a given fiscal year exceeds €10 million. The Audit Committee is required to express an opinion as to whether the terms of such contracts fairly balance the interests of both parties. The procedure does not apply to agreements between the Company and its wholly-owned subsidiaries or between wholly-owned subsidiaries that concern i) routine transactions carried out in the normal course of business, ii) tax consolidation agreements, provided they do not place one of the parties in a less favourable position than if it had elected to be taxed on a stand-alone basis, or iii) the issue of a guarantee or a payment for a guarantee unless it is not consistent with the Group's normal practices in this regard.

Regulated agreements (as per French law) entered into by the Company are subject to this procedure regardless of their amount. At the request of Senior Management, any agreement not falling within the scope of the procedure may also nevertheless be submitted to the Audit Committee's review due to its characteristics. At the request of the Chairman and Chief Executive Officer or the Chairman of the Audit Committee, the Board of Directors may also decide to entrust the prior review of an agreement with a specific related party to an *ad hoc* Committee due to the nature or significance of the planned transaction.

In the context of the application of this procedure, the Audit Committee may use studies or analyses produced by specialist external consultants to make an informed decision about the related party agreements subject to its review.

A specific charter describing the procedure's organisation and functioning was drawn up and approved by the Board of Directors, based on the recommendation of the Audit Committee. The Board of Directors' Internal Rules also includes provisions relative to the principle of a prior review of related party agreements by the Audit Committee.

The Audit Committee issued a favourable opinion on all of the transactions it reviewed in 2016 based on the reports of external experts, having concluded that their terms fairly balanced the interests of both parties. Each year, Senior Management presents a report to the Audit Committee on all related party agreements entered into during the year and on all transactions that qualified for the aforementioned exceptions to the submission to the related parties procedure. The first report presented to the Audit Committee over the course of the 2016 fiscal year enabled it to conclude that there was no need to widen the scope of application of the systematic review procedure put in place in 2015.

Conflicts of interest involving corporate officers and Senior Management

The Company entertains routine relations with all its subsidiaries in its day-to-day management of the Group. It also receives strategic advice from Euris, its ultimate parent company, which is controlled by Jean-Charles Naouri who serves as Chairman of Euris. Euris provides permanent advisory services on strategy and development, the terms of which are defined under the terms of an agreement dated 5 September 2003, which was submitted to the General Shareholders' Meeting for approval under the legal procedure applicable to regulated agreements and commitments. Compensation paid by the Company to Euris for 2016 under the terms of this assignment amounted to €910,000 excluding VAT. This amount was set in the 16 December 2016 amendment to the 2003 agreement that was authorised by the Board of Directors on 15 December 2016 following the prior review and unanimously favourable opinion of the Audit Committee. It will be submitted to shareholders for approval at the General Shareholders' Meeting dated 5 May 2017 (the presentation and resolution are on page 285 and the Statutory Auditors' special report on regulated agreements is on page 147).

Euris also provides permanent strategic and development advice and assistance to the Company's subsidiaries. The total amount billed by Euris for these services in 2016 amounted to €1.6 million excluding VAT. In addition, Euris and Foncière Euris provide staff and fitted-out premises to the Company and its subsidiaries (see note 14 to the consolidated financial statements).

To the Company's knowledge, with the exception of service contracts mentioned above, there are no other service contracts associating the members of the Board of Directors of the Company to the Company or any of its subsidiaries whatsoever, and the terms of which would provide for the grant of benefits.

Jean-Charles Naouri, Jacques Dumas, Didier Carlier, Diane Coliche, Didier Lévêque and Michel Savart, executive, directors or permanent representatives of companies in the Euris and Rallye groups, are members of the administrative, management and/or supervisory bodies of companies belonging to those groups and/or the Casino Group (see list of directorships in section 5.4) and receive compensation and/or directors' fees in that capacity.

To the Company's knowledge, there are no other potential conflicts of interests between the duties the members of the Board of Directors must fulfil for the Company and their private interests or other obligations. There are no arrangements or agreements with shareholders, customers, suppliers or others by virtue of which a member of the Board of Directors has been appointed as a director.

The responsibilities of the Audit Committee, particularly through the prior review procedure for related-party agreements, and of the Governance Committee, both of which comprise a majority of independent directors, as well as the responsibilities of the Lead Director, help to prevent conflicts of interest and ensure that the majority shareholder's power is not exercised unfairly.

To the best of the Company's knowledge, there are no family ties between members of the Company's Board of Directors.

No loans or guarantees have been granted or issued by the Company for the benefit of members of the Board of Directors who are natural persons.

Convictions

To the best of the Company's knowledge, during the last five years, none of the members of the Board of Directors has been:

- convicted in relation to fraudulent offences or received an official public incrimination and/or sanction by any statutory or regulatory authority;
- associated, as a member of the administrative, management or supervisory body or partner, with any bankruptcies, receiverships or liquidations;
- disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

Restrictions accepted by members of the Board of Directors relative to the sale of their shares

Under the terms of the Company's Articles of Association, each director must own at least 100 Company shares. The Internal Rules also state that each director appointed by the General Shareholders' Meeting, whether a natural person, legal entity, or permanent representative, also undertakes to hold a number of Company shares corresponding to an amount at least equal in value to one year of directors' fees, it being specified that these shares can be acquired using said directors' fees. It should be noted that the statutory amendment calling for the appointment of directors representing employees, subject to the approval of the General Shareholders' Meeting dated 5 May 2017, will exempt said directors from the aforementioned shareholding requirement.

Subject to the above, to the Company's knowledge, there are no restrictions on members of the Board of Directors relative to the sale of their equity in the Company, other than the obligations put in place by the Group pursuant to the Insider Trading Policy or, generally, any applicable legal or regulatory provisions regarding requirements to abstain from carrying out transactions involving Company securities in the context of insider trading prevention.

Insider Trading Prevention

Over the course of the 2016 fiscal and in early 2017, the Company updated its internal rules and recommendations following changes in the legal and regulatory context applicable to the prevention of market abuse, in connection with European regulation 596/2014 dated 16 April 2014 on market abuse taking effect on 3 July 2016.

As such, on the recommendation of the Governance Committee, the Internal Rules of the Board of Directors were modified and an Insider Trading Policy was adopted. This Insider Trading Policy includes, in particular, a description of (i) the applicable legal and regulatory provisions, (ii) the definition of inside information, (iii) the measures taken by the Company to prevent insider trading, (iv) the obligations of persons with access to this inside information, and (v) the sanctions imposed. The Policy also states that Casino's listed subsidiaries or parent companies each have their own insider trading rules with which the persons subject to said rules must also comply.

The Policy applies to directors, executives, and assimilated persons, as well as, generally, to employees who could potentially have access to sensitive or inside information.

It creates an Insider Trading Committee responsible, in particular, for answering any question related to the application of the Insider Trading Policy.

The Insider Trading Policy, like the Board of Directors' Internal Rules, references the requirement to comply with the prohibition to carry out any transactions involving the Company's securities or financial instruments:

- from the date occurring 30 calendar days before the date on which the Company publishes a press release announcing its annual and interim financial results, to the date of said publication (inclusive);
- from the date occurring 15 calendar days before the date on which the Company publishes a press release announcing its quarterly financial information, to the date of said publication (inclusive);
- from the date of exposure to inside information to the date on which said information is no longer considered inside information, especially through being released to the public.

The Insider Trading Policy also states the rules applicable to compiling the insiders list and includes provisions governing the declarations that must be made by corporate officers and individuals having close personal ties to members of the Board of Directors regarding any transactions they carry out involving Company securities.

Attendance at Board and Committee Meetings and Multiple Directorships

The Board of Directors' Internal Rules states that directors must devote the necessary time and attention to their duties. They must make every effort to attend all Board of Directors' meetings and General Shareholders' Meetings, as well as all meetings of any Board Committees of which they are members. The Company's methods for determining and allocating directors' fees comply with the Afep-Medef Code recommendations, according to which, in particular, the variable portion of the fee should be linked to the director's attendance rate.

Checks are performed to ensure that no director up for reappointment at the General Shareholders' Meeting holds multiple directorships. The Internal Rules of the Board of Directors states that, in addition to these legal rules, directors are required to comply with the following recommendations of the Afep-Medef Code:

- an executive director should not hold more than two other directorships in listed corporations, including foreign corporations, not affiliated with his or her group. He or she must also seek the opinion of the Board before accepting a new directorship in a listed corporation not affiliated with his or her group;
- a non-executive director should not hold more than four other directorships in listed corporations, including foreign corporations, not affiliated with his or her group. This recommendation will apply at the time of appointment or the next renewal of the term of office. Each director informs the Company regarding any directorships held in other French or foreign companies. Furthermore, he or she must inform the Company as soon as possible regarding any new directorship or professional responsibility.

5.6. OTHER INFORMATION IN THE CHAIRMAN'S REPORT

In addition to the method used for determining corporate officers' compensation and benefits, as described in Chapter 6 entitled "Executive and management compensation (page 196 *et seq.*) and in the report on internal control and risk management procedures included in section 7.2 entitled "Internal control and risk management procedures" (pages 211 *et seq.* of Chapter 7 entitled "Risks and insurance"), information on the terms and conditions applicable to participation at the General Shareholders' Meeting and other information that could have an impact in the event of a tender offer are presented in the following way:

Participation in General Shareholders' Meetings

All shareholders have the right to participate in General Shareholders' Meetings under the conditions permitted by law and in the Company's Articles of Association. The terms and conditions applicable to shareholders' participation in General Shareholders' Meetings are detailed in Articles 25, 27 and 28 of the Company's Articles of Association and can be found on page 327 of Chapter 11. The updated Articles of Association of the Company are available on the Company's website (www.groupe-casino.fr).

Information that may have an impact in the event of a tender offer

These components of the Board of Directors' report to the General Shareholders' Meeting, as provided for in Article L. 225-100-3 of the French Commercial Code, are presented on page 328 of Chapter 11.

5.7. STATUTORY AUDITS

5.7.1. Permanent Statutory Auditors

Ernst & Young et Autres

Signing partners: Sylvain Lauria (since 2015) and Yvon Salaün (since 2015).

First appointed: 20 May 1978.

Current appointment ends: at the close of the Ordinary Shareholders' Meeting to be held in 2022 to approve the financial statements for the fiscal year ending 31 December 2022.

In accordance with France's *Loi de sécurité financière* dated 1 August 2003, the Ernst & Young signing partner was rotated for the second time in 2015.

Deloitte & Associés

Signing partners: Gérard Badin (since 2011) and Frédéric Moulin (from 2016).

First appointed: 29 April 2010

Current appointment ends: at the close of the Ordinary Shareholders' Meeting to be held in 2022 to approve the financial statements for the fiscal year ending 31 December 2022.

In accordance with France's *Loi de sécurité financière* dated 1 August 2003, the Deloitte & Associés signing partner was rotated for the first time in 2016.

5.7.2. Alternate Statutory Auditors

Auditex

Alternate to Ernst & Young et Autres.

First appointed: 29 April 2010

Current appointment ends: at the close of the General Shareholders' Meeting to be held in 2022 to approve the financial statements for the fiscal year ending 31 December 2022.

BEAS

Alternate to Deloitte & Associés.

First appointed: 29 April 2010

Current appointment ends: at the close of the General Shareholders' Meeting to be held in 2022 to approve the financial statements for the fiscal year ending 31 December 2022.

5.7.3. Statutory auditors' fees

Years covered: fiscal years ended 31 December 2016 and 31 December 2015.

	Ernst & Young et Autres				Deloitte & Associés			
	Amount (excl. VAT)		%		Amount (excl. VAT)		%	
(in € thousands)	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015
Audit								
Independent Auditors diligence, certification, review of individual and consolidated accounts								
Issuer	323	386	4%	6%	163	163	4%	4%
Fully-consolidated subsidiaries	7,240	5,311	93%	88%	3,916	4,049	90%	90%
Other audit diligence and audit-related services								
Issuer	8	20	0%	0%	10	10	0%	0%
Fully-consolidated subsidiaries	146	282	2%	5%	78	187	2%	4%
Sub-total	**7,716**	**5,999**	**99%**	**99%**	**4,166**	**4,409**	**96%**	**98%**
Legal, tax and social	0	0	0%	0%	0	6	0%	0%
Other	101	60	1%	1%	184	74	4%	2%
Sub-total	**101**	**60**	**1%**	**1%**	**184**	**80**	**4%**	**2%**
TOTAL	**7,817**	**6,059**	**100%**	**100%**	**4,350**	**4,489**	**100%**	**100%**

5.8. STATUTORY AUDITORS' REPORT PREPARED IN ACCORDANCE WITH ARTICLE L. 225-235 OF FRENCH COMMERCIAL CODE *(CODE DE COMMERCE)* ON THE REPORT PREPARED BY THE CHAIRMAN OF THE BOARD OF DIRECTORS OF THE COMPANY

Year ended December 31, 2016

This is a free translation into English of a report issued in French language 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 of CASINO, GUICHARD-PERRACHON and in accordance with article L.225-235 of the French Commercial Code *(code de commerce)*, we hereby report on the report prepared by the Chairman of your company in accordance with article L.225-37 of the French Commercial Code *(code de commerce)* for the year ended December 31, 2016.

It is the Chairman's responsibility to prepare and submit for the Board of Directors for approval a report that describes the internal control and risk management procedures implemented by the company and to provide the other information required by article L.225-37 of the French Commercial Code *(code de commerce)* related, in particular, to the corporate governance system.

Our role is to:

- report to you on the information contained in the chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information,
- attest that the report includes the other information required by article L.225-37 of the French Commercial Code *(code de commerce)*. It should be noted that it is not our responsibility to assess the fairness of this other information.

We conducted our work in accordance with professional standards applicable in France.

Information on internal control and risk management procedures relating to the preparation and processing of accounting and financial information

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information set out in the Chairman's report. These procedures consist mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and of the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our work are properly disclosed in the Chairman's report.

On the basis of our work, we have no matters to report on the information in respect of the company's internal control and risk management procedures relating to the preparation and processing of the accounting and financial information contained in the report prepared by the Chairman of the Board of Directors in accordance with article L.225-37 of the French Commercial Code *(code de commerce)*.

Other information

We confirm that the report prepared by the Chairman of the Board of Directors also contains the other information required by article L.225-37 of the French Commercial Code *(code de commerce)*.

Lyon and Neuilly-sur-Seine, 9 March 2017

The statutory auditors

French original signed by

ERNST & YOUNG et Autres		Deloitte & Associés	
Yvon SALAÜN	Sylvain LAURIA	Frédéric MOULIN	Gérard BADIN

Executive and management compensation

6.1. PROCEDURES FOR DETERMINING CORPORATE OFFICERS' COMPENSATION AND DIRECTORS' FEES

Management

The compensation of the Chairman and Chief Executive Officer is comprised of a fixed portion and a performance-related variable portion set annually on the recommendation of the Appointments and Compensation Committee, supported where appropriate by market surveys conducted by outside consultants. The annual variable compensation is based solely on quantitative objectives, assessed using budgetary data and aligned with the Group's operating and financial priorities.

To assess achievement, each criteria also has a pre-defined minimum level, a target level for a performance in line with objectives and an outperformance level.

The gross fixed compensation for 2016 amounted to €480,000, unchanged since 2013.

The 2016 target variable compensation was set at 100% of the Chairman and Chief Executive Officer's fixed compensation in the event he achieved all of the objectives. The amount of his 2016 variable compensation was determined as described below, based on pre-determined objectives and consistent with the objectives set for members of the Executive Committee which were set by the Board of Directors on 13 May 2016:

- exclusively quantitative objectives:
  - three solely financial objectives, consistent with the annual guidance and comparable to the Group quantitative criteria and objectives set for the 2016 bonus for Executive Committee members, focused on consolidated revenue, France trading profit and France free cash flow,
  - a non-financial quantitative CSR objective, accounting for 10% of the target amount, which was first introduced in 2016 in line with the trend observed by specialised firms, this objective aims to have Casino, Guichard-Perrachon represented on at least one of the three following major non-financial indices including the highest-performing companies with respect to ESG (Environmental, Social and Governance) criteria: FTSE4GOOD Index, Euronext Vigeo Indices and DJSI;
- the significant weighting of financial objectives in the 2016 variable compensation package:
  - the weighting of the four criteria is distributed as follows:
    - The three financial objectives account for 90% of the target amount and up to 157.5% in the event the objectives are exceeded; each one represents a third (or 30%) and up to 52.5% in the event the objectives are exceeded. A minimum achievement threshold has been set for each criteria,
    - the CSR objective accounts for 10% of the target amount, a percentage in line with currently observed practices,
  - outperformance is maintained at 175% and only applies to the three financial objectives. The 2016 variable compensation can therefore represent up to 167.5% of the fixed compensation (maximum total gross amount of €804,000) if the financial objectives are exceeded;
- based on the level of achievement, the Chairman and Chief Executive Officer's 2016 gross variable compensation, decided by the Board of Directors, amounts to €625,120, corresponding to 130.23% of his fixed compensation; each of the three financial objectives was exceeded, representing 48.82% of his fixed compensation for organic growth in consolidated revenue, 30.46% for France trading profit and 40.95% for France free cash flow, respectively. The non-financial quantitative CSR objective was attained and corresponded to 10% of his fixed compensation.

Other corporate officers

At the Annual General Meeting of 19 May 2009, the shareholders set the maximum total amount of directors' fees to be allocated to the directors and the members of the Board's specialised Committees at €650,000.

The method of allocating the directors' fees for 2016, as voted by the shareholders, between directors and members of the Board's specialised Committees was determined by the Board of Directors on 15 December 2016, based on the recommendations of the Appointments and Compensation Committee:

- The total gross fee per director is set at €25,000, unchanged since 2007, comprising a fixed portion of €8,500 and a maximum variable portion of €16,500 based on their attendance rate at Board meetings. Variable fees not paid to absent members are not reallocated.
- The total gross amount of directors' fees allocated to the Chairman and to each director representing the majority shareholder is also unchanged and is capped at €12,500 (a gross fixed portion of €4,250 and a gross variable portion of €8,250). On his appointment, the Chairman of the Board of Directors waived the additional gross fee of €25,000 previously paid to the Chairman.
- Members of the Board's specialised Committees receive a gross fixed fee (€6,500) and a gross variable fee, which is unchanged (€13,500 for members of the Audit Committee and €9,500 for members of the Appointments and Compensation Committee and the Governance Committee). Variable fees not paid to absent members are not reallocated.

An additional exceptional gross fee of €10,000 was paid to each member of the Audit Committee in respect of the four extraordinary meetings held in 2016 in connection with assets disposals and the Via Varejo/Cnova Brazil merger as well as the preliminary review of related-party transactions.

An additional gross fee of €10,000 for 2016 (unchanged from 2015) was allocated to the Lead Independent Director.

As previously, under the authorisation granted by the shareholders on 13 May 2016, the Board of Directors decided on 15 December 2016 to pay a fee to the non-voting directors on exactly the same basis as to other directors, i.e., €25,000, comprising a gross fixed portion of €8,500 gross variable portion of up to €16,500, calculated on a pro rata basis. This sum is included in the total amount of directors' fees approved by the shareholders at the Annual General Meeting held in 2009.

6.2. CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S COMPENSATION

6.2.1. Compensation due and paid to the Chairman and Chief Executive Officer by Casino, Guichard-Perrachon in respect of and during 2016

Total compensation, directors' fees and benefits of any kind due and paid by the Company to Jean-Charles Naouri in his capacity as Chairman and Chief Executive Officer in respect of and during 2015 and 2016 were as follows:

	2015		**2016**	
(gross amounts in €)	Amounts due(1)	Amounts paid(2)	Amounts due(1)	Amounts paid(2)
Fixed compensation	480,000	480,000	480,000	480,000
Variable compensation	-	-	625,120	-
Deferred compensation	Not applicable	Not applicable	Not applicable	Not applicable
Long-term incentive compensation	Not applicable	Not applicable	Not applicable	Not applicable
Exceptional compensation	Not applicable	Not applicable	Not applicable	Not applicable
Directors' fees	12,500	12,500	12,500	12,500
Benefits in kind	Not applicable	Not applicable	Not applicable	Not applicable
TOTAL	**492,500**	**492,500**	**1,117,620**	**492,500**

(1) Compensation and directors' fees due in respect of the relevant year regardless of the payment date.
(2) Total compensation and directors' fees paid by the Company during the year. Variable compensation is paid in the year after it is earned.

6.2.2. Stock options and share grants awarded by the Company during 2016

(in €)	2015	**2016**
Value of stock options granted during the year	Not applicable	Not applicable
Value of share grants made during the year	Not applicable	Not applicable

6.2.3. Compensation due and paid to the Chairman and Chief Executive Officer by Casino, Guichard-Perrachon and other Euris group companies with respect to and in 2016

Total compensation, directors' fees and benefits of any kind due and paid to the Chairman and Chief Executive Officer with respect to and in 2015 and 2016 by Casino, Guichard-Perrachon, its controlled subsidiaries, companies that control it and companies controlled by them were as follows:

	2015		**2016**	
(gross amounts in €)	Amounts due	Amounts paid	Amounts due	Amounts paid
Compensation	1,328,508	1,337,639[(1)]	1,947,620	1,322,500[(2)]
Value of stock options granted during the year	Not applicable	Not applicable	Not applicable	Not applicable
Value of share grants made during the year	Not applicable	Not applicable	Not applicable	Not applicable
TOTAL	**1,328,508**	**1,337,639**	**1,947,620**	**1,322,500**

(1) Compensation and/or directors' fees paid in 2015 by Casino, Guichard-Perrachon (fixed compensation of €480,000 with no variable compensation paid, and directors' fees of €12,500), Cnova (directors' fees for 2014 and 2015 of €15,139), Rallye (directors' fees of €10,000) and Euris (€820,000, comprising a fixed portion of €520,000 and a variable portion of €300,000).

(2) Compensation and/or directors' fees paid in 2016 by Casino, Guichard-Perrachon (fixed compensation of €480,000 with no variable compensation paid, and directors' fees of €12,500), Rallye (directors' fees of €10,000) and Euris (€820,000, comprising a fixed portion of €520,000 and a variable portion of €300,000).

6.2.4. Advisory vote of the Annual General Meeting of 5 May 2017 on the components of the compensation due or awarded to the Chairman and Chief Executive Officer in respect of 2016

In accordance with the recommendations of the Afep-Medef Corporate Governance Code, at the Company's Annual General Meeting of 5 May 2017, the shareholders will be asked to give an advisory vote on the components of compensation due or awarded to the Chairman and Chief Executive Officer in respect of 2016. For this purpose, all the figures and other related disclosures are presented on page 310.

6.2.5. Principles and criteria for determining and awarding the components of the Chairman and Chief Executive Officer's compensation for the 2017 fiscal year

In accordance with the provisions of Article L. 225-37-2 of the French Commercial Code (*Code de commerce*), the principles and criteria for determining, allocating and awarding the fixed, variable and exceptional components comprising the 2017 total compensation and benefits of any kind that may be awarded to the Chairman and Chief Executive Officer with respect to his office must be approved by shareholders at the Annual General Meeting of 5 May 2017.

Accordingly, the Board of Directors' meeting held on 6 March 2017 determined the Chairman and Chief Executive Officer's compensation package for 2017, based on the recommendations of the Appointments and Compensation Committee and the analyses and proposals of outside experts.

The Board of Directors refers to the principles for determining the compensation of executive corporate officers set forth in the Afep-Medef Corporate Governance Code. To guide it in its decision-making, the Board of Directors also refers to the analyses and recommendations of outside experts, which provide insight to the Board and the Appointments and Compensation Committee on relevant market practices. These periodic compensation analyses make it possible to benchmark the Chairman and Chief Executive Officer's compensation, its level and growth, the weighting of its components and the variable compensation criteria with practices of peer companies.

The Board of Directors ensures that the compensation policy is aligned with the Company's interests and those of its shareholders and stakeholders. The performance criteria selected for determining the variable compensation must be in line with the Group's strategy. These criteria are stringent and include the financial and non-financial criteria that may be assessed on an annual and/or multi-year basis.

The Board of Directors' special report describing these components of compensation for 2017, pursuant to Article L. 225-37-2 of the French Commercial Code, is provided on page 311.

6.2.6. Employment contract, pension and death and disability plans, termination benefits and non-compete benefits

Employment contract	Supplementary pension plan	Benefits due or potentially due on termination or change of position	Non-compete benefits
None	None(1)	None	None

(1) Jean-Charles Naouri is a member of the mandatory group pension plans (ARRCO and AGIRC) and the death and disability plan covering all management employees within the Company.

6.3. COMPENSATION AND/OR DIRECTORS' FEES PAID TO THE OTHER CORPORATE OFFICERS

6.3.1. Directors' fees and compensation paid in 2015 and 2016

Total compensation and directors' fees paid in 2015 and 2016 by the Company, its controlled subsidiaries, companies that control it and companies controlled by them, to corporate officers other than the Chairman and Chief Executive Officer and to the non-voting director were as follows:

	Directors' fees and compensation paid			
(Gross amounts in €)	in 2015		**in 2016**	
Director	Directors' fees (with respect to 2014)	Other compensation[1]	Directors' fees (with respect to 2015)	Other compensation[1]
Nathalie Andrieux	-	-	22,817	-
Didier Carlier[2]	12,500	765,190	11,000	805,182
Jacques Dumas[3]	-	911,487[4]	6,979	916,821[4]
Pierre Giacometti	23,167	-	20,500	-
Henri Giscard d'Estaing	32,582	-	29,700	-
Sylvia Jay	17,667	-	30,000	-
Gérard Koenigheit[5]	12,500	4,000	12,500	-
Marc Ladreit de Lacharrière	12,167	-	11,500	-
Didier Lévêque	12,500	793,698[6]	12,500	800,284[5]
Catherine Lucet	53,167	-	53,500	-
Gilles Pinoncély	55,000	-	53,962	-
Gérald de Roquemaurel	67,330	-	68,462	-
David de Rothschild	29,996	-	39,492	-
Michel Savart	12,500	906,348[7]	12,500	935,028[7]
Frédéric Saint-Geours	55,000	-	66,962[8]	-
Rose-Marie Van Lerberghe[9]	56,578[9]	-	21,450[9]	-

(1) Directors' fees and/or compensation and benefits of any kind paid by Casino's controlled subsidiaries and/or companies that control Casino or companies controlled by them.

(2) Representative of Euris, parent company of the Group, which in 2016 received total fees of €5.8 million excluding VAT, including €2.5 million from Casino, Guichard-Perrachon and its subsidiaries, in respect of the strategic advisory services it provides to the Casino Group's parent companies and their subsidiaries. He was appointed permanent representative of Cobivia in February 2017. In 2016, other gross compensation amounted to €805,182, including a gross variable portion of €269,682 in respect of 2015 and a fixed portion of €535,500.

(3) He was appointed permanent representative of Cobivia in June 2015, then of Euris in February 2017.

(4) In 2016, other gross compensation amounted to €916,821, including gross variable compensation of €388,000 in respect of 2015, gross fixed compensation of €494,837 and €3.5 thousand in benefits in kind, excluding gross exceptional bonuses of €2,625,000 and other directors' fees. In 2016, he was awarded (i) 3,930 Rallye performance shares valued at €9.95 per share in accordance with IFRS (vesting on 27 July 2018 provided that he is still employed by the Company and that the performance conditions are met), (ii) 9,699 Casino performance shares valued at €34.38 per share (vesting on 13 May 2018 provided that he is still employed by the Company and that the performance conditions are met) as well as 5,335 and 2,898 Casino performance shares, valued at €44.63 and €35.69, respectively (vesting on 13 November 2017 and 14 October 2018, respectively, provided that he is still employed by the Company). In 2015, excluding gross exceptional bonuses of €1,100,000.

(5) Gérard Koenigheit is also Legal Manager of GK Advisor, which received consultancy fees of €395,833 (excluding VAT) in 2015 and €592,465 (excluding VAT) in 2016.

(6) In 2016, other gross compensation amounted to €800,284, including gross variable compensation of €197,512 in respect of 2015, and gross fixed compensation of €495,745, excluding gross exceptional bonuses of €95,000 and other directors' fees. In 2016, he was awarded 14,828 Rallye performance shares valued at €9.95 per share in accordance with IFRS (vesting on 27 July 2018 provided that he is still employed by the Company and that the performance conditions are met). In 2015, excluding gross exceptional bonuses of €219,000.

(7) He received other gross compensation in 2016 of €935,028, including gross variable compensation of €346,092 in respect of 2015 and gross fixed compensation of €578,728. In 2016, he was awarded 3,930 Rallye performance shares valued at €9.95 per share in accordance with IFRS (vesting on 27 July 2018 provided that he is still employed by the Company and that the performance conditions are met).

(8) Including the additional directors' fees of €5,000 paid in 2016 in respect of his duties as Lead Independent Director.

(9) Including the additional fees of €20,000 paid in 2015 and €5,000 paid in 2016 in respect of her duties as Lead Independent Director. She stepped down in May 2015.

6.3.2. Compensation and directors' fees paid in 2017 in respect of 2016

Total compensation and directors' fees paid in 2017 in respect of 2016 by the Company to corporate officers other than the Chairman and Chief Executive Officer and to the non-voting director were as follows:

	Directors' fees paid in January 2017 in respect of 2016				
	Directors		Committees		
(Gross amounts in €)	Fixed	Variable	Fixed	Variable	Total
Nathalie Andrieux	8,500	15,000	6,500	9,500	39,500
Didier Carlier	4,250	8,250	-	-	12,500
Diane Coliche(1)	2,833	5,500	-	-	8,333
Jacques Dumas	4,250	8,250	4,333	4,750	21,583
Pierre Giacometti(2)	3,542	4,125	-	-	7,667
Henri Giscard d'Estaing(3)	8,500	10,500	2,708	-	21,708
Sylvia Jay	8,500	13,500	6,500	9,500	38,000
Gérard Koenigheit(4)	1,771	3,437	-	-	5,208
Marc Ladreit de Lacharrière(5)	6,375	1,547	-	-	7,922
Didier Lévêque	4,250	8,250	-	-	12,500
Catherine Lucet	8,500	13,500	6,500	23,500	52,000
Gilles Pinoncély(3)	8,500	15,000	2,708	15,063	41,271
Gérald de Roquemaurel	8,500	13,500	13,000	33,000	68,000
David de Rothschild	8,500	7,500	6,500	9,500	32,000
Frédéric Saint-Geours	8,500	15,000	13,000	43,000	79,500
Michel Savart	4,250	8,250	-	-	12,500

(1) He was appointed as permanent representative of Matignon Diderot in May 2016. His 2016 total gross compensation amounted to €404,852 (including gross fixed compensation of €252,165, gross variable compensation of €150,000 in respect of 2015, excluding gross exceptional bonuses of €1,324,000 and €2.7 thousand in benefits in kind). In 2016, she was awarded (i) 1,940 Casino performance shares valued at €34.38 per share in accordance with IFRS (vesting on 13 May 2018 provided that she is still employed by the Company and that the performance conditions are met) and (ii) 13,165, 13,578 and 6,711 Casino performance shares valued respectively at €44.63, €47.04 and €43.70 per share in accordance with IFRS (vesting on 13 November 2017, 13 November 2018 and 14 June 2018, respectively, provided that she is still employed by the Company).
(2) Term as director ended in May 2016.
(3) Director until 13 March 2016 then non-voting director.
(4) Term as permanent representative of Matignon Diderot ended in May 2016.
(5) Term as director ended in September 2016.

Total gross directors' fees paid in January 2017 in respect of 2016 to members of the Board of Directors, the Board's specialised Committees and the non-voting directors amounted to €472,693. The total gross amount of directors' fees paid in 2016 in respect of 2015 amounted to €486,322. The variable component represents a significant weighting of the total amount of directors' fees.

6.4. EXECUTIVE COMMITTEE COMPENSATION

The executive compensation policy is designed to ensure a competitive compensation positioning relative to general market practices and to be in line with similar companies. It is also designed to encourage and reward performance in terms of both Group business/sales and results and individual performance.

Total compensation paid to Executive Committee members comprises a fixed and a variable component.

The variable component is contingent on the achievement of various objectives:

- quantitative Group objectives, which are identical to those set for the Chief Executive Officer;
- individual quantitative objectives related to the operating units and departments for which the person is responsible (*e.g.*, achievement of budget or strategic plan);
- individual qualitative objectives related to a general appraisal mainly taking account of managerial attitudes and behaviour, including a CSR-related performance condition as from 2016.

An annual "road map" sets out the applicable criteria, the weighting assigned to each criterion in the overall appraisal, and the targets to be met.

The variable component can represent up to 50% of the fixed component if the objectives are met and up to 100% if they are exceeded.

In 2016, total gross fixed and variable compensation paid by the Company and its controlled subsidiaries to Executive Committee members, other than the Chairman and Chief Executive Officer and excluding exceptional bonuses, amounted to €11.8 million, including a variable component of €4.6 million in respect of 2015 and €229,100 in benefits in kind.

6.5. STOCK OPTIONS AND FREE SHARES

The Chairman and Chief Executive Officer is not and has never been entitled to receive stock options or share grants from Casino, Guichard-Perrachon, the companies it controls or companies that control it.

As employees, members of the Executive Committee may receive stock options and/or share grants, as part of a policy to retain key people and give them a stake in the Group's development.

Share grants are contingent on the achievement of a performance condition specific to the Company and on the grantee being employed by the Group on the vesting date or on the exercise date for stock options.

Options are granted with no discount to the share price calculated on the basis of the average quoted prices during the 20 trading days immediately prior to the date of grant.

The Company may also make one-off free share grants to employees who have made a significant contribution to strategic or highly complex transactions.

In 2016, six Executive Committee members were granted 39,186 free shares and seven members were granted 235,709 free shares as part of a one-off share grant. The vesting of these shares is contingent on them still being employed by the Company and achieving performance-related conditions. In 2016, 11,773 free shares vested to four Executive Committee members.

The share award policy and details of these various plans which were still valid at 31 December 2016 are provided on pages 278 and 279.

Risk factors
and insurance

Risk management is an integral part of the Group's operational and strategic management of the business and is organised at several levels (see below).

The Group has reviewed the main risks that could have a material impact on its operations, financial position or results. These risks are described below.

7.1. RISK FACTORS

7.1.1. Financial risks

The main risks associated with the Group's financial instruments are market risk (currency risk, interest rate risk and equity risk), counterparty risk and liquidity risk.

Financial risk monitoring and management are the responsibility of the Corporate Finance department, which is part of the Group Finance department. This team manages all financial exposures in coordination with the Finance departments of the Group's main subsidiaries and is also responsible for generating reports for Senior Management. It has issued good practice guidance governing all financing, investment and hedging operations carried out by Group business units.

The Group uses derivative financial instruments such as interest rate swaps and forward currency transactions to manage its exposure to interest rate risks and currency risks. These instruments are mainly over-the-counter instruments transacted with first-class bank counterparties. Most of these transactions or instruments qualify for hedge accounting.

However, like many other large corporates, the Group has the possibility of taking very small, strictly controlled speculative positions as part of its hedging policy, for more dynamic and flexible management of its interest rate positions.

A breakdown of derivative financial instruments by type of risk and accounting classification is provided in Note 11.5.1 to the 2016 consolidated financial statements.

7.1.1.1. Market risks

Interest rate risk

The Group is exposed to interest rate risk on financial liabilities and its liquidity position. More specifically, the Group's interest-bearing debt (see Note 11.2 to the 2016 consolidated financial statements) exposes it to interest rate fluctuations, which impact its finance costs.

The Group's objective is to optimise borrowing costs by efficiently managing its exposure to the risk of interest rate changes. Its strategy therefore consists of dynamically managing debt by monitoring and, where necessary, adjusting its hedging ratio based on forecast trends in interest rates.

Interest rate risks are managed using various derivative instruments, mainly interest rate swaps. Group financial policy consists of managing finance costs by combining variable and fixed-rate derivatives. Although these instruments do not always qualify for hedge accounting, they are all selected in line with the Group's interest rate risk management policy.

Casino, Guichard-Perrachon debt is mainly composed of fixed-rate bonds (€5,981 million at 31 December 2016 excluding accrued interest). This bond debt may be converted to floating rate using swaps generally set up when the bonds are issued. All of the swaps qualify for hedge accounting.

As of 31 December 2016, Casino, Guichard-Perrachon had a portfolio of 30 interest rate swaps with around a dozen bank counterparties with scaled maturity between 2021 and 2026, representing floating rate exposure on a total notional amount of €3,022 million. As at 31 December 2016, 49% of Casino, Guichard-Perrachon's debt was fixed rate and 51% floating rate.

An analysis of sensitivity to changes in interest rates is provided in Note 11.5.2 to the 2016 consolidated financial statements.

Currency risk

Information about currency risk is provided in the notes to the consolidated financial statements (see Note 11.5.2).

Due to its geographical diversification, the Group is exposed to currency translation risk. In other words, its statement of financial position, income statement, and consequently its financial ratios, are sensitive to changes in exchange rates used to translate the financial statements of foreign subsidiaries outside the eurozone. In 2016, the currencies of the countries in which the Group operates fell significantly against the euro, compared to 2015, with declines in the average rate for the year of 4.0% for the Brazilian real (-15.7% in 2015) and 9.7% for the Colombian peso (-13.0% in 2015). In 2016, the currency effect reduced net sales and trading profit by 3.2% and 4.6%, respectively. Currency risk is not hedged.

The Group is also exposed to transaction risk on transactions denominated in currencies other than the euro. The Group's policy for managing transaction risk consists of hedging highly probable budgeted exposures. These mainly concern purchases made in a currency other than the subsidiary's functional currency, particularly purchases in US dollars hedged by forward currency purchases. Substantially all budgeted purchases are hedged using instruments with the same maturities as the underlying transactions. All financial liabilities denominated in a currency other than the borrower's functional currency are fully hedged through currency derivatives.

An analysis of the sensitivity of net exposure (after hedging) to currency risk is provided in Note 11.5.2 to the 2016 consolidated financial statements.

Equity risk

At 31 December 2016, the Group did not hold any significant interests in listed companies other than its subsidiaries or treasury shares.

The Group may use derivative instruments (*e.g.* total return swaps with no call option, forward contracts and call options) on equities to build a synthetic exposure to the shares of its listed subsidiaries (see Note 11.3.2 to the 2016 consolidated financial statements). The carrying amount of these instruments corresponds to their estimated value as provided by a financial institution on the closing date. These values take account of market data such as exchange rates, share prices and interest rates.

The Group's cash management policy consists of investing solely in money market instruments that are not exposed to equity risk.

Commodity risk

Given the nature of its business, the Group is not exposed to any material commodity risk.

7.1.1.2. Counterparty and credit risk

The Group is exposed to counterparty risks on its operating, short-term investing and interest rate and currency hedging activities. It monitors these risks regularly using several objective indicators, and diversifies its exposure by dealing with the least risky counterparties (based mainly on their credit ratings and their reciprocal commitments with the Group).

The Group's policy for managing customer credit risk consists of checking the financial health of all customers applying for credit. Trade receivables are regularly monitored and the Group's exposure to default risk is therefore not material. Trade receivables are analysed in Note 11.5.3 to the 2016 consolidated financial statements.

The age of overdue receivables that are not qualified as impaired may vary substantially depending on the type of customer, *i.e.* private companies, consumers or public authorities. Provisioning policies are determined on a debtor-by-debtor basis according to customer type. The Group believes that it is not exposed to any material concentration of credit risk.

Regarding credit risk on the Group's other financial assets – mainly comprising cash and cash equivalents, available-for-sale financial assets and certain derivative financial instruments – the Group's exposure associated with the risk of failure by the counterparty to fulfil its obligations is limited, with a maximum exposure corresponding to the accounting value of the instruments. The Group's cash management policy consists of investing cash and cash equivalents with investment-grade counterparties and in investment-grade instruments.

7.1.1.3. Liquidity risk

The Group's liquidity policy is to ensure, to the extent possible, that it always has sufficient liquid assets to settle its liabilities as they fall due, in either normal or impaired market conditions.

The main liquidity risk management methods consist of:

- diversifying sources of financing to include capital markets, private placements, banks (confirmed and unconfirmed facilities), commercial paper programmes and discounting facilities;
- diversifying financing currencies to include the euro, the Group's other functional currencies and the US dollar;
- maintaining at all times confirmed financing facilities that significantly exceed the Group's liabilities;
- limiting annual debt repayments and proactively managing debt maturities;
- managing the average maturity of debt and, where appropriate, replacing facilities before they fall due.

This liquidity analysis is performed both at the Casino, Guichard-Perrachon holding company level (taking into account the funds available in the cash pool managed on behalf of all wholly-owned French companies) and at the level of each of the Group's international subsidiaries.

In addition, the Group sells receivables on a non-recourse basis – without any continuing involvement, within the meaning of IFRS 7 – as well as conducting reverse factoring transactions.

Most of the Group's debt is carried by Casino, Guichard-Perrachon and is not secured by collateral. Financing is managed by the Corporate Finance department. Several subsidiaries (GPA, Monoprix and Éxito) also have their own financing facilities. This financing is not secured by collateral and is not underwritten by Casino (except for GPA loans to BNDES totalling €17 million at 31 December 2016 that are secured by security interests in the financed assets and a guarantee from Wilkes, which is indirectly 50%-owned by Casino and 50% by Éxito).

All subsidiaries submit weekly cash reports to the Group and all new financing facilities require prior approval from the Corporate Finance department.

As at 31 December 2016, the Group's liquidity position comprised:

- undrawn confirmed credit facilities totalling €4,342 million (including €3,759 million for France);
- available cash of €5,750 million.

Casino Guichard-Perrachon has a €9,000 million euro medium-term notes (EMTN) programme. As of 31 December 2016, issuance under this programme totalled €5,981 million.

The Company also has a €2,000 million commercial paper programme. As of 31 December 2016, issuance under the programme amounted to €522 million.

The Group's bank loans and debt issues are subject to the usual *pari passu*, negative pledge and cross default clauses.

In addition, most of Casino, Guichard-Perrachon's bank facilities include a clause providing for immediate repayment in the event of a change of control of the Company.

Casino, Guichard-Perrachon's bond issues (except for two perpetual deeply subordinated notes issues) include a rating trigger that would allow investors to require early repayment if its senior long-term debt were to lose its investment-grade rating (or its non-investment grade rating were to be downgraded) due to a change of control (*i.e.*, due to an investor other than Rallye or a company related to Rallye acquiring over 50% of Casino's voting rights). They also contain a step-up clause whereby the interest rate on Casino, Guichard-Perrachon's senior long-term debt would be increased by 125 bps per year if the credit rating were to be downgraded to non-investment grade.

These bond issues (other than deeply subordinated perpetual notes) have been rated BB+ by Standard & Poor's since 21 March 2016 and BBB- by Fitch Ratings with a negative outlook since 14 December 2016. The downgrade by Standard & Poor's from BBB- to BB+ triggered the step-up coupon. The step-up is gradual and applies to each issue as from the first annual interest period beginning after 21 March 2016. The impacts of this clause are described in Note 2 and Note 11.5.4 to the 2016 consolidated financial statements.

At 31 December 2016, the Company's debt was subject to the following covenants:

Covenant	Debt subject to covenant	Frequency of compliance tests	Ratio at 31 December 2016
Consolidated net financial debt(1)/ consolidated EBITDA(2) < 3.5	▪ €1.2 billion syndicated credit line ▪ USD 1 billion syndicated credit line ▪ Bilateral credit lines totalling €950 million	annually	2.4
Consolidated net financial debt(1)/ consolidated EBITDA(2) < 3.7	▪ Bilateral credit lines totalling €50 million	annually	

(1) *Net financial debt as defined in the loan agreements may differ from net financial debt presented in the consolidated financial statements (Note 11.2). It corresponds to financial liabilities less cash and cash equivalents, as increased or reduced by the net impact of fair value hedges of debt with a positive or negative fair value.*
(2) *EBITDA (earnings before interest, taxes, depreciation and amortisation) corresponds to trading profit plus net depreciation and amortisation expense.*

The Group considers that it will have no difficulty in complying with its covenants over the next twelve months.

Note that Casino, Guichard-Perrachon's bonds and commercial paper are not subject to any financial covenants.

Most of the Group's other loan agreements contain financial covenants and mainly concern GPA, Éxito and Monoprix (see table below).

Subsidiary	Covenant	Frequency of compliance tests	Debt subject to covenant
Monoprix	Net financial debt/EBITDA < 2.5	Annually	▪ €370 million syndicated credit line ▪ Other confirmed credit lines totalling €240 million
GPA(1)	Net financial debt(2) < equity(3) Consolidated net financial debt/consolidated EBITDA < 3.25	Quarterly/ half-yearly/ annually	▪ All bond issues and some bank facilities
ÉXITO	Consolidated net financial debt/consolidated EBITDA < 3.5	Annually	▪ Bank facilities (Note 11.2.3, to the consolidated accounts)

(1) *All of GPA's covenants are based on consolidated indicators.*
(2) *Debt less cash, cash equivalents and receivables.*
(3) *Consolidated equity (attributable to owners of the parent and non-controlling interests).*

These covenants were complied with at 31 December 2016.

The debt repayment schedule at 31 December 2016 (undiscounted principal and accrued interest), is presented in Note 11.5.4 to the consolidated financial statements.

Banque du Groupe Casino's liquidity risk is monitored under the liquidity policy of the CMCIC group (50% joint owner with Casino). The bank's liquidity position is therefore assessed based on CMCIC group standards and early warning indicators, as well as regulatory ratios.

The main objectives of liquidity risk management processes are to:

- ensure that the bank has secure sources of refinancing by preparing monthly projections of cash surpluses and requirements based on a comparison of committed financing facilities and customer loan forecasts;
- gradually bring the bank into line with the new Basel III liquidity ratios by extending the duration of transactions in order to closely match cash flows from assets and liabilities.

At 11.19%, the bank's Tier 1 and CET1 capital adequacy ratios significantly exceed the minimum set by the banking supervisor.

7.1.2. Operational risks

7.1.2.1. Risks related to product procurement and marketing

Competition and economic risks

The Group's stores and E-commerce sites are exposed to fierce competition. Competition is particularly intense in the mature French market. Outside France, the Group's leadership in most markets is under constant attack from international and local retailers that are seeking to strengthen their positions. The Group may be forced to cut selling prices in order to protect its market shares, and this may have a negative impact on its results. The competitive environment and related trends are monitored and taken into account for each country and banner, mainly through efficient pricing management and promotional and customer loyalty initiatives, as well as by identifying and carrying out asset development or purchase and sale transactions.

The Group's sales, trading profit and cash flow depend on the economic environment in its host countries. An economic downturn in one or several markets, or in all of its markets may negatively impact its financial position, results or ability to implement strategic decisions. This is currently the case in Brazil, where Via Varejo has implemented large-scale action plans to optimise the store network and focus on the best performing range of products, while also reducing in-store and corporate costs.

Product quality, conformity and safety risks

Guaranteeing product safety and complying with health and safety standards in stores is a major challenge that can have far-reaching consequences on the Group's reputation and financial performance, and breaches in this area may even result in liability claims.

From product specifications to store operations, an end-to-end system ensures that the Group sells safe, healthy and high-quality products. The Group Quality department coordinates the actions of the various local Quality departments, which are responsible for guaranteeing the quality of private-label products and ensuring that all products sold are safe for the consumer. These exchanges mainly involve sharing best practices and procedures (product quality and safety policy, traceability procedure, supplier audits, crisis management, product removal and recall, etc.). They led to the implementation of a Group Quality Charter distributed to all business units in 2012.

Additional information is provided in the CSR report included in this document and in the section of the Chairman's report on internal control and risk management procedures (General approach to internal control/ Merchandise management) (see section 7.2 below).

The Group's E-commerce units with marketplace activities are exposed to reputational risk and possibly also liability risk which could have an impact on the Group's results in the event that their marketplace merchants sell sub-standard products.

Product marketing risks

The Group's banners in France and in international markets have affiliate and franchise networks. These networks represented 52% of stores and 19% of retail space at 31 December 2016 and mainly concerned the supermarket (Casino, Franprix and Monoprix), discount (Leader Price and Surtimax) and convenience (Vival and Spar) networks. Thus, the Group is exposed to reputational risk in the event that franchisees' practices do not comply with the applicable regulations or with the Group's standards or values, and also to default risk. Each network maintains close relations with its franchisees/affiliates, through regular contact with and support from the networks' sales advisors. Credit risk is managed by each of the networks through regular monitoring of outstanding payments.

Risks related to trademarks and banners

The Group owns substantially all of its trademarks and is not dependent on any specific patent or licence, except for the "Spar" trademark which is licensed to the Group for use in France. The licence was last renewed in 2009 for a further ten years. In France, 870 stores are operated under this banner, including 750 franchise stores.

The Group proactively protects all of the trademarks that it uses or distributes and does not believe that any potential infringement of trademark regulations would have a material adverse effect on its operations and/or results.

Supplier risks

The Group is not dependent on any specific supply, manufacturing or sales contracts. Casino deals with over 30,000 suppliers.

Products sold by the Group may be sourced from suppliers based in countries that present risks of non-compliance with the laws and standards on working conditions in manufacturing environments, or with the values listed in the Universal Declaration of Human Rights and the ILO's Declaration on Fundamental Principles and Rights at Work. By pledging to uphold the United Nations Global Compact since 2009, the Group has regularly reaffirmed its commitment to ensuring that human rights are protected and promoted in all of its international subsidiaries and by all of its suppliers. The Group has drawn up a Suppliers Ethics Charter setting out its commitment to promoting responsible trade. Suppliers that manufacture private-label products for the Group are required to sign the charter, reflecting their agreement to abide by the principles set out in the Universal Declaration of Human Rights, the ILO's Declaration on Fundamental Principles and Right at Work and other relevant ILO conventions. Suppliers also agree to undergo audits to make sure that they comply with their commitments in accordance with the conditions set out in Casino's "Supplier Compliance Programme Manual".

The Group's social responsibility approach is described in more detail in section 8.4.1 of the CSR report.

The Group has also developed several initiatives in France aimed at small and medium-sized enterprises (SMEs), such as appointing a coordinator in charge of facilitating relations between the Group and SMEs. It also promotes local producers and food production channels through long-term partnerships and best agricultural practices.

The initiatives taken by the Group to support suppliers in their development are described in section 8.4.2 of the CSR report.

Logistics risks

The Group's stores and E-commerce businesses have set up bespoke supply chains to re-stock integrated stores and franchisees and to deliver goods ordered online to retail customers. Changes in supply chain organisation or the failure of one or more logistics processes could lead to temporary or prolonged business disruption and have an adverse effect on the Group's image and financial results.

Supply chains are organised at local (country) level rather than internationally, and they may differ depending on the business.

For example, the logistics network operated in France by the Group's specialised subsidiary Easydis makes deliveries from 22 sites throughout the country, representing some 900,000 sq.m. of warehousing, to all of the various banners except for Monoprix and Franprix-Leader Price which have their own logistics networks.

Goods are delivered to the point of sale or, in the case of online orders, to the pick-up point or customer's home by transport companies and courier services such as La Poste. Failure by these contractors to fulfil their delivery obligations may have an adverse effect on the Group's image and financial results.

Information systems and data protection risks

The Group is dependent on its technical infrastructure and computer applications for all aspects of the day-to-day management of the business, including procurement, purchasing, inward and outward deliveries of goods, online sales, invoicing, reporting and consolidation, as well as electronic data interchange and access to internal information.

Information systems protection and uptime are therefore considered of prime importance. The Group runs, directly or indirectly, an extensive array of information systems (servers, networks, applications, websites and databases) that are essential to the operation and efficient management of its activities. Any breach of systems integrity, for example due to a technical failure or cyber-attack, could have a serious adverse effect on the Group's business operations and assets. A hardware or software failure, or failure by a service provider (especially a hosting company), interruption of mission-critical IT services or a data security breach could have an unfavourable impact on the Group, particularly the E-commerce business which is highly dependent on reliable and secure computer systems.

The Group implements comprehensive measures in each business unit to protect sensitive data and ensure business continuity.

7.1.2.2. Other operational risks

Fraud, corruption and theft risks

Incidences of fraud, theft and corruption may have a negative impact on the Group's results and image. The various Group business units deploy internal control processes aimed at limiting the occurrence of these risks.

The Group seeks to operate its businesses in accordance with ethical standards and has established an internal control framework along with internal control tools and systems tailored to its businesses and corporate culture. Details of the Group's anti-corruption policies and systems to flag up possible breaches of ethical standards are presented in the CSR report.

The Group's anti-corruption programme is managed by the business units' Senior Management, with support from the Group's Internal Control department which helps them develop action plans as part of its initiative to raise awareness of internal control issues among all business units.

Geographic risks

Some of the Group's businesses are exposed to risks and uncertainties arising from trading in countries that may experience or have recently experienced periods of economic or political instability, especially in Latin America. As of end-2016, international operations accounted for almost 42% of consolidated net sales. The occurrence of geographic risks may affect the Group's business operations and, potentially, its financial position and the value of its underlying assets including goodwill (the breakdown of goodwill by business and geographical segment is provided in Note 10.1 to the consolidated financial statements at 31 December 2016 and goodwill impairment losses are disclosed in Note 10.5.2). The Group draws up action plans and implements measures to mitigate the impacts of these risks and ensure business continuity.

Human resources risks

The skills, drive, quality and engagement of Group employees play a significant role in developing the business. If the Group were to fail to identify, attract, retain and train skilled employees, especially in emerging economies and/or in the Group's principal markets, the development of its businesses and results could be affected.

The Group addresses this risk by developing a nurturing and participative working environment and encouraging employees to adopt its values. As an engaged employer, the Group is deploying various initiatives aimed at fighting all forms of discrimination, promoting diversity, equal opportunity and gender equality and improving workplace health and safety. Additional information is provided in the CSR report and in the section of the Chairman's report on internal control and risk management procedures (General principles of internal control/Human resources management processes) (see section 7.2 below).

Climate change and other environmental risks

The Group may be exposed to climate change risks that may have a direct or indirect impact on its businesses, assets and employees and possible consequences on its financial position. The main climate change risk identified as potentially having a material impact on the Group's activities is the increase in extreme weather events such as the 100-year flood in France (particularly Paris), cyclones in Reunion Island, and drought in Brazil and Argentina. Not only could an increase in the occurrence of such events have direct consequences for the Group's activity, it could also have an indirect impact such as an increase in raw material prices, fewer seasonal product sales and a rise in energy prices. The Group draws up action plans and implements measures to mitigate the impacts of these risks and ensure business continuity (see in particular section 8.2.4 of the CSR report).

The Group's low-carbon strategy to combat global warming is described in section 8.2.4 of the CSR report.

The Group's sustainable development policy is implemented by a dedicated organisation created in 2002. As an increasingly global organisation, in 2009 Casino pledged to uphold the United Nations Global Compact. A Group CSR department was set up in 2010 with the aim, in particular, of accelerating the deployment of corporate social responsibility initiatives among the French and international subsidiaries.

The Group's 264 service stations in France, 68 in Brazil and 22 in Colombia are subject to regular strict inspections. A ground pollution prevention plan has been launched in France, comprising sub-soil and groundwater surveys and continuous surveillance of all underground structures. Service stations outside France are also subject to monitoring and inspection procedures.

Climate and environmental risks and environmental management procedures are described in the CSR report below.

7.1.3. Legal risks

Compliance risks

Due to the nature of its businesses and international footprint, the Group is subject to a wide variety of local laws and regulations, including labour, competition, distribution, consumer and town planning laws, company law, securities laws, and public health and environmental laws. Changes in these laws and regulations, particularly if they lead to more rigorous, stepped up obligations, investigations, inquiries and controls, as well as potentially applicable penalties, could have a negative impact on the Group and its results.

Both in France and abroad, the Group is required to follow health and safety regulations and other regulations governing the operation of establishments open to the public, notably health and safety regulations, and classified facilities (service stations), as well as product compliance and safety regulations.

In addition, administrative approvals are required to open new stores and extend existing ones.

In the various host countries, expansion through bolt-on acquisitions may be subject to approval by the local competition authorities. One condition of such approval may be the sale of certain assets in a commitment procedure. This was the case, for example, of the acquisition of Monoprix in 2013 which was authorised only after Casino agreed to sell 58 other stores representing a total retail area of some 21,000 sq.m. and less than 1% of the Group's net sales in France. Similarly, in Colombia, Éxito's buyout of Super Inter in 2014 was authorised by the Colombian competition authority in subject to a commitment to sell four Super Inter stores.

Five of the Group's subsidiaries are listed on stock exchanges and are subject to securities laws and regulations in the listing country. For example, Companhia Brasileira de Distribuçao – CBD (Brazil) is listed in the United States and is therefore also required to comply with the Sarbanes-Oxley Act.

Moreover, some of the Group's businesses are subject to specific regulations, notably, in France, Banque du Groupe Casino (banking and personal finance), Cdiscount (E-commerce), Sudéco (real estate), Floréal and Casino Carburants (service stations) and L'Immoibilière Groupe Casino and GreenYellow (solar energy).

The necessary legal structures and processes have been set up at the appropriate levels to ensure compliance with these regulations.

Tax and customs risks

The Group is required to comply with the rules applicable in its host countries to the industries in which its various business units operate. Identifying, monitoring, managing and controlling tax risks are the responsibility of the Group Tax department and the tax departments of the various business units.

The Group is subject to periodic tax audits in France and in its other host countries. Provision is made for all accepted reassessments. Contested reassessments are provided for on a case-by-case basis, according to estimates taking into account the risk of an unfavourable outcome of legal actions and appeals engaged.

Tax risks at GPA are discussed in Note 13.2 to the consolidated financial statements at 31 December 2016.

Claims and litigation

In the normal course of its business, the Group is involved in various legal, administrative and arbitration proceedings and is subject to controls by administrative and regulatory authorities. Provisions are set aside to cover these proceedings when (i) the Group has a legal, contractual or constructive obligation towards a third party at the year-end; (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (iii) the amount of the obligation can be reliably estimated.

Information on outstanding claims and litigation is provided in Note 13 to the consolidated financial statements at 31 December 2016.

As of the Registration Document filing date, the Company is not and has not been involved in any other legal, arbitration or administrative proceedings (including any such proceedings that are pending or threatened of which the Company is aware) which may have, or have had, during the previous 12 months, a material adverse effect on the financial position or profitability of the Company and/or the Group.

- Disputes between Casino and the Baud family, formerly 50/50 shareholders of Geimex, owner of the Leader Price trademark internationally, specifically concerned the sale of Leader Price Polska by Casino in 2006 and the Baud family's activities in Switzerland. The commercial and criminal proceedings have now been resolved. On 25 May 2016, Casino and the Baud family reached a settlement putting an end to all the legal actions between them since 2007 and setting out the terms of Casino's acquisition of the Baud family's 50% interest in Geimex.
- In June 2009, GPA acquired the controlling block in Globex Utilidades SA, a leading retailer of electronics and home appliances under the "Ponto Frio" banner. The former majority shareholder (Morzan Empreendimentos) initiated an arbitration proceeding with the International Chamber of Commerce on 30 May 2012, considering that GPA and Wilkes (GPA's ultimate holding company) had failed to comply with the contractual terms regarding payment of a portion of the purchase price in GPA shares.

  GPA and Wilkes believe that the claim is without merit.

  No provision was booked for the Morzan Empreendimentos claim.

  However, contrary to all expectations and the opinions of the defendants' legal counsels, in a ruling handed down on 14 August 2015, the arbitration board accepted the claim and declared GPA and Wilkes jointly and severally liable for the payment to Morzan Empreendimentos of BRL 212 million in damages plus interest for the period until full payment was made.

  On 17 November 2015, GPA and Wilkes lodged an appeal with the Paris Court of Appeal (without a stay of execution) to have the ruling overturned. No decision in the matter is expected until 2018.

  The ruling was executed on April 2016 with the payment of damages in an amount of BRL 464 million.
- Following the actions and distribution by Muddy Waters, while trading was in progress on 17 December 2015, of a report containing grossly untrue allegations about the Group, triggering an abrupt, very steep fall in the Casino share price, the Company immediately asked France's securities regulator, the AMF, to conduct an inquiry, impose a penalty and prevent such activities from occurring again.
- Three requests for class action lawsuits were launched in the United States by individual shareholders on 15, 20 and 22 January 2016 against Cnova NV, some of its current and former senior managers and directors and the banks that underwrote its IPO on NASDAQ in November 2014. The plaintiffs allege certain breaches of US securities laws, particularly with regard to the quality of financial information provided in Cnova NV's IPO prospectus. The three actions were joined in June 2016 and the resulting suit brought before the Federal Court of the Southern District of New York. These cases typically take a long time to be resolved and it is still too early at this stage to determine whether a loss will be incurred and, if so, for what amount. Cnova NV has insurance cover for this type of situation.
- On 8 April 2016, an action was brought against Distribution Casino France (DCF) in the Paris Commercial Court by Franck Falletta and the companies of the Sunpadis group, which is now in liquidation, based on the allegation that a partnership agreement signed in 2011 to develop selling areas in Polynesia was not executed. The claimants are seeking damages of almost €82 million. DCF considers that the case is without merit and intends to take all necessary legal measures to refute the allegations. In addition, DCF has lodged a criminal complaint against Franck Falletta in a case opened by the Criminal Court of Papeete.
- On 28 February 2017, the French Ministry of the Economy, represented by the Department of Competition Policy, Consumer Affairs and Fraud Control (DGCCRF), brought an action against Casino in the Paris Commercial Court. The case involves a series of credit notes totalling €20.7 million issued in 2013 and 2014 by 41 suppliers. The DGCCRF is seeking repayment of this sum to the suppliers concerned together with a fine of €2 million. Casino claims that these credit notes are perfectly lawful and therefore intends to challenge the grounds for this action.

7.2. INTERNAL CONTROL AND RISK MANAGEMENT

7.2.1. Organisation of and general approach to internal control and risk management

7.2.1.1. Standards

The Group's internal control and risk management system is based on the internal control and risk management framework published by the *Autorité des marchés financiers* ("the AMF Framework"). The system's organisation and procedures comply with the general principles described in the AMF Framework, the related internal control and risk management guidelines dated January 2007 and the updated risk management guidelines dated July 2010.

This report is based on interviews, reviews of audit reports and responses to AMF questionnaires and internal questionnaires designed to identify all components of the Group's internal control and risk management system.

The report was presented to the Audit Committee for review and comment on 1 March 2017 and was approved by the Board of Directors of Casino, Guichard-Perrachon ("the Company") on 6 March 2017, as required by law.

It also refers to the 17 principles of effective internal control of the Committee of Sponsoring Organizations of the Treadway Commission ("COSO Framework") published in 2013.

7.2.1.2. Scope

The Group's risk management and internal control systems as described in this report are those applicable to the parent company and to its controlled subsidiaries within the meaning of Article L. 233-1 of the French Commercial Code (*Code de commerce*).

The Group's five listed subsidiaries, Intexa in France and Éxito, GPA, Cnova and Via Varejo outside France, are also subject to various internal control and risk management obligations. Companhia Brasileira de Distribuçao (GPA), listed on the NYSE, and Cnova NV, listed on the NASDAQ, are additionally required to comply with the Sarbanes-Oxley Act.

7.2.1.3. Parties involved in risk management and internal control

Senior Management, *via* the Executive Committee, is responsible for defining, designing and implementing the risk management and internal control system.

The Company's Board of Directors is informed of the system's key features. The Board of Directors has set up an Audit Committee, whose composition, role and work in 2016 are described in section 5.5.2 Committees of the Board of Directors – Audit Committee.

Under the responsibility of the Board of Directors, the Audit Committee's role is chiefly to supervise the preparation and control of accounting and financial information, which includes obtaining assurance about the effectiveness of the internal control and risk management systems. It periodically reviews internal control procedures and, more generally, audit procedures. It reviews all facts or events that may have a significant impact on the position of the Company or its subsidiaries in terms of commitments and/or risks. The Committee is also responsible for checking that the Group has the appropriate resources and structures to identify, detect and prevent risks, errors or irregularities in the management of its business. As such, it maintains continuous oversight of the risk management and internal control system.

The Charters of the Board of Directors and the Audit Committee clearly describe the Committee's duties which were extended in 2015 to include the systematic review of material agreements between related parties prior to their signature.

The Boards of most of the Group's listed subsidiaries have set up an Audit Committee or equivalent structure to assist the Board of Directors in these areas and play a key role in the Group's internal control and risk management system. The listed subsidiaries have also voluntarily adopted charters dealing with the prior approval of related-party agreements.

Within the Group Internal Audit and Internal Control department, the Internal Control unit is responsible for encouraging implementation of best practices in the area of internal control.

Its duties mainly include:

- helping managers to identify the major risks faced by Group units;
- drafting general procedures and risk matrices defining the key controls to be implemented;
- assisting operating and support units in improving and optimising existing or planned risk management and internal control systems;
- analysing one-off issues flagged up by the operating and support units involving internal control weaknesses or significant process or information system upgrades.

Within the Group, each unit is responsible for defining and implementing its own internal control system (see paragraph 3 below). Group Internal Control works with the local internal controllers in the various business units, forming a network of around 50 dedicated internal control staff.

Group Internal Control also deploys initiatives to raise awareness of the risks of fraud and corruption, encouraging the managers of each business unit to continuously strengthen the management of these risks. For example, a major Group-wide project was initiated in the second half of 2016 with the aim of improving prevention and detection of fraud. It involved mapping fraud risks related to the Group's operations and drilling down the risk mapping exercise to each of the French and international business units. The project will continue in 2017 by identifying the existing internal control activities designed to combat fraud, initially in the largest business units, and updating the risk map based on the findings of internal audit assignments.

The Group's Insurance department liaises with the operating and support units to help identify and assess insurable risks. It participates in risk mapping and reviews of the liability and insurance issues associated with calls for tenders, major contracts and development transactions. It defines and coordinates insurance policies in order to consolidate the Group's vision of risks and obtain improved coverage at lower premiums. In 2016, the Group took further steps to streamline and centralise its insurance programmes by purchasing master policies. The disposal of Big C in Asia reduced the exposure of the Group's insurance programmes, especially to natural delivery and political risk. The Insurance department is also responsible for managing or overseeing litigation on operational matters with the Group Legal department.

The Group has purchased several global and centralised master insurance policies. Where permitted under local laws and regulations, risks are insured directly under the master policies. Alternatively, the master policies may increase or extend the limits or conditions of cover available under policies purchased locally.

Local insurance policies for construction activities, vehicle fleets or workplace accidents, for example, are purchased in the host country in coordination with the Group Insurance department and local insurance advisers.

The Risk Prevention Committee participates in the company-wide risk management process and ensures that a consistent overall process is in place to prevent risks that could have a major impact on the implementation of the Group's strategy, the achievement of its objectives or, more generally, its continuity.

The committee meets every three months with representatives of the Executive Committee, the main corporate departments (Legal, Human Resources, Finance, Internal Audit and Internal Control) and operational divisions (Hypermarkets, Supermarkets, Supply Chain, Group Purchasing, Property Development).

It works closely with the Internal Audit and Internal Control department and with the Legal Risks department, which also plays an important role in internal control alongside the Group Legal department, and also communicates with subsidiaries that have their own Risk Prevention Committees (Vindémia, Libertad and Monoprix).

The Internal Audit unit of the Group Internal Audit and Internal Control department and the local Internal Audit units are also involved in overseeing internal control. Their roles and responsibilities are described in the Monitoring of Internal Control section of this report.

Lastly, a Group Crisis Management unit has been set up to manage crises affecting employees, consumers, the Company's image and its assets. The unit's members include representatives of Senior Management (the Chairman and Chief Executive Officer depending on the case, and the Human Resources Director) and internal staff (heads of the branches, business lines, or units concerned, heads of the Communication, Legal and Insurance departments) or external experts (specialists, lawyers, etc.) as needed to deal effectively with the crisis.

7.2.2. General risk management principles

7.2.2.1. Definition of risk management

The risk management system encompasses a set of resources, behaviours, procedures and actions adapted to the Group's specific characteristics that enables Senior Management to effectively detect and keep risks at acceptable levels for the Company if not eliminate them altogether. Taking advantage of opportunities and developing the business in an inherently uncertain environment necessarily involves a certain amount of risk-taking.

Employees, managers and department heads are responsible for ensuring that risk management and internal control systems operate efficiently while continuously seeking to improve them.

7.2.2.2. Risk management objectives

The key objectives of risk management are to help:

- create and preserve the Company's value, assets and reputation;
- secure decision-making processes and the processes that help the Company meet its objectives;
- ensure that the Company's actions are consistent with its values;
- promote a shared vision of the main risks among all employees.

7.2.2.3. Risk management process

Within the Casino Group, risk management is decentralised, with the subsidiaries' Management Committees having responsibility for identifying, assessing and dealing with their main risks under the supervision of the parent company's Senior Management.

Risk identification

The Group is faced with various types of risks such as market risk, operational risk and legal risk. These risks are described in section 7.1 – Risk Factors.

Since 2014, the Executive Committee is responsible for defining the major inherent risks at Group level and the business units' Management Committees are responsible for identifying their own specific major risks.

In 2015, major risks at the parent company level were reviewed by a cross-functional working group made up of representatives of the Finance, Internal Audit and Internal Control, Insurance, Legal, Information Systems Security and Group Human Resources departments. At the business unit level, each Management Committee was asked to identify and analyse their ten major risks. For each risk, this involved:

- assessing the inherent and residual risk;
- performing a correlation analysis with the main causes and consequences;
- recommending ways of addressing the risk in order to improve internal control (with four options: conservation, mitigation, transfer or avoidance – see below);
- drawing up formal action plans to reduce the level of residual risk.

During the fourth quarter of 2016, the Internal Control department monitored implementation of the action plans drawn up by the eight largest business units to strengthen the effectiveness of their internal control system for managing these risks.

The Internal Control department and Group Insurance department have developed methods and tools to assist the business units in identifying their ten major risks. These include:

- a risk catalogue listing the major risks identified by the Group Executive Committee, which not only facilitates the identification process but also helps to ensure that all business units describe the same risks in the same way. Business units may include in their Top 10 any major risk that is not listed in the catalogue.
- criteria and rules for determining the probability and impact of the risks, so as to perform assessments of both the inherent risk (before the effects of any existing internal controls) and the residual risk.

For all business units, risk checklists are used to manage and track the implementation of action plans.

Risk assessment

The risks identified by each business unit's Management Committee are analysed and quantified by the business unit and the resulting risk map is used as the basis for the Group Internal Control department's work. This department's duties and activities are described in the Organisation section of this report.

Risks are reviewed regularly during Group Internal Audit assignments. The internal auditors evaluate them independently according to their impact and likelihood of occurrence, taking into account existing internal controls.

Risk treatment

The control activities described below seek to reduce the risks identified by the Management of each business unit and at Group level, and whose occurrence may prevent the Group from achieving its objectives.

The various risk identification and assessment tools are monitored by each business unit, which develops action plans designed to reduce these risks based on previously-defined risk mitigation procedures. The four possible ways in which risks can be treated include:

- risk mitigation: measures are taken to mitigate the probability and/or impact of the risk; the Group Internal Control department may be requested by the business unit to implement necessary means to mitigate the risks;
- risk conservation: no measures are taken to change the probability and impact of the risk; it is accepted and assumed by Senior Management;
- risk avoidance: the activities giving rise to the risk are abandoned;
- risk transfer: the probability or impact of the risk is reduced by transferring or sharing part of the risk, for example on the insurance market.

The Group Internal Audit and Internal Control department assesses the risks inherent in the business unit's activities and the implementation of the associated internal controls, in order to identify residual risks which may be potentially material. Action plans are recommended to control these residual risks. The internal auditors subsequently check that these recommendations have been implemented and the risks reduced.

Each business unit is responsible for organising a business continuity plan to deal with crisis risk and for setting up a process for reporting critical information and managing potentially harmful events. Local management may call on the Group Crisis Management unit for support.

7.2.3. General internal control principles

7.2.3.1. Definition of internal control

The internal control system is defined and implemented under the responsibility of each business unit. This organisation allows them to participate in controlling their activities, while ensuring operational efficiency and efficient use of resources. It also helps to ensure that the material risks that may affect a business unit's ability to achieve its objectives are dealt with appropriately.

7.2.3.2. Internal control objectives

The AMF Framework states that internal control aims to provide reasonable assurance concerning:

- compliance with laws and regulations;
- compliance with Senior Management instructions and guidelines;
- efficient execution of processes, particularly for the safeguarding of assets;
- the reliability of financial information.

However, as underlined by the AMF Framework, no matter how well-designed or well-applied, no internal control system can provide absolute assurance that the Group will achieve its objectives. All internal control systems have inherent limitations, due notably to uncertain external events, the exercise of human judgment and the breakdowns that can occur because of human failures such as simple errors.

7.2.3.3. Internal control environment

Because of its diverse business base and broad international reach, the Group has adopted a decentralised structure that takes better account of each business unit's local features and makes the decision-making process more efficient.

Each business unit has its own support functions, which work in cooperation with the corresponding Group department.

Setting and communicating objectives

Strategic and financial objectives are set by the Company's Senior Management in a three-year business plan which is reviewed every year. The first year of the plan constitutes the annual budget.

The business plan process is led by the Strategic Planning department, which is responsible for:

- coordinating preparation of the business units' business plans and checking that they are consistent and are aligned with the Group's strategy;
- liaising with the business units' Finance departments to check that major cash inflows and outflows are balanced, particularly capital expenditure, financial resource allocation and debt management transactions;
- with the Group Finance department and its Budget Control unit, monitoring actual performance against the business plan and updating the business plan to take into account actual results;

- contributing, with the Executive Committee and the business or support units concerned, to the preparation of the main corrective action plans and monitoring their implementation.

Rules of conduct and integrity

In 2011, the Casino Group published a Group Ethics Charter comprising nine fundamental ethical principles outlining the company's commitments to its stakeholders. The Charter applies to all Group subsidiaries and covers the commitments made under the United Nations Global Compact in 2009. It is included in the managerial attitudes and behaviours guide distributed to all management teams.

Implementation of the Group's anti-corruption programme is the responsibility of each unit's Senior Management, supported by the Group Internal Control department, where necessary, to strengthen their systems.

In 2015, as part of a continuous improvement process, a cross-functional working group comprising representatives from several Group departments was created to reinforce the initiatives and systems put in place by the Group to combat corruption in France and internationally. An action plan was drawn up and presented regularly to the Audit Committee in 2016. It is now part of the programme to comply with the anti-corruption system provided for in French law No. 2016-1691 on transparency, anti-corruption and business reform. The committee reported to the Board of Directors on the policies and action plans deployed and will continue to monitor them during 2017.

In 2016, the new actions rolled out in France mainly involved setting up:

- a Group Ethics Committee comprising the Chairman of the Risk Prevention Committee, the Head of Group CSR and Training, the Secretary of the parent company's Board of Directors, the Head of Group Internal Audit and Internal Control and the Head of Legal Risks. The Committee's role is to define a conduct and ethics framework and the associated procedures, oversee the implementation of a prevention system that meets legal requirements as well as the process for dealing with reported incidents, and supervise progress on remedial plans. The Ethics Committee is also responsible for monitoring implementation of Sapin 2 Act requirements through a Steering Committee that meets twice monthly;
- a network of ethics officers covering all the French business units, whose role is to promote the Group's policy as set out in the Ethics Charter and Code of Conduct and to ensure that everyone understands the corresponding principles and values, answer questions, receive, analyse and deal with alerts and, depending on their relevance, report them to the Group Ethics Committee. This network will be deployed in 2017;
- an e-learning training course to explain the Group's ethics and anti-corruption policy, which was made available online in 2016 and completed by 4,500 employees in France;
- a system for displaying the principles of the Ethics Charter on all of the Group's sites.

All of the Group's international business units have:

- Ethics or Conduct codes;
- whistleblowing systems;
- dedicated committees for monitoring and dealing with alerts received.

Responsibilities and powers

Segregation of duties

Each business unit is responsible for organising its structure in such a way as to ensure proper segregation of duties. The structure is set out in a formal organisation chart. Organisation charts for the main business units and support functions are available on the Company's intranet.

Delegations of powers and responsibility

The business units' Legal and Human Resources departments manage and supervise the process of delegating signature powers and responsibilities in accordance with local law. The Legal department is responsible for issuing guidelines for delegations and defining their scope. The Human Resources department implements and oversees the application of these guidelines.

Human resources policy

The Group's human resources policy aims to ensure an appropriate allocation of resources within the Group through structured recruitment and careers management policies designed to help achieve the objectives set by the parent company.

The Group also has specific training policies, particularly in business management, personal development and the Group's various business areas.

The business units base their compensation policies on an analysis of market practices and on the principle of internal pay parity, in order to motivate employees.

Managerial practices are assessed each year during the annual appraisal process to ensure that they conform with the Group's set of guidelines for managerial attitudes and behaviour. The results contribute to the determination of part of the management bonuses.

In 2016, various company and Group agreements were signed, including the agreement on working hours, employee benefits and working conditions signed in France in April, which introduced significant improvements in the areas of gender equality and work-life balance, the July addendum to the Group agreement on time savings accounts (CET) allowing employees to exchange the value of hours accumulated in their time savings accounts for personal service vouchers ("CESU"), and an addendum to the Group agreement on ongoing professional training guaranteeing the vesting rules and use of personal training accounts.

Information systems

The Group has developed a target model based primarily on two well-known management software suites available on the market, one for administrative functions and the other for sales functions. The model also encompasses IT standards and governance frameworks to ensure that the information systems are geared to the Group's current and future objectives. The dissemination of these best practices also helps to enhance systems security (hardware and software), data storage, secure access management and business continuity.

Following the work of the Group Internal Audit department on data security management in the various business units in 2015, 15 golden cybercrime prevention rules were introduced to enhance the protection of information systems and data security. A system has been set up to support and monitor their deployment in all business units in cooperation with the Group Information Systems Security department.

In early 2017, a Steering Committee was set up to monitor progress on work undertaken to adopt the new regulatory requirements set out in the European General Data Protection Regulation. It meets every two weeks.

The aim is to make the Group a responsible and engaged leader in the digital economy and in personal data protection.

A progress report will be drawn up regularly and presented to the Risk Prevention Committee.

Operating procedures and methods

The Group has internal control procedures for its significant business processes. These include Accounting (four processes – monitoring standards; recording transactions; closing and preparing the parent company financial statements; and preparing the consolidated financial statements – sub-divided into 17 procedures) and Purchasing (five processes – assortment definition; identifying, negotiating with and selecting suppliers; monitoring contractual commitments; quality, hygiene, safety and environment; and general administrative services – sub-divided into 26 procedures). They describe the objectives of the processes, the departments and activities concerned and the guidelines to be followed. These procedures are published on the intranet sites and other documentary databases of the various Group business units.

Dissemination of information

The Group's information systems, intranet sites, databases and other communication media are used not only to communicate information but also to centralise and circulate procedures applicable to the various activities.

The timeframe for providing information is designed to give the parties involved sufficient time to react appropriately.

A specific procedure sets out what to do in situations likely to lead to a crisis at Group level. A reporting tool is used by a number of business units for prompt reporting to Senior Management.

All Group employees are bound by a duty of confidentiality covering any information used in the course of their work. The Company complies with the regulations on inside information and with recommendations issued by the stock market authorities regarding the management of risks related to the possession, disclosure and use of inside information.

A Stock Market Code of Conduct was adopted in the first quarter of 2017. Its content is described in section 5.5.5 – Code of Conduct – Prevention of Insider Trading. It sets out the applicable regulations and the risk prevention measures implemented by the Company, in particular the black-out periods prior to publication of the Group's results during which the relevant employees may not trade in the Company's shares. A Stock Market Conduct Committee has been set up to spread information about and monitor compliance with the provisions of the code.

7.2.3.4. Internal control activities

Compliance with laws and regulations

The control activities described below are designed to mitigate the legal risks described in section 7.1 – Risk Factors.

Organisation

The Group Legal department's role is to ensure that the Group's operations comply with the applicable laws and regulations. It reports to Senior Management on all major legal matters and helps to share and spread good practices among the various business units.

Each consolidated company has its own legal department that oversees compliance with applicable laws and regulations and reports to the Group Legal Counsel.

Tax matters are dealt with by a department reporting to the Group's Chief Financial Officer. Its main role is to provide support to the Group's business units in France and its foreign subsidiaries. It monitors regulatory changes and developments in all types of taxes and duties affecting the Group.

More generally, the Tax department is responsible for spreading, disseminating and implementing the tax practices it considers appropriate throughout the Group, with the support of the Finance department. It also monitors tax audits and disputes in France and abroad. However, these audits and disputes are managed at the country level. The Tax department may be assisted by local tax advisors in order to better understand the position in the host country concerned.

It receives Group reporting documents (France and international) updated on an annual or half-yearly basis in order to fulfil its role.

The larger business units or subsidiaries may have their own dedicated tax units, failing which a tax correspondent is designated.

Legal intelligence

Legal intelligence is handled in each entity by legal experts who may be assisted by external law firms if necessary.

The legal teams have access to databases and specialist reviews to keep them abreast of developments on a daily basis.

Legal intelligence in labour law is the responsibility of the Human Resources and Legal departments.

Transcribing legislation into internal rules

The legal team is responsible for ensuring that the business units are familiar with and comply with the laws and regulations that are applicable to them. To do this, it prepares and circulates opinions, standard procedures and memos on the Group's legal and regulatory obligations.

Informing and training staff on relevant regulations

Training programmes for managers and/or operations teams on current issues or specific points are regularly organised by the legal teams, with the assistance of external experts if necessary.

The Group Legal department and Legal Risks department work closely with the Risk Prevention Committee to develop and implement action plans to raise awareness about legal risks among the Group's operational and support teams, by distributing procedures and providing training to employees.

Regulatory compliance controls

The heads of business units and their representatives are responsible for ensuring compliance with the applicable laws. Compliance checks are the responsibility of the internal audit teams. Disputes and litigation are monitored by each legal unit assisted by external experts and/or the Legal Risks department, if necessary. The French business units send monthly reports on developments in disputes and litigation to the Group Legal department.

Compliance with Senior Management instructions and guidance

Circulation of Senior Management instructions and guidance

In France, the Chief Executives of the business units are responsible for deploying the Group's strategy, whilst in the international business units, responsibility for implementation lies with the Country Managers, supported by the International Coordination department. This department is responsible for monitoring the units' monthly results, preparing the top management succession plans, implementing synergies and sharing best practices between business units, supported by the Development and Holdings department on external expansion issues.

Monitoring compliance with management instructions and guidance

A large number of key performance indicators are used to monitor compliance with Senior Management instructions and guidance, and to measure any deviations from its objectives. The frequency of indicator reporting depends on the type of information concerned. The financial reporting systems are used to monitor performance on a consolidated and business unit basis.

Senior Management receives a monthly management report prepared by Group Budget Control, presenting the key performance and management indicators, together with consolidated financial statements and financial statements for each business unit. It also includes comments on performance compared to objectives and a report on the main projects.

The business units' management reporting packages are all prepared according to a standard format based on IFRS so that they can easily be consolidated by Group Budget Control. The consolidated reports are used to manage the business, and also to analyse actual-to-budget and actual-to-prior year variances.

Oversight of the business units' performance is strengthened by formal reviews of the monthly reports conducted between the business units' Chief Executives and Group Senior Management. Group Budget Control also submits regular reports to Senior Management on its analysis work.

Monthly working capital reviews are organised between each business unit's Finance department and Group Budget Control.

The comprehensive management information reported to Senior Management is used to track actual performance against annual objectives and ensure that corrective action is taken whenever necessary.

Group Budget Control may also provide support and assistance to the business units by analysing their position and making recommendations.

Business unit budgets are reviewed from time to time during the course of each year and full-year targets may be adjusted to take account of any developments specifically affecting a given business unit.

The business units' investment and capital spending projects in excess of a certain amount are submitted for approval during weekly meetings between the Strategic Planning department and Senior Management. The Group Investment Committee is then notified of the approved projects.

Internal processes for safeguarding assets

The control activities described below are designed to mitigate the legal risks described in section 7.1 – Risk Factors.

Processes designed to protect people and property

The system of permanent controls to protect people and property is the responsibility of the business units' Technical and Operations departments and various other departments as appropriate. Where necessary, these departments are supported by outside service providers.

Fixed-asset management

The Group's new construction projects are based on specifications drawn up jointly with experts. They comply with all applicable regulations and are designed to meet the functional and operational objectives of the building.

The entire construction process is overseen by a project manager, who ensures that the contractual terms – particularly in terms of delivery dates and construction quality – are fulfilled and the project is brought in within budget.

The Group's property portfolio is monitored from both a technical and an administrative standpoint. Regular maintenance operations are carried out to keep the properties in an optimal state of repair for their purpose.

SAP Immo fixed-asset management software is used to manage asset values based on French GAAP for the separate company accounts, on IFRS for the consolidated accounts, and on tax rules for the tax accounts. SAP Immo is interfaced with the reporting system in order to facilitate the fixed-asset management process and ensure that accounting information is reliable.

Banner protection

The commercial leases signed by business units are drawn up in accordance with the Group's requirements to ensure that they offer adequate protection against the risk of eviction. They are monitored by the property management teams, who are responsible for renewing them on expiry.

The Group has a large number of affiliated stores and franchisees. The Group Legal department ensures that the contracts are watertight and the operations teams oversee franchisees' activities.

To effectively manage the legal and other risks inherent in the business, the development teams implement robust controls during the contract drafting and implementation phases, and make every effort to resolve problems before they go to litigation.

Intellectual property protection

All trademarks used by the Group are registered with the appropriate organisations in France and in all countries where the Group operates or is likely to operate in the future.

The Group Legal department is responsible for the preventive and defensive protection policy and uses outside firms to make sure that no identical or similar trademarks are registered by other parties and to take appropriate action in the event of infringement.

Image protection

Corporate communications are the responsibility of Senior Management, which approves all information to be released by Group Communications prior to its publication. Group Communications also has authority over and responsibility for all releases by the business units – even those that have their own Communications department – that could potentially affect the Group's image.

The Group Communications department is also responsible for managing risks to Casino's image and that of its employees. It checks any information published about the Group on all types of media (newspapers, social networks, etc.) and responds in a manner tailored to the situation concerned.

Merchandise management

The purchasing strategy, in terms of both assortment and suppliers, is based on market research and reflects the business unit's main strategic goals. Action plans are drawn up on the basis of internal or external research to ensure that the product offering is consistently aligned with market expectations and the banner's positioning.

Buyers conduct regular checks during calls for tenders, and supplier selection and deselection processes, to identify and minimise supplier dependence risk.

Lastly, performance indicators are tracked in order to monitor the effectiveness of the Group's purchasing processes.

The quality policy for Casino's private-label and similar products is determined by the Group Quality Control department which communicates and/or provides training in product quality and safety best practices at the request of other business units in order to involve them in the Group's quality strategy.

Since 2011, exchanges of best practices between all the Group's host countries have laid the foundations for an international quality policy, including the definition of common performance indicators and preparation of a Quality Charter, which was circulated to all business units in 2012.

The Group Quality department defines and implements product and supplier control processes for Casino private-label and similar products, value lines bearing the Casino seal of approval and direct imports.

Quality audits are carried out at supplier plants, particularly those that manufacture Casino private-label products.

Measures taken by Group business units to safeguard inventories include ensuring the security of warehouses, equipment and merchandise, goods reception and shipping processes, and monitoring compliance with standards applicable to hazardous or regulated products.

Physical inventories are performed during the accounts closing process and at regular intervals during the year to monitor performance indicators and detect any anomalies in the flow of merchandise.

Management of financial assets and financial flows

The control activities described below are designed to mitigate the market risks described in section 7.1 – Risk Factors.

Financial flows are managed by procedures designed to promote secure cash receipts and disbursements. Disbursements must be approved by an authorised signatory with two signatures required for external payments. Financial inflows and outflows are controlled through reconciliations between bank statements and the accounting records.

Financing, short-term investment and financial risk management policies are overseen by the Corporate Finance department in coordination with the subsidiaries' Finance departments, using a conservative and pro-active approach particularly with respect to counterparty and liquidity risk management. Major transactions are monitored individually.

The Corporate Finance department has issued a guide to financing, investment and hedging best practices which is distributed to local Finance departments. The guide sets out financing methods, selection criteria for banking partners, appropriate hedging products and required authorisation levels.

The French and international business units' cash positions and forecasts are reported weekly and continuously monitored. The Group's other financial risk exposures, such as interest rate risk, currency risk on financial transactions and banking counterparty risk, are measured and analysed in monthly reports to Senior Management that also include action plans for managing any material identified risks.

7.2.3.5. Monitoring of internal control

Continuous monitoring

The risk management system is regularly monitored and reviewed by the senior managers of each entity who ensure the day-to-day supervision of its effective implementation. The managers are notably responsible for implementing corrective action plans and reporting any significant deficiencies to the Group's Senior Management. This allows Senior Management to check that the system matches business requirements and to take any required remedial action.

Monitoring by Internal Audit

Group Internal Audit and the business units' internal audit departments regularly review the effectiveness of the risk management and internal control system during their internal control assessments.

Group Internal Audit assists Senior Management and the various French and international business units in fulfilling their responsibility for monitoring the risk management and internal control systems. It also responds to all questions and requests from the Audit Committee of the Casino Board of Directors.

The Group Internal Audit and Internal Control department helps the business units to stay abreast of internal control best practices developed within or outside the Group.

The central internal audit team is supported by local teams in France and in international business units, which report to Group Internal Audit on a dotted-line basis. These central and local teams represent around 100 auditors.

The central team's annual audit programme is prepared by Group Internal Audit based on the Group's risk analysis, the principle of audit cycles for the key business processes and any major issues identified by the senior managers of the business units or departments falling within the central team's audit scope.

The business units' internal audit departments draw up their own annual audit programmes which are approved by their Senior Management and, where applicable, reviewed by their own Audit Committee. The programmes are also sent to the Group Internal Audit and Internal Control department.

The annual audit plan presented to the Group Audit Committee for the upcoming year includes three types of audit assignments:

- Category A: audits performed directly by Group Internal Audit;
- Category B: audits performed by the local internal audit teams or external firms with Group Internal Audit oversight and presentation of the audit report to the Audit Committee of Casino's Board of Directors;
- Category C: operational or cross-functional audits focused on local issues only, for which the reports will not be presented to Casino's Audit Committee.

The Group Internal Audit Charter, approved by the Audit Committee of the Company describes the Group's internal audit function and how it operates. The charter has been cascaded to the business units' internal audit teams with some adjustments. Internal audit guidelines have also been prepared for use by the central internal audit team as a support tool for their audit assignments, based on the professional standards of the Institute of Internal Auditors (IIA).

All Group Internal Audit reports are sent to Group Senior Management and the Audit Committee of the Company, as specified in the Internal Audit Charter.

Monitoring by external auditors

The Statutory Auditors are required to obtain an understanding of the organisation and operation of the Group's internal control procedures and to present their observations. In addition, the Statutory Auditors are required to have regular discussions with Group Internal Audit and Internal Control and with the Company's Audit Committee.

7.2.4. Internal control over accounting and financial information

7.2.4.1. Objectives

Internal control over accounting and financial information aims to provide reasonable assurance regarding:

- the compliance of published accounting and financial information with the applicable standards;
- compliance with Senior Management instructions and guidelines concerning accounting and financial information;
- the reliability of information circulated and used internally for management or control purposes that contributes to the preparation of published accounting and financial information;
- the reliability of the published financial statements and the other information disclosed to the markets;
- the protection of assets;
- the prevention and detection of fraud and accounting and financial irregularities to the exent possible.

The scope of internal control over accounting and financial information described below covers the parent company and all companies included in its consolidated financial statements.

7.2.4.2. Monitoring the financial reporting process

General organisation

Each business unit has its own accounting and finance department to ensure that local requirements and obligations are fully taken into account. However, some business units outsource some of these activities to shared services centres. The Group encourages business units to organise their accounting and finance function by process, which helps ensure more consistent accounting treatments, better segregation of duties, implementation of controls and compliance with procedures.

The Group-level Accounting, Budget Control and Corporate Finance departments monitor and oversee the local departments. They also consolidate data reported by the business units and produce the accounting and financial information published by the Group.

Each year, the subsidiaries' Chief Executive Officers and Chief Financial Officers jointly sign representation letters attesting to the accuracy of their company's accounting and financial information and the existence of an appropriate system of internal control.

The Audit Committee reviews the annual and interim financial statements and the Statutory Auditors' conclusions in order to form an opinion as to whether the financial statements should be approved for publication by the Board of Directors.

For this purpose, it makes enquiries about the process for preparing accounting and financial information and obtains assurance that:

- appropriate control procedures have been applied through its review of the internal auditors' work;
- the account closing process went smoothly;
- the main accounting options selected for the preparation of accounting and financial information are appropriate;
- the Statutory Auditors have completed their work.

Application and control of accounting and tax policies

The system aims to ensure that local accounting standards comply with regulations and that they are available to everyone involved in the preparation of accounting and financial information.

As part of the consolidation process, each Group entity transmits to the Group Accounting and Budget Control departments its consolidation package prepared in accordance with IFRS, including an income statement, statement of financial position, statement of cash flows, statement of changes in equity and key performance indicators.

The Group Accounting and Budget Control departments have prepared and distributed a Financial Reporting Guide designed to ensure that reported information is reliable and consistent throughout the Group. The guide describes Group accounting policies and consolidation principles, adjustments and entries, as well as management accounting principles and the accounting treatment of complex transactions. It is updated regularly and is sent to and discussed with all users of the Group's financial reporting system.

A system to monitor developments in accounting regulations and standards helps to ensure early identification of changes that may affect the Group's IFRS-based accounting policies. Any regulatory developments that have an impact on the Group's accounting procedures are explained in a presentation seminar and in memos.

As regards taxation, validation audits are performed on the Group's taxable results and major transactions for the year are analysed from a tax perspective. Lastly, information meetings are organised and procedure memos are issued by the Group Tax department to communicate details of any new tax laws, regulations or jurisprudence.

Tools

Each business unit uses the tools required to process and prepare accounting and financial information in compliance with the segregation of duties principle.

Accounting and financial information prepared in accordance with IFRS and restated based on Group consolidation policies is reported by the business units to the Group using a single consolidation and financial reporting system, which offers a user identification feature, better remote access authentication, improved security and evolvability.

The reporting system is administered by a dedicated unit.

7.2.4.3. Process for the preparation of accounting and financial information

Identification of risks affecting the preparation of published accounting and financial information

The Management of each business unit is responsible for identifying risks affecting the preparation of published accounting and financial information. Upstream tasks and tasks associated with the production and closing of the accounts are segregated to prevent fraud and accounting and financial irregularities. Controls are performed at the appropriate level taking into account the degree of risk.

In December 2015, accounting and management irregularities were identified at Cnova NV's Brazilian subsidiary and investigations were carried out by a firm of consultants called in by Cnova NV's Board of Directors.

Their independent review revealed a number of control shortcomings over a period of several years, including no segregation of duties in the reverse logistics process, misstatement of operating expenses and intangible assets, and lack of control over profit forecasts and information systems access.

The requisite accounting corrections were made at the end of the first half of 2016 and action plans drawn up and implemented by the subsidiary to strengthen its control processes. The employees responsible for these irregularities were dismissed in 2015 and some of Cnova Brazil's senior executives were replaced during 2016.

An improved internal control environment has been developed based on new procedures and SOX controls to overcome the shortcomings in expense and asset accounting and segregation of duties.

In November 2016, Group Internal Audit carried out a review to ensure that Cnova Brazil had implemented measures to strengthen its internal control system and that other business units whose main business is E-commerce either in France (Cdiscount) or elsewhere (exito.com and carulla.com) did not suffer the same weaknesses and had satisfactory internal control systems.

As Cnova Brazil is now part of Via Varejo, a GPA subsidiary, work has been done in conjunction with Cnova's Finance and IT departments to strengthen control over data security. The new internal control environment, which covers IT access, profile management, password security and segregation of duties, is due to be delivered in 2017.

Group Internal Audit's findings were as follows:

- remedial action plans had been drawn up to overcome the weaknesses identified in 2015 at Cnova Brazil;
- their content was appropriate;
- the action plans had been implemented on schedule or were being implemented, in particular with regard to the new ERP solution introduced during the year, which needed adjustments to its control environment;
- the weaknesses identified at Cnova Brazil were not found in the Group's other E-commerce subsidiaries, which appear to have an effective internal control system in these areas.

Control activities to ensure the reliability of published accounting and financial information

Preparation and consolidation of accounting and financial information

The processes for preparing and closing the accounts are organised with the aim of ensuring that published accounting and financial information is of a high quality. A hard close is performed, based on estimates. This process allows the accounting treatment of complex transactions to be determined in advance and also reduces the year-end workload so that financial information can be published within a short timeframe without sacrificing data quality or reliability.

Most of the consolidation adjustments are recorded by the business units based on consolidation instructions issued by the Group Accounting Standards department. The Group Accounting department, which is responsible for keeping track of accounting developments, has set up training programmes to assist business units in using the reporting system and the Financial Reporting Guide, so as to guarantee the quality of reported data and the reliability of financial and accounting information.

Data consistency is assured through programmed controls covering both local and consolidated data.

Group Accounting continuously monitors changes in the Group's percentage interest in the capital and voting rights of subsidiaries and associates. It is responsible for ensuring that changes in the scope of consolidation or in consolidation methods are duly applied.

As required by law, the Group has two Statutory Auditors. The current auditors were appointed for the first time in 2010 and reappointed in 2016. Their network of local accounting firms may also be involved in auditing the accounting information reported by the Group's subsidiaries, including consolidation adjustments. Their procedures include verifying that the annual financial statements are prepared in accordance with generally accepted accounting principles and give a true and fair view of the results of operations for the year and the financial position and net assets at the year-end.

The Group Accounting department acts as the interface with the external auditors of the Group's business units. The Statutory Auditors are appointed according to a process initiated and overseen by the Audit Committee, in accordance with Afep-Medef Code recommendations and the new European regulations (Regulation (EU) No. 537/2014 and Directive 2014/56/EU), implemented in French law by decree of 17 March 2016 applicable since 17 June 2016.

Management of external financial reporting

The Investor Relations department's role is to provide the financial community with accurate, specific and fair information about the Group's strategy, business model and performance.

Financial information is prepared and validated by the accounting and budget control units prior to publication.

The legal and accounting units also contribute to producing the Registration Document and the management report.

The Board of Directors reviews all information and news releases about the Group's results or financial and strategic transactions, and may make comments and proposals. The Audit Committee reviews information on the annual and interim financial statements prior to release. Revenue and earnings news releases are submitted to the Statutory Auditors for review and comment.

Financial information is disclosed to the markets through the following communication channels:

- media releases;
- conference calls for quarterly releases of sales figures;
- annual and interim results presentations;
- roadshows, conferences, meetings and conference calls with buyside analysts and investors, in France and abroad;
- Annual General Meetings;
- Registration Documents and Annual and Corporate Social Responsibility Reports;
- the Group's corporate website.

Group Investor Relations is also involved in checking and setting the publication dates for the financial information prepared by listed subsidiaries and ensures consistency between the various media used by the Group.

7.2.5. Conclusion

Internal control is implemented as part of a continuous improvement process aimed at ensuring that risk management and internal control best practices are shared throughout the Group.

Risk management and internal control systems are regularly reviewed due to the diversity of the Group's operations, business lines and locations, as well as changes in its scope of activity.

The Group's objective is to continue to optimise the current systems. In 2016, it pursued the efforts underway to improve their quality, in particular by strengthening internal control when weaknesses were identified.

7.3. INSURANCE – RISK COVERAGE

Overview of the insurance policy

The Group further strengthened its insurance policy in 2016 with the constant aim of maintaining or improving the protection of its assets, customers and employees while keeping costs under control. Risks are insured under master policies – whenever this is allowed under local regulations and does not pose any operational problems – in order to ensure consistent levels of cover and benefit from economies of scale by pooling risks.

The Insurance department, which reports to Group Finance, is notably responsible for:

- helping to identify, analyse and quantify insurable risks;
- contributing to the technical risks prevention policy, overseeing implementation of preventive measures recommended by the insurers, especially in establishments open to the public;
- negotiating and managing the Group's insurance programmes;
- negotiating and coordinating insurance programmes purchased by subsidiaries when the insured risks cannot be included in the Group's centralised master programmes;
- managing and overseeing claim processes;
- contributing to the crisis management process.

To help the department to fulfil these responsibilities, the Group purchases insurance programmes through international brokers from leading insurance companies specialised in insuring major risks.

Assessment of insurance cover and related costs

Self-insurance

To manage and control its insurance costs, in 2016 the Group continued its policy of self-insuring small, high-frequency claims, corresponding mainly to civil liability and property damage claims.

In addition to the partial self-insurance represented by deductibles, since 2006, the Group has reinsured part of its property damage risks through its captive reinsurance company in Luxembourg. In 2016, the reinsurance captive's commitments continued to be capped at €10 million per year (net of reinsurance).

This strategy helps to strengthen the Group's control over risks and the management of claims while also keeping premiums as low as possible.

Summary of insurance cover

The insurance programmes described below are those for 2016, which were still in force as of the date of this report. They may be changed at any time to take account of changing risks and developments in the activities to be insured, changes in claims experience, or changes in insurance provider decided by the Group, in particular to take account of insurance market capacity, available cover and rates.

Property damage and business interruption insurance programme (including natural disaster and political violence cover)

The aim of this programme is to protect the Group's assets.

It covers traditional risks such as fire, flood, explosion, natural disaster, subsidence, electrical damage, business interruption and tenant risks. The programme has been extended to include coverage of natural disasters and political violence in the Group's host countries.

In 2016, the Group decided to structure the programme differently while maintaining the insured amount at €400 million per claim and per year. The restructuring has led to a reduction in premiums. The limits and/or sub-limits applicable to certain named perils and/or regions are unchanged or have been improved.

No major and/or significant claims occurred in 2016 that could have led to a change in the terms and conditions of existing insurance policies or the total insurance premiums and/or deductibles currently applied.

Civil liability insurance programme

This programme covers the Group for all losses that might be incurred due to bodily injury, damage to property or consequential loss suffered by third parties that may be caused by the Group's fault, error, omission or negligence in the performance of a service and/or its business operations.

General liability cover is capped at €75 million per claim and per year, with the same limits applicable to professional liability cover.

Other insurance programmes (mandatory and discretionary)

Additional or separate insurance programmes may be purchased at country level due to the specific nature of certain activities or risks. These programmes are generally purchased locally by the subsidiaries either because they need to be managed locally or for regulatory reasons or sometimes for reasons of cost.

These insurance programmes mainly concern the following policies:

- fleet insurance;
- construction insurance: structural damage/non-builder developer/ comprehensive site insurance, etc.;
- environmental liability insurance;
- building manager, property portfolio manager, travel agent professional liability insurance;
- transported goods insurance, liability insurance covering all goods transport operations;
- corporate officers' liability insurance.

The Group believes that the guarantees and insured amounts under these master insurance policies correspond to those generally purchased by companies of a similar size operating in the same industry. When allowed by law, the Group will pursue its policy of purchasing worldwide master insurance policies in order to improve and/or increase the levels of cover or the management of risks in areas where this is necessary, while controlling the associated costs.

Risk prevention and crisis management

The operational, technical and shared services departments implement measures to prevent and manage property damage risks. They are assisted by the technical departments of insurance companies through:

- regular audits of high-value facilities by the insurers' technical departments, mainly covering hypermarkets, shopping centres and warehouses;
- joint monitoring of facility inspection and risk prevention reports by the technical departments of both the Group and the insurers;
- monitoring of the protection systems in place at each facility depending on needs and priorities (*e.g.* sprinklers, security installations, intruder detection systems, etc.);
- monitoring of property damage risk maps including natural events, SRCC (strike, riot, civil commotion) and political violence risks in France and in the Group's other host countries.

In 2016, the Group maintained its centralised fire prevention policy by increasing the number of international visits by the insurers' technical departments in order to improve visibility of risks in its main host countries.

Concerning product liability risk, the Group has maintained and pursued the quality and prevention initiative launched several years ago, upstream of the stores, for both private-label and other products (see CSR report).

Similarly, in the case of a crisis and/or a major incident, the Group has the technical, human and advisory resources enabling it, depending on the circumstances, to rapidly intervene to protect people and property and to maintain business and service continuity.

Chapter 8

Corporate social responsibility (CSR)

8.1. CSR CONTINUOUS IMPROVEMENT PROGRAMME

The Casino Group's CSR programme helps to create and strengthen sustainable, trust-based relationships with employees, customers, suppliers and all other stakeholders, while respecting each host country's culture and local practices.

Embedded in all Group activities, CSR priorities act as a driver for employee motivation. They are designed to improve the Group's social, human resources and environmental impact and thereby enhance its financial performance. The Group's CSR policy aims to pave the way for responsible consumer habits and to improve the sustainability of the Group's business model by fostering stakeholder trust through continuous dialogue.

8.1.1. Commitments

The Casino Group's CSR policy is based on compliance with human rights and ethical principles as defined in:

- the Universal Declaration of Human Rights;
- the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work;
- the United Nations (UN) Global Compact and Women's Empowerment Principles, which the Group endorsed in 2009 and 2016, respectively;
- the Casino Group Ethics Charter.

Through the nine commitments of its 2011 Ethics Charter and its endorsement of the United Nations Global Compact, the Group has reaffirmed its commitment to respecting and promoting human rights across all its subsidiaries and suppliers in France and abroad.

The Casino Group notably undertakes (i) to abide by national and international laws, principles, standards and regulations, (ii) to implement fair business practices, (iii) to encourage the development of quality employee relations, based on respect for employee representative bodies and constructive social dialogue (freedom of association and right to collective bargaining), (iv) to promote equal opportunity in access to employment, training and career development, and (v) to take account of the diversity of expectations, needs and lifestyles of the stakeholders with whom it interacts. Translated into four languages, the Ethics Charter has been disseminated among all employees and is available online.

8.1.2. Organisation

In 2002, the Casino Group's commitment to sustainable development prompted it to set up a dedicated organisational framework.

The Group's CSR department began rolling out a continuous improvement programme in France and abroad in 2011 in coordination with the various subsidiary CSR departments. This programme is based on the principles and scope laid out in the ISO 26000 standard.

The Group's CSR policy is underpinned by an organisation and governance structure that permit Management involvement at all levels of the Group.

The Board of Directors' Governance Committee, for example, is responsible for reviewing the Group CSR policy as well as the related challenges, action plans and achievements. As at 6 March 2017, this Committee was made up of three directors, two of whom were independent. It fulfils its duties in liaison with the Appointments and Compensation Committee, which is called on to review the annual CSR report submitted to the Board and presented to the shareholders at the Annual General Meeting. In particular, it assesses the Group's gender equality policy and the Group-wide drive to promote diversity. It also contributes to discussions on including CSR criteria when determining the Chairman and Chief Executive Officer's compensation. Each of these committees shares its opinions and recommendations with the Board of Directors.

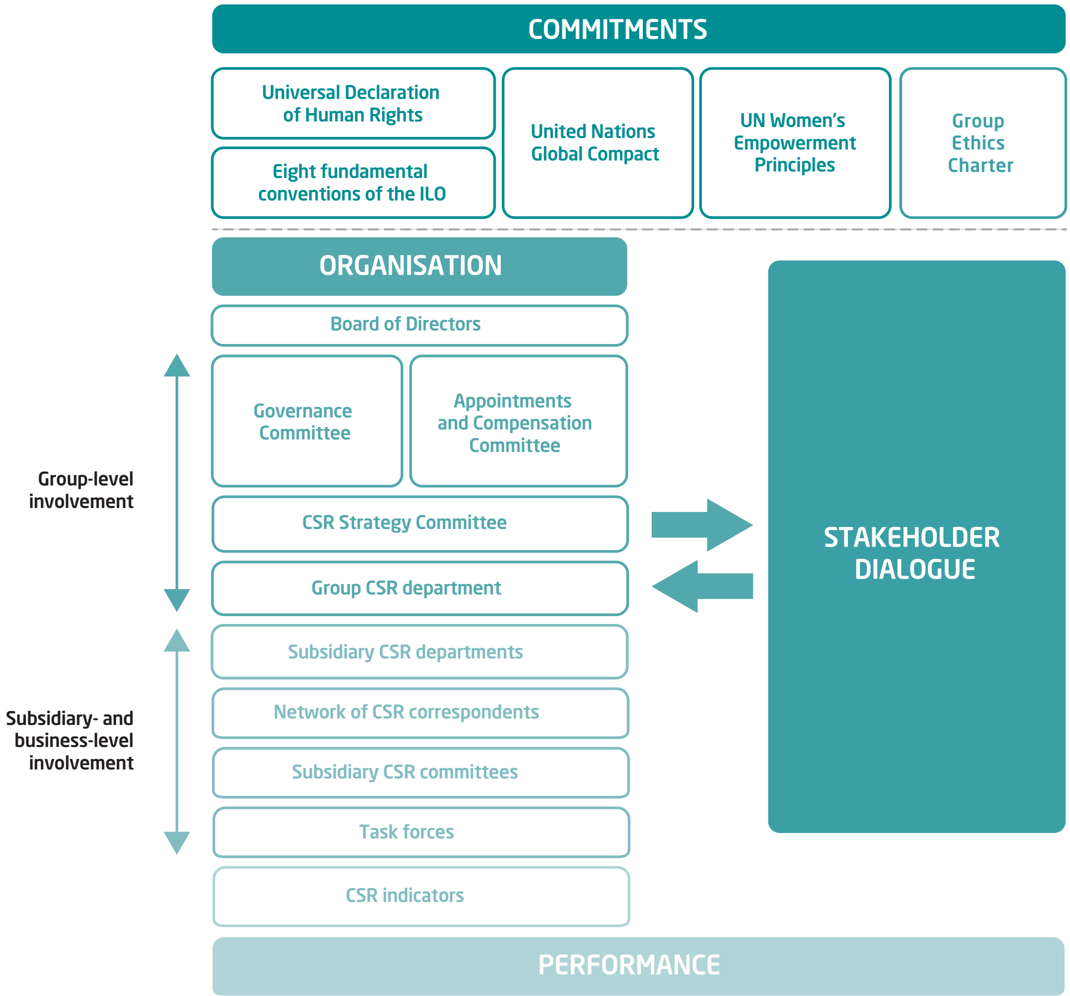
The 2016 introduction of the Group CSR policy was the subject of a presentation to the Board of Directors on 6 March 2017.

The CSR Strategy Committee was set up in 2010 to validate the Group's CSR commitments, in alignment with the principles of the Global Compact and the scope of the ISO 26000 standard, and to monitor implementation in the various Group entities. Made up of 12 members, eight of whom sit on the Executive Committee, the Committee met three times in 2016.

A network of CSR correspondents, led by the Group CSR department, is in place in subsidiaries around the world. In France, this network is supported by Diversity Outreach Correspondents.

The following committees also assist in deploying the CSR policy:

- Human Resources Steering Committee;
- Scientific Committee on Nutrition and Health;
- Quality Committee for France;
- CSR committees within Casino and Monoprix in France as well as GPA, Grupo Éxito and Libertad internationally.



8.1.3. Stakeholder dialogue

For many years now, the Group has maintained regular, constructive dialogue with local and national stakeholders in all its host countries. The focus is on open, productive dialogue, with a view to developing or co-creating innovative projects and partnerships. Dialogue takes place through various means depending on the stakeholders, at both entity and Group level.

At Group level, stakeholders are invited to participate in CSR Strategy Committee meetings on key issues in an effort to create a more structured dialogue and a better understanding of their expectations.

Since the Committee's creation, meetings have focused on an analysis of the Group's CSR challenges, socially responsible investment (SRI) ratings, the carbon impact of operations, the impact of raw materials on deforestation, the social ethics policy, refrigerant gases, the CSR materiality analysis, CSR objectives for 2020 and a review of banner initiatives.

Key stakeholders and dialogue methods

Stakeholders	Key dialogue methods
Employees	▪ Internal newsletters, intranets ▪ Alert, counselling and mediation unit ▪ Engagement surveys
Employee representatives	▪ Regular dialogue with staff representative organisations ▪ Company agreements
Shareholders, investors and rating agencies	▪ Corporate websites ▪ Annual Report, Registration Document, Communication on Progress ▪ Letter to shareholders, roadshows ▪ Annual General Meeting
Customers	▪ Banner and product websites ▪ Social media ▪ Consumer service ▪ Consumer surveys
Students and young graduates	▪ Websites ▪ Partnerships with schools ▪ Participation in job fairs
Suppliers	▪ SME Relations Officer in the central purchasing organisation (since 2000) ▪ SME forums
Public and local authorities	▪ Partnerships with public authorities (ministries and national government agencies)
NGOs and associations	▪ Ongoing dialogue with local, national and international associations (responding to requests and surveys, meeting with NGOs, etc.) ▪ Participation in roundtables

Partner organisations (NGOs and associations)

The Casino Group takes part in the work of the ILO Global Business and Disability Network, of which it is a founding member, as well as France's *Initiative Clause Sociale* (ICS) fair trade initiative, and industry human rights association *Entreprises pour les Droits de l'Homme*. It also participates in the Consumer Goods Forum.

In France, the Group is a member of various specialist associations such as CSR watchdog *Observatoire de la Responsabilité Sociétale des Entreprises* (ORSE), the French Association for the ILO (AFOIT), Global Compact France, UN Women France, working parents observatory *Observatoire de la Parentalité*, equal opportunity education network *Réseau National des Entreprises au Service de l'Égalité des Chances dans l'Éducation* and anti-exclusion foundation *Fondation Agir Contre l'Exclusion*. For environmental challenges, the Group works with eco-design and lifecycle management unit *Pôle Éco-Conception et Management du Cycle de Vie*, retail association Perifem, and environmental bodies such as Éco-Systèmes, Éco-Emballage, Corepile, and Recylum. It is also a benefactor of the GoodPlanet Foundation and regularly collaborates with TFT Earth on raw materials challenges.

The international subsidiaries also foster dialogue with stakeholders. In Brazil, GPA is a member of the Ethos Institute, an industry CSR association, and supports the work of the Akatu Institute, which conducts information and engagement initiatives on responsible consumption. GPA also works with *Compromisso Empresarial Para Reciclagem* (CEMPRE), an industry association that seeks to encourage waste reduction, reuse and recycling, and is a member of *Grupo de Trabalho para Pecuaria Sustentavel* (GTPS), a sustainable livestock working group. In Argentina, Libertad supports the national CSR institute IARSE. And in Colombia, Éxito works with various national stakeholders including the regulatory authority, *Superintendencia de Industria y Comercio* (SIC), and the national apprenticeship service, SENA.

Employees and their representatives

Human resources and CSR policies are built on regular dialogue with employees and their representatives.

Embracing this concept, Management and the representative labour unions decided to implement a Casino CSR agreement for the 2014-2016 period, which has been followed by a new agreement for 2017-2020. Initiatives have also been introduced to encourage dialogue with employees of the Group's various banners in France.

Outside France, satisfaction surveys are regularly conducted among employees while a variety of programmes provide a means of making suggestions and voicing opinions.

These programmes and tools are detailed in section 8.2.1.3.

Financial community and third-party Group performance assessments

The Group maintains regular dialogue with socially responsible investment players, including rating agencies and investment funds, by taking part in interviews and providing information when requested. The Group replied to several requests and questionnaires in 2015, notably relating to nutrition challenges, food waste, animal welfare and corporate governance.

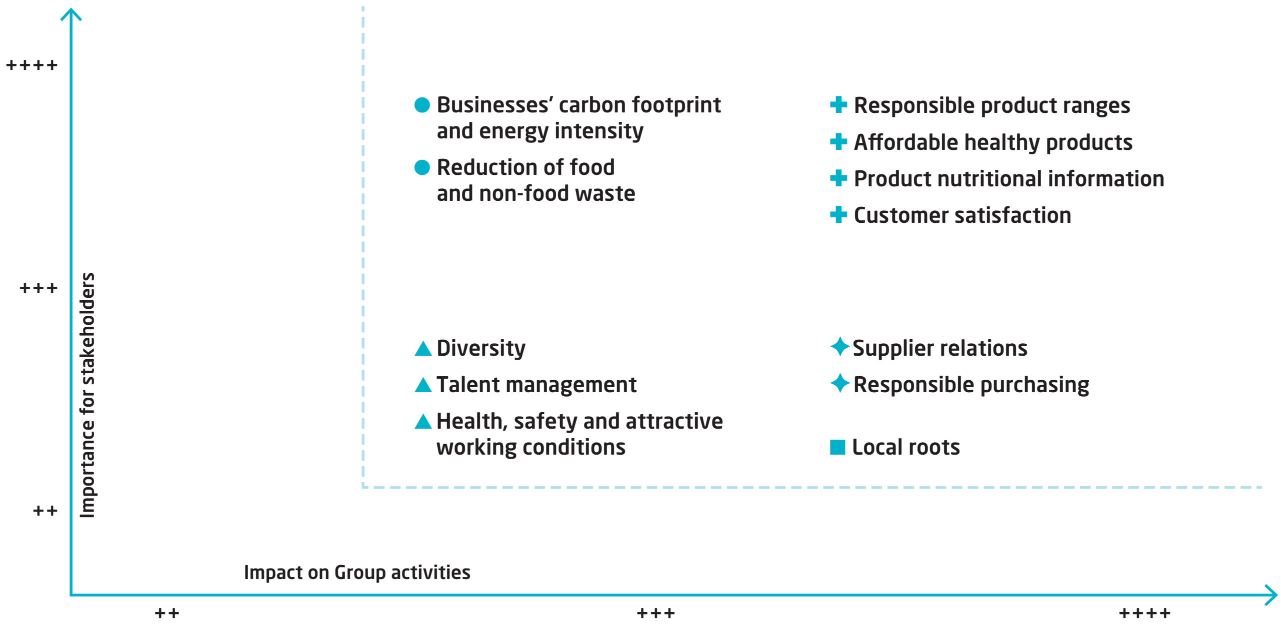
8.1.4. Materiality analysis

In 2015, the Group carried out a study of the most strategic challenges that it faces at the Group level in order to assess and update the CSR continuous improvement programme. This materiality analysis enabled CSR challenges to be ranked in order of priority based on (i) their medium-term impact on the Group's development, and (ii) their potential to create value for the Company and their importance for stakeholders.

The purpose of the analysis was to:

1. ensure that the 15 priorities that had previously underpinned the "CSR Spirit" programme were still relevant, particularly with regard to stakeholder expectations, industry practices, risk factors and opportunities liable to impact the Group's development;
2. reassess the Group's priorities with regard to new trends and emerging challenges, where necessary;
3. ensure that initiatives implemented by Group subsidiaries were in line with the corporate programme;
4. give due consideration to any subsidiary-level materiality analyses and local challenges in the corporate programme;
5. secure the approval and support of the Group's Management to ensure consistent implementation of the CSR programme.

Performed by a third party, this work shined a spotlight on the major challenges facing the Casino Group, as shown below:



Key

The symbols in front of each challenge refer to one of the five focuses of the "CSR Spirit" continuous improvement programme.

- ▲ **Committed employer**
- ✚ **Responsible retailer**
- ■ **Local corporate citizen**
- ● **Environmentally committed group**
- ✦ **Trusted partner**

The materiality analysis showed that the main challenges have been taken into account in the Group's "CSR Spirit" continuous improvement programme. At the same time, it highlighted the importance stakeholders place on such challenges as health and safety, working conditions, product accessibility for all segments of society, customer satisfaction, food waste, and product ranges that support biodiversity.

The findings were backed up by a GPA study designed to provide a fuller understanding of the specific expectations of stakeholders in Brazil. Carried out in 2015 with the support of a consultancy firm specialising in sustainable development, it involved a documentary analysis, individual interviews with directors and external partners and an online survey sent to more than 23,000 GPA contacts, employees, suppliers and customers. The resulting materiality matrix was presented to GPA's executive committee so that it could approve the 2015-2017 strategic priorities, in line with the Casino Group's five CSR pillars. The assessment confirmed employee expectations with respect to GPA's social and solidarity commitments and quality of life. It also underlined the importance placed by external stakeholders on responsible consumption practices and management of customer-related operational waste, and by suppliers on SME development and local jobs.

In 2016, Éxito carried out a materiality study of its own with a consulting firm to confirm and prioritise challenges while factoring in specific local expectations. Éxito consulted several stakeholders as part of the study, including employees, shareholders, 300 customers and 200 suppliers.

8.1.5. "CSR Spirit" continuous improvement programme

A core feature of its CSR policy, the Group's "CSR Spirit" continuous improvement programme has since 2011 covered 15 priorities focusing on five areas of responsibility, which were defined using the materiality analyses (see section 8.1.4 above) and an analysis of the Group's main risks and opportunities (see section 7.2).

The implementation of the CSR programme is a growth driver for the Group as it helps to:

- boost employee motivation and engagement;
- attract top talent;
- enhance the Group's competitiveness by reducing its environmental impact, particularly in terms of energy use;
- increase sales of responsible and innovative high-growth products, such as organic goods;
- foster long-term, trust-based relationships with customers, suppliers, shareholders, public authorities and other stakeholders.

The risk management system outlined in Chapter 7 takes into account the Group's human resources, social and environmental challenges and covers the following four CSR risks:

- social and psychosocial risks;
- product-related risks;
- ethical risks;
- climate risks.

The aim of CSR risk management is to reduce the risk of non-compliance with laws and regulations and, by extension, reputation risk, which could directly impact business operations, and to anticipate future risks, such as those relating to controversial substances.

These risks are assessed based on their potential impact (severity) and likelihood of occurring. In addition, an analysis of the correlation between the cause and effect of these risks is carried out annually by the Group Internal Control department.

This risk mapping process is reviewed annually, with all Group entities asked to identify and assess ten risks from the catalogue that most require management and monitoring within their organisation. Risks are assessed based on their potential impact (severity) and likelihood (probability). Risk management includes all measures taken to contain the risk or reduce it to the target residual level. A similar system has been introduced for major risks to the parent company.

The CSR Strategy Committee reviewed the 15 priorities of the CSR improvement programme in 2016. Based on the results of the materiality analysis, it then approved the inclusion of the following priorities:

- combat food waste;
- take action to protect the health and well-being of employees, one of the Group's key assets.

Accordingly, the updated "CSR Spirit" continuous improvement programme for the 2016-2020 period is as follows:

Committed employer
- Promote diversity
- Help young people enter the workforce
- Provide growth opportunities for employees
- Take action for health, safety and well-being at work

Responsible retailer
- Take action to protect consumer health
- Encourage consumption that is respectful of the environment and biodiversity
- Combat food waste

Trusted partner
- Strengthen ethical social compliance
- Support local production channels
- Promote the CSR initiatives of suppliers

Local corporate citizen
- Develop foundation programmes
- Develop solidarity partnerships

Environmentally committed group
- Reduce greenhouse gas emissions
- Increase energy efficiency
- Reduce and recover waste

The banners define their own action plans, which are assessed annually.

In 2016, the Group's CSR Strategy Committee approved quantifiable internal Group targets for 2020, in line with the CSR continuous improvement programme.

The Group's main non-financial indicators are presented in section 8.3.

8.1.6. CSR awareness and training

Training

In order to train employees and raise awareness with regard to the CSR policy and related on-the-job challenges, the Group publicises its CSR commitments and initiatives through a variety of channels, including in-house newsletters and intranets, and on its Casino World Community internal social network. This community platform also features a programme entitled "Discover the Casino Group", where all employees can find out more about the Group's CSR commitments and take part in CSR challenges. In 2015, for example, employees were asked to vote for the best outreach projects run by Casino Group partner associations and foundations. And, in 2016, they were invited to have their say in the "Best of Us" challenge, which was designed to promote and reward outstanding initiatives implemented by Group banners, particularly in the area of CSR.

The Campus internal training centre provides an e-learning course for CSR correspondents and managers entitled "CSR passport", which outlines the Group's CSR challenges and the main steps taken to address them. Awareness training on responsible consumer habits, diversity ("diversity passport") and hearing impairments ("Audicap") are also available. Profession- and position-specific CSR challenges are gradually being integrated into training modules with each update. Training for seafood chefs, for example, now includes information on sustainable fishing, while training for future Casino restaurant managers takes into account CSR and related issues such as the nutritional impact of products, food waste and organic waste.

International subsidiaries also deploy CSR training and awareness modules for their employees. GPA provides teams with training sessions on CSR topics, including social ethics for purchasers and diversity for HR teams.

In 2016, a total of 95 GPA executives took part in a "CSR & Corporate Strategy" course held in collaboration with Fundação Dom Cabral as part of the "GPA Executive Academy" programme.

Also during the year, more than 950 employees of Pão de Açucar, Extra and Proximité stores received training in responsible consumption.

8.1.7. Programme performance

Employee evaluations

The Group promotes CSR commitment through employee evaluation and variable compensation schemes.

Part of the Casino Group Chairman and Chief Executive Officer's variable compensation, for example, is linked to the Group's CSR performance (see Chapter 6 – Executive and management compensation).

In France, managers at Casino, Monoprix, Franprix and Leader Price are evaluated based on six Group-defined Managerial Attitudes and Behaviours (MABs), which account for 30% of their variable compensation. In 2016, these management guidelines were updated so that one of the six MABs could be used to evaluate how effectively employees took CSR into account in their position and business. The members of the Casino Group's Executive Committee are also covered by this system.

Outside France, GPA and Éxito have each introduced a specific system whereby part of employees' variable compensation is dependent on achieving quantitative CSR targets based on environmental, HR and social indicators.

SRI ratings

The Casino Group share is included in the following SRI indices:

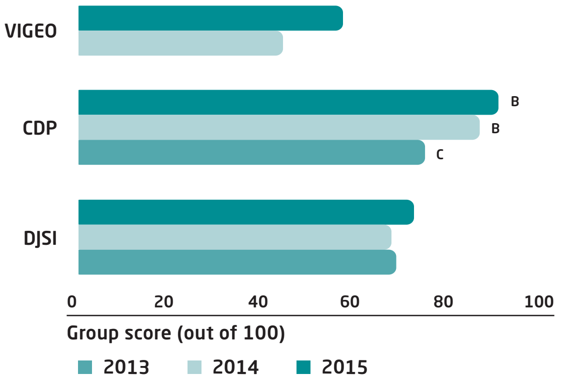
- FTSE4GOOD;
- Euronext Vigeo Eurozone 120, Europe 120, World 120 and France 20 indices;
- Ethibel Sustainability Index (ESI) Excellence Europe;
- MSCI Global Sustainability Indices and MSCI Global SRI Indices;
- STOXX® Global ESG Leaders Indices.

The Group's inclusion in these indices, which comprise the top performing companies in terms of social, environmental and governance criteria, demonstrates its strong commitment to CSR.

In May 2016, SRI rating agency Vigeo Eiris assessed the CSR policies and performance of 43 retail companies and ranked the Casino Group number one. Vigeo Eiris also placed Éxito and GPA second and third, respectively, in a ranking of 17 food retailers in emerging economies. This performance is recognition of all initiatives implemented by the Group's banners and the excellence of its CSR policy.

The Group has significantly improved its ranking in the RobcoSAM sustainability survey based on the Dow Jones Sustainability Indices (DJSIs), rising six points between 2015 and 2016 to achieve a score of 73/100. Also in 2016, Grupo Éxito was once again included in the DJSI Emerging Country index, which each year honours top performing companies using a selection of economic, environmental and social criteria.

Casino has reported to the Carbon Disclosure Project (CDP) since 2013, with its score rising to B in 2016.



Improving steadily over the past two years across all indices, the Group's SRI rating is a testament to its improvement programme and to the determination of the Group and its corporate governance structures to continuously improve CSR policies and performance.

Awards and distinctions

Group initiatives are also regularly honoured by awards and distinctions.

In 2016, the Group received a Well-Being at Work Award for its "Caring Management Practices" programme as well as a Company and Employee Caregiver Award from OCIRP Handicap.

Casino won an LSA Diversity and CSR Award in 2016 for its initiatives to combat everyday sexism as part of its gender parity policy. Monoprix was honoured for its commitment to animal welfare by the Compassion in World Farming (CIWF) organisation and received the Good Egg Award at the European Animal Welfare Forum for its work to improve the living conditions of egg laying hens. Vindémia received a "Very Good" from rating agency BIOM in 2016 for its work to develop the local Reunion economy through job creation.

The Group's international subsidiaries have also been rewarded for their CSR initiatives.

In 2016, GPA won the UN Women Award for its professional equality policy.

8.1.8. Fair business practices

Anti-corruption

By signing the United Nations Global Compact in 2009, and by introducing its Ethics Charter, the Group reaffirmed its commitment to combating corruption and to promoting human rights within its sphere of influence.

Implementation of the Group's anti-corruption programme is the responsibility of each entity's Senior Management. The Group Internal Control department supports them in strengthening the programme, disseminating a guide of the expectations expressed by stakeholders and quick reference cards in subsidiaries in France and abroad. This system was expanded in 2013 to include a Code of Business Conduct, which sets out the rules with which employees must comply in the course of their professional duties. Employees were reminded of these rules in 2015.

As part of a continuous improvement process, a cross-functional working group comprising representatives from several Group departments was created in 2015 to reinforce the initiatives and systems put in place by the Group to combat corruption in France and internationally. An action plan was drawn up and presented regularly to the Audit Committee in 2016. It is now part of the programme to comply with the anti-corruption system provided for in French law No. 2016-1691 on transparency, anti-corruption and business reform. The Committee reported to the Board of Directors on the policies and action plans deployed and will continue to monitor them during 2017.

In 2016, the new actions rolled out in France mainly involved setting up:

- a Group Ethics Committee comprising the Chairman of the Risk Prevention Committee, the Secretary of the parent company's Board of Directors, the Head of Group Internal Audit and Internal Control, the Head of Legal Risks and the Head of Group CSR and Training. The Committee's role is to define a conduct and ethics framework and the associated procedures, oversee the implementation of a prevention system that meets legal requirements as well as the process for dealing with reported incidents, and supervise progress on remedial plans;
- a network of ethics officers, who were appointed within each French entity and whose role is to promote the Group's policy as set out in the Ethics Charter and Code of Conduct and to ensure that everyone understands the corresponding principles and values, answer questions, receive, analyse and deal with alerts and, depending on their relevance, report them to the Group Ethics Committee. This network will be deployed in 2017;
- an e-learning training course to explain the Group's ethics and anti-corruption policy, which was made available in 2016 and completed by 5,000 employees in France;
- a system for displaying the principles of the Ethics Charter on all of the Group's sites.

Outside France, the Group's subsidiaries have implemented:

- Ethics or Conduct codes;
- whistleblowing systems;
- dedicated committees for monitoring and dealing with alerts received.

In Brazil, the anti-corruption system has been strengthened by the dissemination of a new Code of Ethics, the definition of new contractual clauses for suppliers and the rollout of awareness campaigns. Within GPA, the "LigAçao" ethical whistleblowing hotline is open to employees as well as customers, suppliers and shareholders. An Ethics Committee assesses the investigation of issues reported through the system, and alerts are analysed and handled by the Internal Audit department.

In Colombia, Éxito's "Transparencia" programme has since 2011 enabled employees, customers, suppliers, shareholders and third parties with business or contractual relations with the entity to report by email or phone any facts that may be in violation of Éxito's principles of integrity, transparency, dignity or equity. The entity's Code of Ethics, gift policy and conflict of interest and confidentiality policy are communicated to all employees. All reported incidents are initially processed by a specialist third-party company before being handled by the Ethics and Conduct Committee, the Conflict of Interest and Confidential Information Committee or the Anti-Fraud and Corruption Operating Committee. A dedicated team within the Internal Audit department provides support during investigations into potential fraud.

A report of all proven or alleged conflicts of interest is also reviewed by Éxito's Senior Management.

A communications campaign was conducted among all Éxito employees in 2016, dealing specifically with how to manage conflicts of interest and when not to accept gifts. New hires also follow an e-learning course covering the topics in Éxito's transparency policy.

In Argentina, Libertad has implemented the similar "Libertad Transparente" programme since 2012, which aims to promote ethics and transparency standards. A Conduct Analysis Committee is responsible for ensuring the effectiveness of the whistleblowing system and processing alerts for analysis and resolution. In 2016, specific training on combating fraud and corruption was rolled out.

Responsible lobbying

The Casino Group lobbies in the countries where it operates through the Public Affairs department, in order to consult, discuss with, and inform elected officials involved in drafting legislation and participate in the work of different organisations that represent its industry. It nurtures regular and open dialogue, which is necessary for building public policy. In France, the Group has declared its activities as an interest group representative with the National Assembly and the European Parliament, and is a member of the *Fédération du Commerce et de la Distribution* trade federation and the AFEP association of major French companies.

The Group follows the applicable laws in its host countries relating to corporate financing for political parties.

Classroom training on responsible lobbying will be introduced in France in 2017.

Tax transparency

The Casino Group's tax policy is implemented by a dedicated team with access to all resources, in terms of both training and documentation, necessary to (i) take into account changes to the law and (ii) support operating teams in France and abroad.

This policy is based on the following focuses and commitments:

- The Group complies with all national tax legislation and pays all taxes due in all host countries in a timely manner. It complies with the recommendations of the OECD, notably with regard to intragroup transactions, and does not use structures located in "non-cooperative countries" tax jurisdictions as defined by regulations.
- The Casino Group maintains open, constructive relationships with the various administrative authorities, legislative bodies and courts in charge of performing tax audits, updating standards and settling disputes.

8.2. POLICIES AND INITIATIVES IN PLACE

8.2.1. The Casino Group, a committed employer

In all its host countries, the Casino Group develops and implements innovative human resources and management policies that are sensitive to local cultures. These policies aim to promote employees' professional development and enhance talent, combat discrimination and support equal opportunity, foster constructive and innovative social dialogue, protect employees' health, safety and well-being at work, and guarantee a fair and progressive wage and benefits policy.

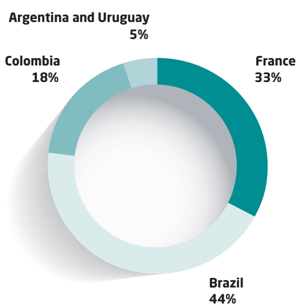
Each entity's Human Resources department is responsible for drawing up its policy in line with the core principles defined by the Group Human Resources department, based on developing a shared economic, social and environmental performance culture, creating synergies and tools to improve human resources management, and respecting the subsidiaries' identity and culture.

The Casino Group is a major employer in France and most of the countries where it operates, notably in Brazil and in Colombia. Women represent 53% of the workforce, and 39% of all employees are under 30.33% of employees are located in France (including the Indian Ocean region) and 67% in South America.

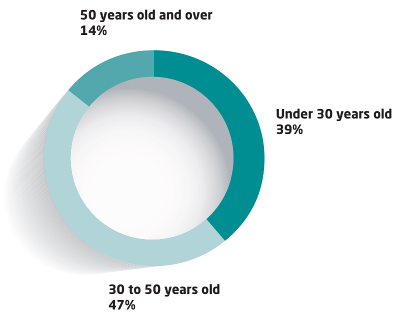
	2015	2016						2015/16 change
	Group	Group	France	Brazil	Colombia	Uruguay	Argentina	
TOTAL WORKFORCE UNDER PERMANENT OR FIXED-TERM CONTRACTS AT 31 DECEMBER	**232,792**	**227,842**	**74,466**	**100,523**	**41,614**	**7,992**	**3,247**	**-2%**
Women	124,935	121,388	42,924	51,894	20,555	4,505	1,510	-3%
Men	107,857	106,454	31,542	48,629	21,059	3,487	1,737	-1%
Under 30 years old	92,243	88,402	19,567	44,741	19,624	3,696	774	-4%
30 to 50 years old	111,134	107,758	35,923	47,009	19,078	3,356	2,392	-3%
50 years old and over	29,415	31,682	18,976	8,773	2,912	940	81	+8%

Note: 2015 data have been restated to ensure comparability with 2016.
Group data exclude discontinued operations in application of IFRS 5, i.e. *Viavarejo and Cnova Brazil, representing 52,175 employees at 31 December 2016.*

Workforce by country



Workforce by age



Workforce by gender

	Group 2015	Group 2016	2015/16 change
Number of hires on permanent or fixed-term contracts	129,691	109,539	-16%
Of which number of hires on permanent contracts	44%	42%	-2 points

Note: 2015 data have been restated to ensure comparability with 2016.
Group data exclude discontinued operations in application of IFRS 5, i.e. *Viavarejo and Cnova Brazil, representing 13,152 hires in 2016.*

Working hours comply with the laws applicable to each entity and with local regulations in each host country.

The vast majority of the Casino Group's employees (93%) are on permanent contracts, with fixed-term contracts used primarily to replace employees on leave or to back up permanent teams during peak periods. Full-time employees account for 85% of Group employees.

In France, Casino has introduced a system that enables part-time employees to switch to full-time work if they wish. More than 2,000 employees have benefited from this system since 2012. In France, the Group recorded 3,856 terminations, including three terminations for economic reasons following the closure of a store. Terminations for other reasons cover all terminations attributable to the employee's behaviour, such as walking out, repeated absence, professional misconduct, incompatibility with superiors, theft and unfitness for the job. Departures due to corporate restructuring are the subject of extensive negotiations with employee representatives and are accompanied by a set of redeployment and support measures.

8.2.1.1. Promoting diversity and equal opportunity

The Casino Group has been committed to combating all forms of discrimination since 1993. The Group believes that diversity is a driver of financial performance. It therefore pursues an assertive policy of recruiting people from diverse backgrounds, promoting professional equality at all levels and in all corporate processes, and fostering a sense of community.

Combating discrimination and stereotypes

This policy is based on several principles, including fighting the stereotypes that lead to discrimination, building policies jointly with representative trade unions, addressing all areas of discrimination and measuring the effectiveness of initiatives.

The Group's actions focus on such key areas as origin, social background, gender, disability, age, sexual orientation, religious diversity, union membership and physical appearance.

- In France, the Group combats discrimination and promotes diversity by drawing on tangible commitments and a network of more than 70 Diversity Outreach Correspondents and experts, who are in charge of implementing the policy. The policy's implementation is overseen by the Group Diversity Committee, which is made up of seven employee representatives and seven senior executives.

  The main banners – Casino, Monoprix, Cdiscount, Franprix and Leader Price – have all signed the Diversity Charter. The Group has also signed the LGBT Commitment Charter, pledging to ensure equal rights and treatment for all employees regardless of their sexual orientation.

  In 2009, Casino was the first retailer group to obtain the "Diversity Label" awarded by Afnor Certification to companies pursuing an exemplary policy. Following an audit, the Diversity Label was renewed in 2012 and again in 2016; it was extended to Monoprix in 2016.

  To combat stereotypes and prejudices, the Group undertakes numerous awareness-raising and training activities.

  Several guides are available to employees, including:

  - "Managing Religious Diversity in the Workplace";
  - "Changing our Perception of Young People";
  - "Physical Appearance: Deconstructing Stereotypes, Overcoming Prejudice";
  - "Sexual Orientation and Gender Identity: Best Practices in the Workplace";
  - "Equality between Men and Women: Fighting Everyday Sexism".

  In France, a "Tour de France of Diversity" was organised in 2016. Discussions facilitated by an external expert took place in the Group's stores, restaurants and warehouses, bringing together the Group's diversity teams, managers and employees. In addition to these awareness-raising measures, e-learning courses on diversity were made available to recruitment officers in 2016 in order to train them. The Group has established a Candidate Satisfaction Barometer for the recruitment of executives and supervisors, which takes into account the theme of diversity. The satisfaction rate was 95% in 2016. Other than the Diversity Label, demonstrating the extent of the Group's commitment, tools have been introduced to monitor the proper application of policies. Triennial testing on social background was conducted in 2016 and covered an additional item relating to sexual orientation. Lastly, a discrimination counselling and advice unit offers the possibility for all Casino employees to blow the whistle, on a confidential basis, whenever they experience or witness actual or perceived discrimination.

- The Group's international subsidiaries have also rolled out policies to promote diversity while taking local challenges into account.

  In Brazil, the GPA Diversity Promotion Commitment Charter launched in 2015 has enabled all subsidiaries to take action in favour of people with disabilities, young people and LGBT people. The Charter was extended in 2016 to include racial discrimination. In addition to the Charter, the GPA CSR department launched a Diversity programme under the name "GPA Iguais" in 2016. Aimed at managers, it is built on a guide setting out expectations in terms of managerial practice.

  In 2016, GPA also launched its "Diversity Time", which encourages managers to discuss a diversity-related issue with their teams. It also screened a video promoting GPA's commitment and actions among stakeholders.

  In Colombia, Éxito continued to roll out its "Población Vulnerable" integration programme aimed at people with disabilities, victims of armed conflict and their families, severely disadvantaged young people, and veterans returning to civilian life.

  Most of the international entities, including Éxito and GPA, also have whistleblowing systems that allow actual or perceived discrimination to be reported confidentially.

Acting for the integration and retention of disabled workers

In October 2015, the Group signed the International Labour Organization's Global Business and Disability Network Charter in order to reaffirm a commitment dating back to 1995 to helping disabled people find and maintain employment.

In 2016, it had 7,134 employees registered as disabled (under permanent or fixed-term contracts), representing an increase of 5% compared with 2015.

The Human Resources departments implement action plans in the various entities, with three underlying objectives:

- hire people with disabilities;
- offer training, notably in the form of combined work/study contracts and internships;
- allow people with disabilities to retain employment throughout their working lives.
- In France, the Group and its banners lay down commitments, action plans and performance targets within the framework of agreements with trade unions. Casino, which has the equivalent of 13.22% of jobs filled by people with disabilities, has been implementing an assertive disability policy for more than 20 years. The objectives of the sixth agreement were well and truly beaten, with the hiring of 217 people over the period, compared with a target of 100 new hires, and the onboarding of more than 160 interns. The seventh agreement (2017-2020), signed in 2016, provides for the hiring of 100 people with disabilities, the ramp-up of work/study programmes and a contingent of 120 interns. Under the Monoprix agreement, 207 people with disabilities were recruited over the period from 2014 to 2016, 15% above the target of 180.

  A number of employee awareness-raising and training initiatives have been established in stores. This year, Monoprix carried out a poster campaign on each of its sites, handing out two information guides, one for employees and the other for managers. Cdiscount conducted an e-learning training course on integrating disabled people.

  The Group ensures the retention of people with disabilities throughout their working lives by adapting workstations (applying technical, organisational and technological solutions), conducting ergonomic studies, performing professional reviews and offering training.

  Specific initiatives have been taken to facilitate disabled access to stores and to assist people with motor, visual, auditory, mental or psychological disabilities. A digital training course for in-store employees was established in 2016. It will be extended to Casino, Leader Price, Franprix and Casino restaurants in 2017.

  In 2011, the Group launched an initiative to support and assist family caregivers, resulting in the signing of a collective agreement on family caregiver leave in 2013. More than 1,490 days' leave have been donated for family caregivers since the start of the programme, benefiting 167 employees. A special booklet, "I'm a caregiver, let's talk about it", has been published for employees. Caregivers also have access to a free and confidential advice platform, and can attend talks on various issues relating to caregiving.

Group	2014	2015	**2016**	2015/16 change
Number of disabled employees at 31 December (under permanent and fixed-term contracts)	5,600	6,790	7,134	+5%

Note: 2015 data have been restated to ensure comparability with 2016.
Group data exclude discontinued operations in application of IFRS 5, i.e. *Viavarejo and Cnova Brazil, representing 2,023 employees with disabilities at 31 December 2016.*

  Outside France, all of the Group's subsidiaries implement structured programmes.
- In Brazil, GPA this year continued its commitment to recruiting and integrating people with disabilities by signing the Diversity Promotion Charter of the Brazilian Entrepreneurs' Network for the Inclusion of People with Disabilities, with the support of the ILO.

  The number of people with disabilities was up 16% compared with 2015. Over two years, 266 young people with mental disabilities have participated in the programme set up with the Association for the Inclusion of People with Mental Disabilities in São Paulo in Extra and Pão de Açúcar stores.

  Assaí, a GPA banner, which has implemented numerous employee awareness and training initiatives, closed 2016 with 5% of its employees registered as disabled, an outstanding achievement for the retail sector in Brazil.

  To foster a commitment among managers, the increase in the number of disabled workers is one of the three quantitative CSR performance targets used by GPA in determining variable compensation (see section 8.2.1.3).
- In Colombia, more than 220 people with disabilities had been integrated into the workforce by the end of 2016 thanks to initiatives carried out as part of the "Población Vulnerable" programme initiated in 2006, and its partnership with *Fundación para la Investigación y el Desarollo de la Educación Especial* (FIDES), a foundation specialised in the integration of people with cognitive disorders.

Acting in support of young people, particularly from disadvantaged backgrounds, and older employees

Employees aged under 30 accounted for 39% of the Group's workforce at 31 December 2016, while those aged 50 and over represented 14%.

To fight against stereotypes, a guide book entitled "Changing our perception of young people" is handed out to all employees to help them unravel preconceptions about young people and encourage intergenerational dialogue.

In France, Casino and Cdiscount are implementing agreements aimed at establishing intergenerational initiatives targeting young people aged under 26 and older employees. The Casino transmission of knowledge agreement sets a minimum percentage for the hiring of young people and older employees, the retention of a given percentage of young people under the age of 26 and a dedicated orientation programme called "C Duo Génération", which assigns a mentor to facilitate the onboarding of young employees, as well as housing assistance for work/study trainees.

The Group's commitment to young people is reflected in an active policy of promoting work/study solutions. The Group employs more than 2,400 work/study trainees in France. Programmes to facilitate the hiring and integration of work/study trainees have been introduced at all entities, Casino, Franprix, Leader Price, Monoprix and Cdiscount. Casino organised its Work/Study Day for the fifth consecutive year in 2016, bringing together more than 400 trainees. As every year, a panel of professional judges selected the winners of the Best Apprentice contest.

The Group also works closely with schools and educational structures to promote jobs available within the Group and to diversify its sources of recruitment. Recruitment teams worked in more than 110 schools.

The Group also undertakes specific initiatives to help young people, particularly those who are poorly qualified or from underprivileged backgrounds, with a view to facilitating their professional integration. The Casino Group has pledged to recruit within a store's immediate employment area and to promote local employment. In 1993, it signed a national partnership agreement with the French Ministry for Urban Development, renewed in 2013, and a convention with local missions and the Ministry's Businesses and Neighbourhoods Charter. In 2016, the Group hired 1,066 employees from underprivileged neighbourhoods under permanent or fixed-term contracts, 450 interns and 103 work/study programme participants.

The Group has forged several partnerships to support young people, with bodies including the Civic Service Agency, the Civic Service Institute and the Business Network for Equal Opportunity in Education, and the NGOs *Nos Quartiers ont du Talent* and *Talents des Cités*. Monoprix works closely with the Second-Chance School, France's local employment offices and EPIDE, a French government agency for the integration of young adults in the job market. Franprix has partnered with the *Étincelles* network, which helps disadvantaged young people enter the workforce: presentation of various jobs, discussions with operational staff and presentation of opportunities. In 2016, the Casino Group and its banners organised the third edition of "Cap sur le Groupe Casino", an initiative promoting vocational guidance for secondary school students in priority education zones, which gave nearly 190 such students an introduction to the Group's businesses.

Outside France, GPA employs more than 2,440 apprentices.

In 2016, Grupo Éxito rolled out the Colombian Labour Ministry's "40,000 first jobs" programme, which aims to break down the barriers to youth employment. Its purpose is to enable young people aged 18 to 28 to gain their first work experience in private companies. Éxito also participated in numerous academic forums.

In Argentina, Libertad offers work/study and vocational training programmes in partnership with schools and universities, and has joined the Argentine government's "Primer Paso y Entrenamiento para el Trabajo" programmes with the aim of offering young unemployed people their first job experience at Libertad.

Promoting gender equality

Gender equality is one of the Group's flagship commitments.

Since 2002, Casino has sought to enhance the gender diversity of its teams at every level of the Company through an assertive policy on gender equality across job categories, career management, human resources processes (pay, access to training, hiring and promotion) and parenthood.

The Casino Group was awarded the "AFNOR Workplace Equality Label" in 2013. In 2008, it signed the Charter of Working Parents' Rights created by the *Observatoire de l'Équilibre des Temps et de la Parentalité en Entreprise*, a French monitoring agency that supports working parents in companies. In 2016, the Group adopted the Women's Empowerment Principles backed by UN Women, and joined forces with France's National Committee by signing an agreement to support the actions and awareness campaigns of this international organisation. The commitment to these principles reinforces the Group's initiatives aimed at combating discrimination and promoting gender diversity in the workplace in France and Latin America.

	2015	**2016**					2015/2016 change
	Group	Group	France	Brazil	Colombia	Other[(1)]	
% of women managers	35%	37%	40%	28%	29%	23%	+2 points

Note: 2015 data have been restated to ensure comparability with 2016.
Group data exclude discontinued operations in application of IFRS 5, i.e. *Viavarejo and Cnova Brazil, with women managers representing 24% at 31 December 2016.*
(1) Argentina and Uruguay.

To combat discrimination and stereotypes, and particularly sexism in companies, the Group has carried out a field survey of 774 employees at all sites and positions. A guide entitled "Fighting everyday sexism" has been published and handed out to all Group managers.

To guarantee the proportion of women in managerial positions, each subsidiary's Human Resources department tracks eight strategic indicators, which are presented to the Executive Committee each year.

The Group offers its employees concrete initiatives to encourage career development, equal pay, work-life balance and parenting support.

Noteworthy action plans undertaken by the French entities in 2016 include:

- training, with the renewal of a mentoring programme for women managers;
- wages, with the maintenance of a specific budget reserved for bridging any unjustified pay gaps between men and women;
- parenting, with the award of an additional day's paternity leave for Casino employees (12 days *vs* 11 days) benefiting some 400 fathers in 2016; making up for the wage differential for employees on paternity leave; raising employee awareness through the parenting guide; implementation of services for parents (Yoopies.fr for finding childcare and spots in daycare centres for the children of employees at head offices).

The "C'est avec elles" women's network, created in 2011, brings together more than 700 managers. It has carried out numerous initiatives, including a mentoring programme since 2015 (60 beneficiaries), personal development workshops and talks by experts. Its efforts earned it a No More Clichés award presented by Communication & Entreprises, the LSA Diversity and CSR Award and the Diversity Award from *Alliance pour la Mixité en Entreprise* – a total of three tributes – in 2016.

Outside France, the subsidiaries roll out targeted initiatives to strengthen the representativeness of women in their organisations, notably by requiring recruitment firms to systematically present a female candidate.

In 2016, GPA, winner of the UN Women Award, held two Women's Forums attended by about 200 managers, and implemented its policy for professional equality, with noteworthy support from its internal women's network, "GPA Mulheres na Liderança", set up in 2014. To foster a commitment among all managers, increasing the proportion of women in the management team is one of the three quantitative CSR performance targets used in determining variable compensation.

In Colombia, Éxito also ramped up its initiatives in favour of professional equality in 2016. Its programme is facilitated by a Professional Equality Committee, and focuses on five areas: hiring in leadership positions, training for women managers, career management, equal pay, support measures (telecommuting, maternity) and awareness raising. Three hundred employees took part in conferences and exchange groups to discuss best practices in the fields of leadership and communication, under the name "Mujeres de Éxito", in Bogotá, Cali and Barranquilla.

In partnership with the Colombian Ministry of Labour, and within the framework of the United Nations Development Programme (UNDP), Éxito undertook the process of certifying its professional equality system in 2016. UNDP representatives conducted a risk assessment in 2017 prior to the launch of the certification process.

8.2.1.2. Providing an environment conducive to employee development

Promoting social dialogue

The Group's recognition of the right to collective bargaining and its respect for freedom of association are expressed in large part in its commitment to comply with the principles of the United Nations Global Compact.

Human resources policies are built on the basis of regular dialogue with employee representatives:

- in France, Casino maintains regular dialogue with the representative union organisations; it has ongoing exchanges with 1,000 employee representative organisations and 5,500 elected officials. An agreement covering employee-management relations, signed in 2009 and renewed in 2016, sets out the terms and conditions governing social dialogue and the professional development of staff representatives. More than ten agreements and action plans are currently in force. They cover the employment of people with disabilities, gender equality, health and safety at work, benefits and pay.

  The outcomes of these agreements are monitored regularly, and the results presented to the representative trade unions annually.

  A CSR agreement covering the 2014-2016 period has been signed within Casino by the representative trade unions. Reaffirming the commitment of all parties to incorporate CSR into Casino's business and employee relations model, the agreement covers all of the social responsibility and environmental issues identified in the Group's CSR continuous improvement programme. The initiatives deployed were presented to the signatory trade unions at the annual CSR agreement monitoring committee meetings. In line with its commitments under the CSR agreement, a Union Career Charter has been created to promote union involvement and the career development of employee representatives;
- outside France, in line with the principles defined by the Group and in accordance with the local context, employee-management relations will be coordinated by the various Human Resources departments. Pursuant to Principle 3 of the Global Compact, Libertad, Éxito and GPA publicly acknowledge their commitment to respect freedom of association and recognise the right to collective bargaining. These entities have implemented collective bargaining agreements with the representative union organisations, covering topics related to the organisation of labour, wages, etc.

  In 2015, Monoprix conducted the "Monop'sondage" survey, giving employees a forum to express their view of the company, working conditions and management practices. The results serve to draw up specific action plans on a store-by-store basis. The Monoprix CSR policy sets four objectives for 2020, including having "80% of employees prepared to recommend Monoprix as an employer" as a measure of employee satisfaction.

  Éxito in Colombia conducts a survey of 22,000 employees every two years. It obtained a score of 80 in 2016, up from 78.6 in 2014, lifting its status from "highly satisfactory" to "outstanding". The various other programmes designed to gather employee suggestions and opinions continued. They include the "360° Contigo Buzón de Sentimientos" programme in stores and warehouses and "360° Contigo Exprésate" for office employees. Three hundred and eight stores shared their ideas for improvement and good practices, delivering more than 42,940 proposals on 12 themes including working conditions and equipment, professional development, work schedules, a sense of belonging and pay. Éxito gave a prize to 12 of the best practices proposed.

  As part of its "yo soy Libertad" programme, the Argentinian subsidiary cultivates various initiatives designed to ensure good conditions in the workplace. It conducts internal satisfaction surveys of all employees in order to measure their feelings and identify appropriate initiatives. In 2016, the entity established a new survey on the themes of interpersonal relationships, a sense of belonging, trust and recognition, to be launched in 2017.

  In 2016, Libertad also set up a programme called "The Idea Factory", which allows all employees to express themselves and air their ideas. Four hundred and eighty ideas were aired in this way over the year.

  In Brazil, Assaí conducted an engagement survey of its employees for the fourth consecutive year, with a response rate of more than 90%. The survey put the engagement rate at 75%, ranking Assaí among the best performing companies in the market.

Implementing wage policies designed to promote individual, collective and CSR performance

The principles of Group executive compensation are presented in Chapter 6 of this document.

The Group's wage policy takes into account:

a. skills;

b. level of responsibility;

c. experience.

The Group offers fair and competitive pay in line with market practices observed for similar jobs and tailored to the specific local characteristics of the Group's host countries. Surveys are carried out regularly in France and internationally to assess the competitiveness of the wage packages proposed by the Group compared with those proposed by companies operating in the same business sectors. These surveys mainly concern management positions and skill shortage jobs.

Most managers, supervisors and employees are paid according to a variable system based on quantitative and/or qualitative objectives to encourage individual and collective performance.

The variable portion of pay for managers is structured around:

a. Group objectives;

b. quantitative and qualitative individual objectives;

c. an assessment of managerial behaviour called "Managerial Attitudes and Behaviours" (MAB), which aims to promote a management culture respectful of Group values. The MAB score accounts for 30% of variable compensation.

Known as L.I.D.E.R.S., an acronym for leadership, innovation, decision, engagement, responsibility and synergies, the model has already been deployed in France and certain other host countries. In view of the Group's commitment to CSR, the standard was adapted in France in 2016 to assess the incorporation of CSR into the business and management projects.

Outside France, quantitative CSR objectives underpinning a portion of managers' variable compensation have been established in Brazil and Colombia. In 2016, Brazilian managers were assessed on the basis of their performance in respect of targets in the areas of equal opportunity, integration of people with disabilities and energy consumption. In Colombia, objectives in terms of local purchasing and the financing of Éxito Foundation initiatives – and above all its "Gen Cero" programme (see section 8.6.1) – are also included.

Moreover, Group entities also offer employee benefits to their staff. Such benefits may include a discount on their shopping in the store, not to mention financial assistance (contribution to medical, meal, transport, housing and education expenses).

Providing benefits to employees and their families

Casino Group proposes employee benefits, which may include medical cover, death and disability insurance and other benefits compliant with the legislation and practices of each country, which top up the compulsory plans. This cover is partially financed by the employer.

Employee profit-sharing and savings schemes are also in place at Casino, Monoprix and Cdiscount.

Most employees also enjoy a discount on their shopping in the store, as well as financial assistance for housing and recreation, notably through the works councils. More than 38,000 Éxito employees thus benefit from the "Presente" fund, which has holiday parks, and also offers health coverage and an insurance system at preferential rates.

Offering an employee savings system for French entities

Profit-sharing plan

In France, the initial profit-sharing agreement signed by Casino in 1969 is frequently updated. Monoprix, Franprix, Leader Price and Cdiscount have their own profit-sharing agreements.

Incentive plans

The Group's first incentive plan was signed in 1986 in France for employees of the Casino banner. For a number of years, this incentive plan has comprised a Group incentive, based on Casino's performance, and a local incentive, based on the results of each entity. The new agreement signed in February 2016 ushers in a new split: 60% of the group incentive is now allocated in proportion to the annual salary (as opposed to 80% in the previous agreement) and 40% in proportion to the length of service (as opposed to 20% in the previous agreement). The local component is allocated entirely in proportion to the annual salary, and may be paid on an annual or half-yearly basis, depending on the entity. Other Group companies, such as Monoprix and Cdiscount, have also set up incentive plans for their employees.

More than 74,000 workers in France thereby benefited from an incentive agreement and/or profit-sharing agreement in respect of 2015, representing a total amount of €29.8 million (€18.9 million in incentive plans and €10.9 million in profit-sharing agreements).

Savings plan

In France, Casino Group employees are offered the opportunity of joining a savings plan to build employee savings. Employees may arrange for their incentive and profit-share payments to be paid into the savings plan and may also make monthly or occasional voluntary payments. Certain Group companies contribute to these savings by matching the payments made by their employees. The specific terms and conditions for paying this matching contribution vary depending on the company.

At 31 December 2016, 54,521 employees and 30,714 former employees of the Casino Group in France were members of a savings plan (PEE, PEG or PERCO), representing total assets of €199.55 million or approximately €2,340 per employee. In 2016, the Group's French companies paid almost €3.2 million in matching contributions into employee savings plans.

Taking action for health, safety and well-being at work

The Group is actively committed to improving the physical and mental health and safety of its employees, based on three principles:

I. improving the systems implemented for Group employees by deploying prevention training on safety in stores, gestures and postures, etc.;

II. improving the quality of life at work and the well-being of employees;

III. promoting awareness campaigns and screening on major public health issues in the Group's host countries.

The Human Resources departments of each subsidiary are responsible for implementing policies in this area. They call on:

- management, which is responsible for implementing risk prevention plans and taking the necessary steps to eradicate situations of risk;
- employees, who are made aware of the issues so that they can be actors in their own safety and play a role in improving their working conditions;
- external personnel, who are required to comply with safety rules in the Group's stores.

I. To improve health and safety systems, the Group set up an employee feedback programme several years ago in France. Its aim was to prevent occupational risks by allowing workers to voice their concerns about working conditions. This initiative has been deployed in hypermarkets, supermarkets, warehouses and Casino and Cdiscount restaurants to enable the Group to take into account the comments and needs expressed by employees on the ground. The risk prevention policy is set with the trade unions and within the framework of agreements specifying the objectives, the means of action and expected results for the prevention of psychosocial risks, health and safety in the workplace, and the prevention of arduous work. Monoprix implemented a psychological counselling unit in 2016, giving employees the opportunity of being assisted by a social worker. Lastly, a national Occupational Health and Safety Charter to protect temporary employees was signed by Casino's logistics subsidiary in January 2015.

Outside France, GPA and Éxito implement workplace accident prevention plans to identify major risks in the workplace as early as possible. In 2016, 941 GPA sites were assessed for potential environmental, medical and accident risks in order to develop prevention plans. GPA also organised a workplace accident prevention week at its stores and warehouses.

At Éxito, the five regional health and safety committees (*Paritario de Seguridad y Salud in Trabajo* committees – COPASST) meet monthly to deal with accidents in the company, monitor the implementation of policies and propose improvements in employee working conditions.

II. To improve the quality of life at work and the well-being of employees, action plans are rolled out in all Group entities.

In France, the Human Resources department initiated an awareness and training programme on caring management practices in 2014, with the support of the Executive Committee and the assistance of Dr Philippe Rodet, a medical expert in workplace well-being. The programme is designed to increase employee motivation by reducing workplace stress. These initiatives helped to raise the awareness of 4,200 managers (on the Group Executive Committee, executive committees of the Group's entities, etc.) through presentations by outside consultants, and the rollout of an e-learning platform where any manager can extend the learning experience and access practical, useful content (videos, quizzes, etc.). A network of workplace well-being experts was established in 2015 to identify employees who might be experiencing difficulties, build relationships and direct them to the people who are best placed to help, whether it be the occupational physician, management, the HR department, or a help and assistance platform. Finally, a "Caring Management Practices" module has been added to the "Trade and Retail" masters' programme at Jean Monnet University in Saint-Étienne.

To provide employees facing administrative, legal or financial possibilities with the best support possible, Casino offers its employees access to an advisory service run by a specialised external provider. It saw assistance provided to 561 people in 2016.

The Group has implemented a telecommuting system to provide flexibility in the work organisation of some employees. An agreement on telecommuting has been established within Casino IT teams and administrative teams on the Vitry site.

Outside France, Éxito continued its "tiempo para ti" programme for all staff in 2016, with the aim of promoting a balance between professional and personal/family life. It offers flexible hours, as well as days of leave for personal or family activities or for graduations. More than 12,530 days have been used, benefiting over 20,300 employees. Since 2015, Éxito has measured the psychosocial risks to which employees may be exposed and introduced a pilot telecommuting programme for employees on administrative sites. Its aim is to contribute to a better work-life balance.

III. The Group organises information days to raise employee awareness about major public health issues. Casino has ushered in "at the heart of health" days during which employees of head offices, stores or warehouses meet with health professionals (doctors, nurses, dieticians, specialists on smoking addiction, etc.), participate in workshops (giving up smoking, nutrition, heart care, etc.), have blood tests (cholesterol, blood sugar, etc.) and receive individual support based on the test results. Other awareness-raising days were organised in 2016 to address the risk of diabetes, a major public health issue in France, with a medical team and the Health, Safety and Working Conditions department. Employees were able to assess their predisposition to diabetes, and ask questions to members of the French Federation of Diabetics. Casino is also the first player to get French Federation of Diabetics food security approval for its range of sugar-free products.

Outside France, GPA continues to deploy health and nutritional awareness campaigns for its employees in its warehouses and at head office.

For eight weeks, GPA employees had the chance to take medical tests: more than 1,900 people took tests to measure their blood sugar, blood pressure and body mass index (BMI), and to benefit from appropriate advice. A rehabilitation centre was also opened in 2016. It welcomes people on sick leave, offering them support from doctors, physiotherapists and other practitioners in their convalescence, and helping ease them back into the company.

Monitoring indicators have been established to measure the effectiveness of the approach and initiatives.

	Group 2015	Group 2016	2015/2016 change
Lost-time accident frequency rate	18	16.3	-1.7 points
Lost-time accident severity rate(1)	1.1	1.2	+0.1 points
Absenteeism rate due to accidents and illness (including occupational illness)(1)	4.2	4.4	+0.2 points

Note: 2015 data have been restated to ensure comparability with 2016.
Group data exclude discontinued operations in application of IFRS 5, i.e. *Viavarejo and Cnova Brazil.*
(1) Excluding GPA.

Managing talent and ensuring employees' professional development

Since its very beginnings, Casino has been committed to providing career growth opportunities for its employees. It sees this as a way of bolstering its operating performance.

The diversity of the Group's businesses, its international reach and the multi-format nature of its banners offer employees many opportunities for mobility and career development. Internal mobility is a priority for the Casino Group, and one of the key planks of its human resources policy. By way of example, Casino aims to fill 50% of management positions through internal promotions.

The mobility policy has two major objectives:

a. facilitate employee development within the Group;

b. ensure that the Group has adequate resources to meet its current and future needs.

Several systems are in place within the Group:

- performance appraisals and/or professional interviews;
- career and mobility committees tasked with identifying needs and facilitating internal mobility;
- succession plans serving to establish individualised learning paths;
- programmes for high-potential employees, including:
  - at the Group level, the "Young International Talents" programme, which aims to develop the potential of future international managers, to strengthen international cultural teams, to create synergies, to facilitate the exchange of best practices between entities and to retain talent by offering compelling career opportunities. Over 300 young talents have joined this programme since 2006,
  - in France, the Talent Pool, comprising three programmes for employees with three to ten years' experience, identified internally by the Human Resources team through individual interviews, or by internal Committees (Development/Career committees). The purpose of these programmes is to help participants build their career plans and measure their potential, enhancing their performance by means of targeted support. These programmes have a total of 146 members,
  - in Brazil, Assaí launched a new career development programme in 2016, known as the "accelerate programme". It establishes a specific training path for future managers identified by the banner. In Argentina, Libertad has formed a "Pool de Altos Potenciales" to offer support to future business leaders.

In 2016, in France, the number of permanent employees promoted was up 20% year on year.

Training employees to promote employability

Training is one of the key pillars of employee development and employability.

In line with Group targets, the Human Resources departments of each subsidiary offer training plans to facilitate professional development and career paths, and to oversee the integration of new employees. These training plans are designed to dovetail with changing needs in terms of jobs and skills, employee expectations expressed at annual appraisals, change in the organisation and legal and regulatory obligations.

Group	2014	2015	2016	2015/16 change
Total number of training hours	3,096,787	3,418,383	4,050,876	+18.5%
Total hours of training per person	14	15	18	+20%

Note: 2014 and 2015 data have been restated to ensure comparability with 2016.
Group data exclude discontinued operations in application of IFRS 5, i.e. *Viavarejo and Cnova Brazil, representing 715,701 training hours and 11.2 hours of training per person in 2016.*

Four major themes are highlighted in all Group entities: health, safety and quality training, technical training on the Group's businesses, customer service training, and management and leadership training.

In France, the Group signed its first strategic workforce planning (SWP) agreement in 2008. A new agreement was negotiated in 2016. The Group offers a wide range of training programmes through its Casino Campus in-house training body, in the form of both classroom sessions and e-learning modules (available on the My Campus platform) designed to address the full range of the Group's needs with respect to employee skills development in the fields of retailing jobs, the acquisition of technical skills and management. In France, more than 41,600 employees received training (Casino, Monoprix, Franprix, Leader Price, Cdiscount and Vindémia) in 2016. By way of example, Casino developed new certification programmes in food services in 2016, to train people for jobs in the butcher, seafood and pastry fields. Monoprix, which trained more than 51% of its employees in 2016, promotes the Validation of Acquired Experience (VAE) programme, with 78 people helped since 2015. This system is also backed by the other banners.

The Group's international subsidiaries have also created special Training departments to handle the deployment of initial training right after the employee's induction and on-the-job training linked to career promotions. A number of banners have their own in-house training centres. Assaí has a corporate university that offers courses focusing on the cash & carry segment. It trained 36,000 people in 2016. Multivarejo trained over 3,000 managers in leadership in 2016. In Colombia, Éxito is very active in training its employees. It has more than a hundred training programmes for all employee categories at its headquarters and in individual stores. Éxito has several "training schools" specific to different careers in retailing and its various banners, each of which has its own personality. Thus, three internal schools were established in 2016, two of which were specific to the Éxito banner for its bakery and telephony activities. Schools specific to the Surtimax and Éxito Express banners were also developed in 2016, as was the school specialising in the Carulla bakery business, created in 2015.

Managing change in the Company

The Human Resources departments provide assistance for facilitating organisational changes in the Company and implementing specific measures upstream, in line with legal provisions. The Casino agreement on strategic workforce planning (SWP) represents another tool of dialogue for anticipating organisational changes in business operations.

8.2.2. The Casino Group, a responsible retailer

As expressed in its corporate by-line, Casino aims to "nourish a world of diversity" by providing quality products that are affordable for everyone whilst enabling its customers to be more responsible consumers.

Three priorities have been identified within the CSR progress approach:

- act for consumer health by promoting a more balanced diet;
- encourage consumers to adopt environmentally-responsible and biodiversity-friendly consumption;
- combat food waste.

Food is a key health issue in today's society and a major concern for the Group, which addresses it through a product policy combining safety, nutritional balance, health, pleasure and respect for the environment.

8.2.2.1. Ensuring product quality

Product quality and safety are a top priority for the Group, across all ranges of its private-label products.

From product specifications to store operations, an end-to-end system ensures that the Group sells safe, healthy products of the highest quality.

In France and internationally alike, the quality management system deployed within the Group is based on:

- a Group Quality Charter shared with subsidiaries;
- a dedicated organisation and the expertise of teams:
  - the Group Quality department coordinates regular exchanges with subsidiaries' Quality departments on best practices and procedures in such areas as product quality and safety policies, traceability, supplier audits, crisis management, and product withdrawal and recall,
  - the subsidiaries' Quality departments are responsible for guaranteeing the quality standards of private-label products and ensuring that all products sold are safe for the consumer;
- International Featured Standards (IFS) and the work of the GFSI. The Casino Group is a member of the Consumer Goods Forum's GFSI, and its subsidiary Libertad is a member of the GFSI South Latam Group. The GFSI is a global benchmark for food safety standards throughout the supply chain;
- specifications shared with suppliers: demanding specifications are established for each private-label product purchased. They consist of descriptive technical data, compliance reporting and analysis reports. They provide a clear and shared definition of the product upstream of its marketing;
- collaborative management tools developed with food manufacturers to ensure compliance with specifications and effective product tracking;
- traceability, withdrawal, recall and crisis management procedures and tools, implemented as needed;
- sites are subject to regular audits, with particular emphasis on health and safety risk management in compliance with the Hazard Analysis Critical Control Point (HACCP) principles. The Casino Group audits:
  - suppliers of private-label products. Non IFS-certified suppliers are audited regularly to ensure that they meet regulatory requirements as well as Casino's specific requirements,
  - the Group's warehouses to ensure the implementation of best practice procedures and guidelines. All Casino warehouses now have IFS Logistics certification,
  - the stores. Hypermarkets and supermarkets in France are audited twice a year in accordance with the IFS Food Store standard. The Brazilian, Argentine and Colombian subsidiaries apply these standards in their stores;
- product quality controls are conducted throughout the year:
  - product control plan, in store: each private-label product is analysed several times by independent laboratories, based on microbiological and physicochemical criteria (44,000 tests performed on Casino products each year),
  - monitoring sensory quality (taste, aroma, etc.) using sensory analyses conducted with consumers. France and Brazil have their own sensory evaluation laboratories,
  - grading of fresh produce in warehouses (approximately 260,000 inspections of Casino products each year),
  - each breach of compliance detected is analysed, and an action plan is drawn up to address the underlying issue.

Specific programmes are also run by the subsidiaries. GPA reinforces its programmes each year:

- "Quality from the source" programme for the improvement and traceability of fruit, vegetables and eggs to monitor product transport and storage conditions and, where appropriate, the use of pesticides;
- "Programa evolutivo de qualidade" (PEQ), a progressive quality programme assisting suppliers in the development of private-label products in terms of quality and food safety, and encouraging them to obtain internationally recognised certification from an independent body. The programme is extended to new product categories each year.

8.2.2.2. Taking action to protect consumer health

The Group's health and nutrition approach, initiated in 2005, is based on the experience and expertise acquired by the Group since 1901, when the very first Casino private-label product was created. It was reinforced:

- in 2008, with the signing of a charter of voluntary nutritional progress commitments with the French Ministry of Health, under the National Health Nutrition Plan (PNNS);
- in 2010, with the establishment of a Health Committee that meets four times a year to analyse data, the latest scientific trends and consumer expectations in the field of health. The Committee issues recommendations on controversial ingredients such as aspartame, endocrine disruptors, bisphenol and pesticides, and supports the Group in France in its development of special private-label ranges such as poultry raised without antibiotics and frozen fruit and vegetables that are guaranteed to be free of quantified pesticide residues.

The Group's main initiatives involve:

- improving private-label products' nutritional value by reducing their salt, fat or simple sugar content, or substituting certain fats with others offering a better nutritional profile;
- developing product ranges for specific dietary requirements including gluten intolerance, vitamin and mineral deficiencies, diabetes and weight problems;
- introducing more legible nutrition labelling to better inform consumers;
- conducting research into innovative products and production methods;
- promoting a healthy lifestyle and balanced eating.

Improving the nutritional profile of private-label products

Since 2008, the Casino brand has carried out substantial work to reduce salt, sugar and fat in the recipes of more than 2,000 items, in accordance with the recommendations of the National Health Nutrition Plan (PNNS). Product specifications incorporate these requirements. In addition, strict criteria are laid down in respect of food specifications (refusal to use GMOs or ingredients derived from GMOs, irradiated ingredients, etc.) and health/beauty products (no parabens, nanomaterials and animal raw materials, etc.). Similar work has been carried out on the Monoprix brand, in accordance with its Sustainable Nutrition Charter.

Outside France, Éxito continued to optimise its food products within its own its system following the "Nutrition Diagnostic" conducted across the entire product range in 2015, to mark the launch of its policy and the establishment of a dedicated organisation including a nutritionist: 39% of its range of food products meets the nutritional requirements set thanks to this process.

Developing specific product ranges

In addition to the nutritional and health criteria imposed on suppliers of private-label products, the Casino Group offers several product lines meeting the specific nutritional requirements of some of its consumers.

- A range for diabetics or gluten-intolerant people.

  The private label "Casino Bien pour Vous !" offers five product ranges, including sugar- and gluten-free ranges developed in collaboration with the French Diabetes Federation (FFD) and the French Association of Gluten Intolerance (AFDIAG); Monoprix also offers a gluten-free range.

  The Taeq brand, distributed in Colombia and Brazil, offers a benefit in terms of health and well-being, and ranks among the 50 most popular brands for Brazilian consumers. It contains products suited to specific needs (gluten-, sugar- and lactose-free).
- An offering for special diets.

  Leader Price Fine Ligne offers low-salt, low-sugar and low-fat products, and was put together with the help of nutrition experts; Monoprix is pursuing the development of "new dietary requirement" products, with over 30 SKUs without salt, a chilled vegetarian range and gluten-free products.

Informing consumers about the nutritional value of products

The Group supports the introduction of nutritional labelling to provide better information to consumers. Private-label food products feature nutritional labelling stating the energy value, quantity of protein, carbohydrates, sugar, lipids, saturated fats, dietary fibre and sodium, and any allergens in the list of ingredients, as well as the origin of meat in ready meals. The Casino brand applies this labelling at its own initiative on a number of product families that are not subject to the regulations.

Casino participated in and provided financial support for a nationwide public health experiment in 2016, with the aim of establishing an additional nutrition labelling system for Europe. The idea is to choose the most suitable system of labelling to guide consumers in their food choices, and above all the least advantaged populations. For over two months, four kinds of labels were affixed to products and tested in 60 Casino supermarkets.

Outside France, Éxito continues to develop the voluntary nutrition labelling process on its products. It applies the Guideline Daily Amounts (GDA) standards, which indicate the calorie and macronutrient content of food as a proportion of recommended dietary allowances (RDA). RDAs are based on scientific data in respect of dietary requirements, and provide guidance on the average amount of key nutrients needed by a healthy person with a balanced diet. In 2016, more than 630 suppliers put nutritional labelling on their products.

GPA further improved its nutritional labelling system on its Taeq private-label products, indicating the levels of saturated fats, fibre, sodium and vitamins, and continued to highlight the presence of any allergens or additives in the list of ingredients. All Libertad private-label food products also carry detailed nutritional labels.

Promoting products and production methods respectful of health

To reduce consumers' exposure to pesticides and antibiotics, Casino launched the "Agriplus" programme in 2016 (see section 8.2.3.3 – Supporting local farmers and agricultural production chains). It aims to develop and promote innovative agricultural initiatives, virtuous for the environment, for farmers and for consumers. At the end of 2016, the approach offered:

- frozen vegetable SKUs without pesticide residue. The aim is to propose a range of frozen vegetables comprised solely of SKUs guaranteed to be without pesticide residue;
- poultry products from animals raised without antibiotics, especially for the Casino Bio and Terre & Saveurs brands, and pork raised without antibiotics. This approach helps to combat antibiotic resistance, in line with the French Ministry for Agriculture's 2017 Ecoantibio plan to reduce the use of antibiotics in farming by 25% over five years.

Promoting balanced consumption

The Group's banners encourage their customers and employees to adopt a healthy lifestyle through sport and good nutrition.

- In 2016, Éxito reaffirmed its determination to encourage customers to adopt a healthy lifestyle with its internal and external stakeholders. This policy, recognised as best practice by the Consumer Goods Forum (CGF), is based on five strategic thrusts involving employees, customers, suppliers and civil society alike. Among other aspects, it is based on consumer awareness (communication campaigns), employees (via Éxito, Carulla, Surtimax and Super Inter internal magazines) and the promotion of physical activity (including sponsoring sporting events).

  Grupo Éxito launched an awareness campaign called "Cuidarte es bueno, hacerlo es facil" to encourage people to adopt a balanced lifestyle by eating healthy products adopting the right diet.
- In Brazil, a new institutional campaign was launched in 2016, backed up by a slogan in the form of a promise: "Eating well makes your day go better". Several recipes for healthy and easy-to-prepare meals are proposed by nutritionists, made from nutritious and healthy ingredients as part of this campaign.

  GPA's responsible foodtruck offers free cooking workshops where customers can learn to make dishes developed by nutritionists with a view to promoting a healthy and environmentally friendly diet. A total of 2,300 people have taken part in the foodtruck workshops.

8.2.2.3. Encouraging more respectful consumption for the benefit of the environment and biodiversity

To promote more environmentally responsible consumption among its customers, the Group has developed several initiatives since 2007 to reduce the environmental impact of the products it sells. They include optimising and reducing packaging, developing more environmentally responsible product ranges, providing environmental information on food products, and carrying out communication campaigns that encourage consumers to return used items for recycling.

To help customers consume in a more environmentally friendly manner, Casino Group stores now offer more than 19,680 products certified as environmentally responsible, an increase of 13% compared with 2015.

Promoted among consumers in dedicated areas or through commercial and/or promotional activities, these products represent a growing share of the entities' total business.

Organic farming and good agricultural practices

The Group offers a wide range of organic products to shoppers, with a total of more than 16,100 products on store shelves Group-wide.

Group	2014	2015	**2016**	2015/16 change
Number of organic products (private-label and national-brand products – excluding apparel)	13,146	14,390	16,107	12%

Note: 2014 and 2015 data have been restated to ensure comparability with 2016.
Group data exclude discontinued operations in application of IFRS 5, i.e. *Viavarejo and Cnova Brazil.*

In France, more than 14,110 AB-certified organic products (excluding apparel) are available in stores, including those sold under Casino Bio, Franprix Bio, Leader Price Bio, Monoprix Bio and Naturalia private labels.

	Casino Bio	Naturalia Monoprix Bio	Leader Price Franprix Bio	Taeq Brazil and Colombia
Number of organic products excluding apparel (private label)	489	612	210	305

In addition, Group banners in other host countries sell nearly 2,000 organic products.

The banners promote these products among customers in special display areas in stores and in targeted marketing campaigns. For example, the Pão de Açúcar banner promotes organic products on its "organic Thursdays", with a 20% discount to customers.

In 2015, Casino's purchasing agency signed a partnership charter with a number of organic fruit and vegetable suppliers to strengthen cooperation and create a French organic produce sector.

The Group's banners offer a number of product ranges with Good Agricultural Practices (GAP) certification, representing more than 930 products on store shelves Group-wide in 2016.

In France, Casino sells around a hundred fresh products under the Terre & Saveurs brand. These items are produced using traditional outdoor farming methods in partnership with producers who adopt good agricultural or breeding practices (alternative cultivation methods, little or no post-harvest treatment, respect for the real requirements of crops, respect for the aquatic environment, etc.). More than 260 products marketed under the Club des Sommeliers brand also comply with a set of specifications for best production practices.

The Group encourages its suppliers in other countries to apply GAP. For this reason, Éxito has implemented a GAP certification programme for its suppliers: the list totalled 208 fresh products in 2016 (an increase of 41.5% compared with 2015). An event to promote good agricultural practices bringing together suppliers of fruit was held in 2016.

GMO policy

The Casino Group's policy on genetically modified organisms (GMOs) was formalised in 1997. The Group's private-label products sold under banners in France (Casino, Monoprix, Leader Price and Franprix) are guaranteed GMO-free with respect to their ingredients and the additives and flavourings used. Outside France, private labels comply with applicable regulations and labelling rules. In Brazil, for example, products are inspected, and indicate the presence of GMOs if they exceed 1%.

Protection of biodiversity

To better understand its impact on biodiversity, the Group conducted an analysis of the pressure placed on biodiversity by food products and Casino stores in France with the Fayol Institute graduate school at the École des Mines in Saint-Étienne.

The study, based on a lifecycle approach, served to assess three categories of pressure on biodiversity: habitat loss, pollution and climate change. One of the key findings is that the greatest impact is coming from the cattle industry (meat and milk).

The full range of results and the appropriate types of initiatives were presented to the Group's quality teams in order to change the technical specifications of products under our brands so as to reduce their impact on biodiversity in the coming years.

Palm oil policy

The Casino Group was one of the first retailers to commit to a palm oil policy, as early as in 2010. It believes that the only way to achieve the common objective of restricting use of palm oil to that produced without causing deforestation or exploitation is to promote a collective approach among all stakeholders, including NGOs, refiners, plantations and manufacturers.

In 2011, it joined the Roundtable on Sustainable Palm Oil (RSPO), responding to numerous stakeholder expectations.

In 2015, with the support of TFT, the Casino Group committed to:

- ensuring a transparent supply chain for the palm oil used in its private-label brands by first of all identifying the refiner or distributor so as ultimately to have better visibility of the whole supply chain, starting from the mill stage;
- using palm oil produced without causing any deforestation or exploitation, *i.e.* palm oil from plantations that adopt ecologically sound policies with regard to high conservation value forests[1], carbon-rich forests[2] and peatlands[3], which also support the development of small producers and respect local communities and workers' rights;
- supporting responsible local producers in the producer countries in which the Group operates (Brazil, Colombia);
- sharing progress reports and information regarding actions and next steps to be taken.

The policy with regard to palm oil was validated by the Casino Group's CSR Strategy Committee, and the results of the action taken were presented at the December 2015 Committee meeting.

As early as 2015, the Group took several measures to involve private-label suppliers in its palm oil commitment, sending out letters informing them of the Group's policy and organising awareness raising seminars in Brazil. It also published a document entitled "Casino Group Palm Oil Procurement" to promote its policy among employees, and held several working meetings to engage the relevant teams at its different banners.

Further efforts included calculating the palm oil footprint of its private-label products as well as gathering information to trace palm oil back to the first importer (name and address) and/or refiners.

(1) High conservation value areas are areas of strong biological, social and cultural value that are important to conserve, and that contain rare species and habitats. For more information, visit: https://www.hcvnetwork.org/
(2) High carbon stock areas, including primary forest, high-, medium- and low-density forest, and young regenerating forest. For more information, visit: http://highcarbonstock.org/the-hcs-approach-toolkit/
(3) Peatlands, areas where the soil contains more than 65% organic matter.

The palm oil footprint of Casino Group private-label food products – Casino, Monoprix, Leader Price – is estimated at 4,900 tonnes (revised 2015 data). In all, 87% of the palm oil used in the Group's food products can be considered traceable or partially traceable back to the first importer. An analysis of the "zero deforestation" commitments of the leading importers was carried out with TFT in 2016. A web seminar was organised in September 2016 to present the results to the suppliers concerned in France and to encourage them to promote the policy with identified refiners.

The subsidiaries in Latin America are also committed to action on palm oil: in 2016, GPA called a meeting of ten manufacturers of private-label products using palm oil to obtain their commitment to control their supply chains.

Promotion of a responsible beef sector and prevention of deforestation

Aware of the social and environmental challenges of beef production in Brazil, in 2009 GPA joined the Working Group on Sustainable Livestock (GTPS). It has also been a signatory of Brazil's national pact towards eradicating slave labour since 2005, and its supplier agreements contain clauses on the prevention of child labour. In 2014, GPA's Risk Management department, in collaboration with the CSR department, updated the social and environmental risk map in its supply chains. In the wake of reports about the serious health risks of eating beef, GPA carried out a study in 2015, with the support of TFT, to prepare a risk map to track all of its beef suppliers and identify the origins, traceability, breeding conditions and potential risks linked to the meat.

The beef sourcing policy was launched in March 2016, in partnership with TFT and with monitoring by Greenpeace. As part of this policy, GPA introduced the "Safe Trace" tool: suppliers were called on to integrate data from their farms into this tool so as to permit the monitoring of the traceability of beef and ensure that the supply chain is not linked to deforestation, forced labour or the exploitation of indigenous lands. In 2016, 98% of the volumes were sourced from suppliers that have implemented a meat origin inspection programme.

In Colombia, Éxito is working to set up a responsible bovine policy in collaboration with WWF, Climate Focus, Fundación Natura and Nueva Federación de Ganaderos (Federation of Cattle Breeders). The objective is to develop farming production capacity while ensuring sustainable use of soil and protecting ecosystems. As such, specific technical requirements have been established to control livestock operations on a set of themes including the conservation of water resources. The first steps were taken in 2016.

Responsible fishing

For many years now, the Group has been endeavouring to improve its seafood offering. Since 2007, Casino has taken a number of measures to protect fishery resources, such as gradually stopping the sale of the most endangered deep-sea species (emperor fish, blue ling, cutlass fish, grenadier and tusk, and, since late 2016, shark tope and blue sharks). It has also stopped selling other endangered species such as North-East Atlantic dogfish, eel, elver and white grouper.

This policy is shared and supported by the Group's other banners. For example, Éxito has stopped selling endangered species and has committed to protecting saltwater and freshwater fish species in danger of extinction. The Colombian subsidiary ensures respect for local fishing quotas.

Casino continued to support small-scale fishing through the deployment of the "La Criée" concept by partnering with numerous Atlantic and Mediterranean ports. A daily distribution system was specifically put in place to offer customers seafood products direct from the ports every day, in cooperation with small fishing companies. Monoprix rolled out its "Monoprix coastal fishing" initiative which involves the sale of fish from environmentally responsible fishing practices that promote species renewal. Casino and Monoprix stores propose Marine Stewardship Council (MSC)-certified products, as a guarantee of sustainable fishing.

In order to promote sustainable fishing, Casino brands:

- fight against illegal fishing by ensuring that fishing boats supplying the banners are not on the list of IUU (illegal, unreported, unregulated) vessels;
- improve traceability and good fishing practices:
  - encouraging suppliers to adhere to the International Seafood Sustainability Foundation (ISSF),
  - promoting the supply of yellow fin tuna caught without fish aggregating devices – over 30% of supplies of tinned tuna sold under the Casino and Tous les Jours brands were caught without FADs in 2016;
- improve consumer information by indicating the species and ocean of origin on the tins of the Casino and Tous les Jours brands;
- source from different fishing areas so as to limit pressure on stocks.

Monoprix offers a range of private label tinned albacore tuna bearing the "Pavillon France" label sourced from three fishing areas (Atlantic, Pacific and Indian oceans) and fished by purse seine on free schools (guaranteed without FADs).

Casino sells tinned albacore tuna caught by pole and line fishing, a method regarded as more environmentally friendly.

Promotion of local products

Committed alongside local producers (see section 8.2.3.3 – Supporting local production channels) the Group's companies develop and promote these product lines.

Since 2011, Casino has launched a range under the "Le Meilleur d'Ici" label, which includes products manufactured within a radius of about 80 kilometres around Casino Géant hypermarkets and supermarkets. Vindémia also deploys this concept, supporting nearly 800 local farmers and breeders, continuing to develop "Le Meilleur d'Ici" and supporting the "Nou la fe" and "Produits péi" labels. In 2016, two new partnerships were signed with local industries bearing on coastal fisheries and bananas grown on Reunion. Throughout France, Monoprix carries a Made in Pas Très Loin range of products made within 100 kilometres of the store. The initiative represents nearly 2,250 items, 10% of which are sold exclusively.

Private-label product packaging

- In France, eco-design of packaging has been taken into account in the selection of Casino private-label products since 2006.

  Given the importance of the "health" issue related to packaging, including the elimination of controversial substances, Casino has launched an initiative designed to reduce the presence of mineral oils in food packaging so as to protect products against the possible migration of these substances.

  Moreover, for its positive impact on the reduction of packaging and the fight against food waste, the Naturalia and Monoprix banners sell organic grains, dried fruits, coffee and pasta and other items on a scoop-and-weigh basis.
- In Brazil, the cardboard packaging of Taeq private-label products and certain Qualitá products sold in Brazil by GPA use recycled material from packages collected from customers. The "Novo de Novo" circular economy programme, initiated in 2009, permits the reuse of packaging collected to make new packaging. Since 2001, customers have deposited than 100,000 tonnes of packaging in the 200 recycling stations available in Extra and Pão de Açúcar stores; the cardboard collected was recycled and reused in more than 3.7 million private-label product packages in 2016. Whenever a new product is created, GPA is careful to reduce the amount of packaging, which is consistently made from Forest Stewardship Council (FSC)-certified cardboard.
- In Colombia, Éxito is helping suppliers of Taeq, Carulla and Cautivia products to cut down on packaging. It also develops products with fully recyclable packaging. To reduce and limit their impact on biodiversity and deforestation, the Casino banners prioritise the sale and use of Programme for the Endorsement of Forest Certification (PEFC) or FSC-certified paper, hallmarks of sustainable forest management.

8.2.2.4. Combating food waste

In view of the financial, environmental and societal challenges stemming from food waste, the Group has for several years sought to reduce sources of waste by offering solutions to customers and employees, first by implementing systems designed to reduce spoilage and unsold items, and second through donations.

In 2013, the Group signed the National Pact to Fight Food Wastage set up by the French Ministry of Agriculture and Food.

Levers in the fight against food waste include:

- continuous improvement of store functioning by optimising orders, limiting spoilage through training and education of personnel, limiting volumes of promotions, improving promotional labelling of damaged products or items with short remaining shelf lives;
- donation of products to associations such as the French Federation of Food Banks (FFBA) when products have short remaining shelf lives. The Group signed a partnership with FFBA in 2009, and with several players in the social economy such as Phoenix or Eqosphère in 2015. Over 10,500 tonnes of food were given to NGOs in 2016, an increase of 21% compared with 2015, reflecting the impact of these initiatives (section 8.2.5.2);
- raising awareness of employees and customers.
  - over 60% of food waste is attributable to consumers' consumption behaviour. To improve their awareness, the banners implement customer awareness initiatives in their stores by handing out brochures such as "Great Ways to Reduce Waste" and "Waste Prevention Tips" (Monoprix) and "Combating Food Waste" (Casino), and by organising anti-waste events;
  - employees also have their awareness raised: a guide to "Eco Gestures" is available to Casino employees to reduce spoilage and improve waste management. GPA has launched a zero waste awareness campaign to encourage stores to reduce food waste, based on a video to train store employees about waste recycling and composting;
- joint work with suppliers to:
  - extend the shelf life of products, without increasing the health risk: this was done for over 312 Casino, Monoprix, Franprix and Leader Price SKUs in 2016;
  - remove best-by dates on certain categories of products;
  - optimise packaging of food products with the development of single or portioned offers;
  - share experiences in the fight against food waste: redistribution in local circuits not complying with market standards, processing (turning avocado into guacamole, apples into apple juice, etc.). This approach has been introduced by Monoprix as part of "agricultural partnerships" on the fruit and vegetable sector (suppliers, buyers, etc.);
- the development of new concepts such as:
  - scoop and weigh: the Casino, Monoprix and Naturalia banners sell organic dried fruit and vegetables in bulk. This approach is accompanied by awareness campaigns for customers, including explanatory labels on products. In Brazil, the Pão de Açúcar banner also launched a new scoop-and-weigh concept in 2016,
  - the processing of damaged fresh produce: in 2016, during an anti-food waste campaign, Monoprix stores were encouraged to make anti-waste soups, smoothies and quiches from products close to their best-by dates. Monoprix also markets Re-Belles jams made from damaged fruit.

Lastly, many stores are adopting the sorting of non-consumable organic food products (meat, fish, etc.) for reuse in animal feed, biogas or composting (see section 8.2.4.7 – Sorting and recycling store waste).

8.2.2.5. Educating customers on responsible consumer habits

Promoting responsible products

To educate its customers and suppliers, the Casino Group carries out information and awareness raising campaigns in its stores primarily on responsible shopping, the recycling of used items (light bulbs, batteries, small electrical appliances) and food wastage.

In 2014, Monoprix rolled out its *"bien fait pour vous !"* campaign to promote its sustainable development commitments and encourage responsible shopping among its customers. The banner teamed up with one of its suppliers to distribute 73,000 sachets of flower seeds as part of a campaign to raise awareness about protecting biodiversity.

Casino was the first retailer to introduce carbon labelling on its private-label products to make its customers aware of the environmental impact of their consumption. Launched in 2008, this labelling was gradually replaced by the environmental index (EI), which features the impact of the full product life cycle on greenhouse gas emissions, water consumption and aquatic pollution. This index can be found on Casino and Monoprix private-label products. This process provides the Group with more insight into the environmental impact of products as well as informing and educating customers and encouraging suppliers to implement improvement actions. An Environmental Index calculation tool is deployed among industrial food producers to step up its use.

Reducing the use of plastic bags

To encourage more sustainable consumption and reduce household waste, the Casino Group has since 2003 had a policy of reducing the number of disposable bags provided, offering a range of reusable bags in all its stores.

- In France, from 2003 to 2015, the number of free disposable check-out bags distributed by Casino fell by 95%. In Paris, Casino supermarkets and Franprix stores decided to mark the opening day of COP21 by permanently removing all disposable carry bags as a sign of their commitment to protecting the environment. These banners made this choice more than six months before such bags were officially banned in 2016 under the energy transition law. The Group's banners in France no longer provide disposable plastic bags, in accordance with regulations.
- In other countries, subsidiaries are deploying an increasing variety of actions to encourage a preference for reusable bags (in-store displays, loyalty programme incentives, etc.) and reduce the use of disposable plastic bags. In Brazil, GPA has set up a rewards system for customers who do not use plastic bags, offering stylish new reusable bags. In São Paulo, GPA and the other major retailers withdrew all free plastic bags from their stores in May 2015. As part of its "Juntos en Acción" CSR programme, Libertad has rolled out initiatives for reducing the use of plastic bags in its stores, notably by opening a special checkout for its "caja verde" customers. These initiatives have resulted in a 90% reduction in the volume of bags handed out since 2015.

  In Colombia, Grupo Éxito runs awareness campaigns on the use of plastic bags, promoting the use of reusable plastic bags. Éxito reduced the number of single-use plastic bags handed out by 20% in 2016.

8.2.2.6. Listening to customer expectations and concerns

The Group's banners have developed an accessible, free and permanent system for listening to and exchanging with their customers (call centre, e-mail address, booths in stores). They also use social media and have developed specific web pages to facilitate and promote dialogue.

Training programmes in customer satisfaction and listening to customers are run in all Group entities.

- In France, all of the banners carry out customer surveys and organise store visits by specialised service providers. The questionnaires address a wide variety of issues that could affect customer satisfaction, from store cleanliness and service quality to the range of products on offer. The Group's banners propose a toll-free number for customers to call Customer Service. Casino is supported by an integrated call centre that manages customer requests. Monthly reports are prepared and forwarded to the relevant departments (purchasing, marketing, stores) so that corrective and preventive initiatives can be implemented (taking customer feedback into account in sourcing systems). Monoprix also has a toll-free number for its customers and an online platform for all queries about products, stores, services and the company. Leader Price and Franprix also offer a toll-free number. In 2012, the Casino Group created "C'Vous", its consumers' social network, for people interested in talking about products and services in their local store. In 2016, the "C'Vous" community had nearly 130,000 members. They can vote for their favourite products, participate in the creation of future food products (*e.g.* "vote for the next Casino dessert" or "give recipe ideas"), as well as non-food products (*e.g.* online product design, brainstorming on home decoration products, helping choose patterns for fabrics). The most popular ideas are then taken up in the banners.
- Outside France, GPA has numerous customer satisfaction survey tools. It has set up the "casa do cliente" system whereby customers can express their concerns, suggestions or comments. In 2016, Extra and Pão de Açúcar had customer satisfaction rates of 78%. In Colombia, Éxito carries out about 100 customer surveys per store, more than a million each year, in addition to online surveys (more than 2,000 each year), to define and track satisfaction levels, which were more than 4.37 out of 5 in 2016. In response to customer expectations, Éxito launched a mobile application to access the Exito.com web platform in 2015.

Customer loyalty programmes are another key tool in meeting expectations, offering loyal customers preferential offers tailored to their shopping habits. The Éxito programme brings together more than 5.8 million people and is Colombia's largest.

8.2.3. The Casino Group, a trusted partner

As a retailer, the Group's corporate social responsibility policy addresses the risks and challenges inherent in its supply chain. The CSR policy is designed to monitor and improve the social and environmental impact of the supply chain by:

- strengthening the Group's social ethics approach among suppliers of private-label products in countries at risk;
- supporting local production chains;
- facilitating suppliers' CSR initiatives.

8.2.3.1. Strengthening the ethical social approach

Social compliance standards and system

The Group supports the application of standardised and strict standards at national and international level. Involved since 2000 in France's *Initiative Clause Sociale* (ICS) comprising 20 retailing banners, it also supports international initiatives such as the Consumer Goods Forum in its work to harmonise standards and its determination to eradicate forced labour.

Since 2002, the Casino Group has deployed a social ethics initiative for its suppliers in an effort to monitor and improve the social conditions in which its private-label products are manufactured. Managed by the Casino Group's CSR department in association with the Purchasing departments, the initiative has been rolled out at the different entities and social ethics representatives have been appointed to support its implementation.

The Group's social compliance system was reinforced in 2016 with the update of the Supplier Ethics Charter applicable within the Group's supply chain. It reaffirms the Casino Group's commitment to promoting responsible retailing and more specifically to:

- banning all illegal practices in commercial relations and requiring compliance with applicable laws, principles, international and national standards and regulations in force, as well as the anti-corruption policy applied by the Group;
- respecting human rights (prohibition of child labour, prohibition of forced labour, fight against discrimination and abuse, freedom of association, wages, etc.), and occupational health and safety;
- favouring an approach that respects the environment, notably in terms of the optimised use of natural resources, waste management and the fight against pollution;
- ensuring animal welfare and the five freedoms of animals as defined by the World Organisation for Animal Health.

The Group social compliance approach

The Casino Group's social compliance approach focuses on five areas:

Supplier Ethics Charter

The distribution and signing of the Supplier Ethics Charter is a key step in the process of approving factories making private-label products.

By signing the charter, suppliers recognise the primacy of the principles contained in the following documents:

- the Universal Declaration of Human Rights;
- international conventions on fundamental human rights;
- fundamental international labour standards, as defined by the ILO Declaration;
- other applicable international labour standards (ILO conventions).

The endorsement also implies that the supplier accepts inspections to verify compliance with these commitments in accordance with the conditions set out in the Casino Group "Supplier Compliance Programme Manual".

Annual social audit campaign

Based on a risk analysis, more than 300 production sites are audited by independent firms every year to check compliance with the requirements set out in the Supplier Ethics Charter.

Monitored by the Group CSR department, and in collaboration with the entities concerned and the Group's purchasing organisations, the audits are implemented first in factories manufacturing high-risk product categories and based in countries considered most likely to present risks of violation of human rights and working standards. Regular audits are carried out, particularly in China, India and Bangladesh. The scope includes suppliers that import products directly, as well as those importing through agents.

The audits are carried out by specialised independent firms in accordance with the ICS standards. The Group may decide to terminate its relationship with a production site based on the rating received after an audit. The Group shares a common database for integrating and discussing the results of the audits performed in factories shared with banners belonging to ICS.

In 2016, 900 ICS audits of the Group's plants were validated, 68% conducted by the Group and the rest by other ICS members at shared supplier plants. Of the 349 audits conducted in 2016, 79% were initial audits and 21% were follow-ups. Sixty-two percent of plants audited by the Group were located in China, 8% in Bangladesh and 5% in India. An analysis of the results of ICS audits is published in the ICS Activity Report (www.ics-asso.org).

Support for suppliers

Audit reports are issued following audits of production sites. Where necessary, corrective action plans are also drawn up; non-compliant plants undertake to implement the relevant plan within a given timeframe. The Group's local offices play an essential role in helping suppliers and their factories properly understand the Group's expectations and the implementation of any corrective actions. Internal and external follow-up audits are performed to ensure that corrective action plans are properly implemented.

Awareness raising and training of purchasers

The CSR department organises regular awareness programmes to present the Ethics Charter to the purchasing teams, local offices and suppliers.

Across the Group as a whole, 89% of purchasers concerned were trained or had awareness raising on the new social compliance approach in 2016.

Two training sessions targeting purchasers were organised within the EMC purchasing hub. They served to highlight the Group's policies and rules in this area, the deployment of the approach and the results of social audit campaigns.

Cdiscount conducted several training sessions for all purchasers of private-label products. GPA also organises regular training and awareness sessions.

Other specific initiatives

In light of circumstances specific to Bangladesh, the Group continues to audit all tier-1 plants operating in that country on behalf of its apparel private labels, with stricter plant safety inspections and surprise audits systematically performed prior to inclusion on supplier panels. Although Casino had no connections with the Rana Plaza workshops, it pledged to uphold the Bangladesh Accord on Fire and Building Safety in July 2013, so as to support the collective and collaborative process initiated and to help improve safety conditions in factories in Bangladesh. All Bangladeshi workshops manufacturing goods for the Group fall within the scope of the Accord; as such, they are all subject to audits and corrective action plans.

In addition to these audit programmes, international subsidiaries are drawing up audit procedures for local suppliers. GPA is actively involved in the local Brazilian organisation *Associação Brasileira do Varejo Têxtil* (ABVTEX), which brings together all retailers in the domestic Brazilian textile industry to certify textile suppliers and subcontractors based on 18 criteria for ethical conduct including the prohibition of child labour and forced labour. These audits covered 100% of GPA's national textile purchases.

Éxito drafted a Code of Conduct for local suppliers. It includes ethical, transparency and good governance requirements, and was signed by more than 440 suppliers in 2016. In 2015, Libertad rolled out an ethics charter to nearly 900 suppliers based in Argentina, stating the human rights, labour rights and anti-corruption principles to be respected.

To gain a better understanding of how human rights are taken into account in its activities, the Casino Group has joined Enterprises for Human Rights (EDH) in order to identify the specific risks associated with its businesses and to interact with other international groups. It has supported the development of a training module on human rights in the workplace and creating the "Guide to Evaluating Risks Associated with Human Rights" and an e-learning awareness-raising and training module on challenges and good practices in the areas of business ethics and human rights.

8.2.3.2. Supporting the development of suppliers

Maintaining close relationships with SMEs

Since its inception, the Casino Group has maintained a close relationship with its suppliers, such as SMEs, farmers and cooperatives (see the responsible retailer section).

In France, Casino has developed several initiatives aimed at suppliers. Signatory of the differentiated platform established between the *Fédération des entreprises et industriels de France* (FEEF) and the *Fédération du Commerce et de la Distribution* (FCD), the Casino Group has appointed an SME officer to facilitate relations with the purchasing hub, and a mediator for business disputes. The Group also works with the FEEF and *Association Nationale des Industries Alimentaires* (ANIA) and with the *Club d'Entreprise Agro-développement*, and supports the Open Agrifood think tank, specialising in innovations in the food chain. Open Agrifood organised a forum on the theme of responsible eating in November 2016. Quarterly meetings are subsequently organised within the SME forum to take into account the expectations and challenges of SMEs in their respective markets. One of the forums held in 2016 focused on the challenges of responsible consumption.

Recognising that SMEs entrench its presence in its host regions and promote local employment, while strengthening store differentiation (product ranges, image), the Casino Group and the FEEF signed a charter to create a framework for close business relations in 2016. Its aims are to secure the business relationship between partners, notably through multi-year agreements, to facilitate the administrative and financial relationship (special contact for the processing of invoices and disputes, taking into account SMEs' cash-flow needs throughout the year, help to process financial/logistics/product information flows) and to support economic development (facilitating access for SMEs to the Group's various entities/companies, provision of commercial information including market reviews, positioning of the range, etc.). Lastly, the Group supports the "committed entrepreneurs" label developed by the FEEF to promote SMEs among consumers by providing them with reassurance on product origin and manufacturing, and helping to make sense of their purchasing initiatives.

Raising supplier awareness of CSR challenges

The Group conducts various initiatives to raise the awareness of its suppliers to CSR challenges and the Group's CSR priorities.

To encourage more respectful use of the environment, the Group was one of the pioneers of environmental product labelling (carbon and environmental indicators). With this expertise, it has developed a tool for its private-label suppliers to assess the environmental impact of their products and to identify potential avenues of optimisation (see section 8.2.2.3 – Promoting more respectful consumption), which is made available to manufacturers. More than 150 manufacturers use this tool.

Furthermore, to promote its commitment to diversity, in accordance with its policy against discrimination, Casino encourages its service providers to undertake a similar approach. One way it does this is by giving them brochures setting out any initiatives taken by the Group that they could also adopt. Casino offers assistance in the process, notably by providing internal tools.

Group entities also conduct a number of awareness-raising campaigns on CSR challenges with suppliers. Cdiscount unveiled the key planks of its CSR policy to its suppliers at its purchasing convention. In September 2016, the company also launched a pilot project for the CSR assessment of suppliers with a specialist independent provider. This approach has been rolled out on several categories of providers (head office purchases, etc.). Its aim is to identify their level of maturity and the strengths and weaknesses of their CSR policy, and to propose action plans addressing weaknesses.

Lastly, the Group organises regular dialogue with national-brand suppliers aimed at sharing CSR issues and laying down areas of joint work. Several CSR meetings and partnerships have been set up since 2011, notably with Danone, Coca Cola, Nivea and Unilever.

8.2.3.3. Supporting local farmers and agricultural production chains

Promoting local producers and supporting agricultural sectors

Local producers are given help to make their production and supply chains, manufacturing standards and administrative management more professional, enabling them to expand their business beyond their commercial relationship with Casino. One of the Group's objectives is to give visibility to the supply of local products to customers in stores (see section 8.2.2.3 – Promoting more respectful consumption).

The Group is close to farmers and works to develop sustainable partnerships. It has taken several steps to support producers, cooperatives and farmers.

Regular dialogue

In France, the Group maintains a regular dialogue with agricultural sectors. It signed the Dairy Values Charter proposed by the National Milk Producers Federation to ensure transparency in the price of milk and the "Cœur de gamme" agreement with the *Fédération Nationale Bovine* (FNB), which aims to promote breeds of beef in the "Cœur de gamme" label. The Casino Group is committed to taking into account the breeder's cost of production and promoting the offer in stores. In 2016, several meetings were held with industry stakeholders, one with about 15 producers from Deux-Sèvres, heads of purchasing departments, the mediator and store managers to further promote farm produce.

Long-term partnerships

The Group has developed several partnerships with cooperatives and agricultural sectors. With the Altitude cooperative, Casino has launched a dedicated chain, Altitude heifer, raised by 50 breeders in the Massif Central; a lamb chain with the UNICOR cooperative and Arcadie Sud-Ouest, a Label Rouge pork chain. These partnerships lay the foundations for long-term tripartite contracts guaranteeing stable purchasing volumes and prices based on actual production costs, offering quality products with full traceability.

Since 2013, the Group has supported the milk producers of Monts du Forez, who experienced difficulties following the closure of their processing company, marketing milk under the "Lait des éleveurs du Monts du Forez" label. Franprix also sells Cant'Avey'Lot milk under the Lait de la vallée du Lot brand that meets the specifications of the Bleu Blanc Coeur Charter. The Casino Group also acquired a poultry packaging site in May 2015, thereby creating a wholly French-owned integrated poultry chain.

Outside France, Éxito in Colombia is committed to supporting local producers by creating partnerships with recognised NGOs and organisations such as the Clinton Foundation, Yunus Negocissociales, Salva Terra Foundation and the United Nations World Food Programme. Small producers benefit from a support programme – technical assistance, productivity improvements, delivery management – and a pledge to buy their products at an optimised price to contribute to local social and economic development. Agricultural products come from 21 regions of Colombia and 756 Colombian producers, representing 86% of products purchased. Éxito also continues to roll out its programme to obtain GAP certification for its fruit and vegetable suppliers, with 21 certified so far. Lastly, it continues to roll out its training programme for its suppliers in partnership with EAFIT University: more than 500 suppliers have benefited from company management training as part of this programme.

In Brazil, GPA continues to develop the "Caras do Brasil" programme by giving craft cooperatives the opportunity to sell their products in Pão de Açúcar stores. Social and environmental criteria have been integrated into the producer selection process for this range, which is regularly promoted in stores. GPA also continues the rollout of its "Quality from the source" programme. The programme involves fruit, vegetable and egg suppliers in order to control pesticide use and product transport and storage conditions right across the supply chain.

Improved farming practices

The Casino Group is developing private labels offering better agricultural practices with the Terre & Saveurs brand, the "AgriPlus" approach and Monoprix's "Tous Cultiv'acteurs" initiative.

In 1999, Casino launched Terre & Saveurs, its private label of traditional fresh produce, backed up by standards promoting good agricultural practices (soil analysis, appropriate treatment strictly limited to plants' needs, etc.). In 2016, following collaborative work with Casino partners already committed to agro-ecology, the AgriPlus approach served to develop and promote innovative agricultural initiatives, virtuous for the environment, for farmers and for consumers. This comprehensive approach integrates all agricultural and aquaculture practices (crops, livestock and aquaculture).

It has four pillars:

- innovative cropping and livestock practices designed to produce differently and responsibly;
- an agro-ecological approach based on collaborative work in the sector, to reconcile economic performance with environmental preservation;
- an approach that ensures quality products that meet consumer expectations in terms of taste and food safety;
- a transparent approach, based on guarantees monitored by independent bodies.

Products benefiting from the process are identified by the AgriPlus logo, easily identifiable by consumers. The logo highlights at least one particular engagement, verified by an independent body. In 2016, the offer included SKUs ranging from frozen vegetables without pesticide residue, a range of Gers chicken and pork raised without antibiotics. The AgriPlus approach will progressively grow and expand to other products and other sectors.

The Group has signed a supply agreement to protect local species and biodiversity on farmland (with heifer farmers in the Massif Central, France) and a partnership agreement with environmentally responsible orchards (which account for 95% of the volumes of apples in Casino stores), guaranteeing the use of good agricultural practices. In aquaculture, Casino's support for oyster farmers on the French coast dates back some 40 years, and the Group took measures to protect deep-sea resources as early as 2007.

Monoprix has launched the "Tous Cultiv'acteurs" initiative, which aims to promote a more sustainable farming model, and above all one that is more respectful of pollinators. A three-year agreement is in place with its supplier partners around a set of specifications co-constructed with the "Bee Friendly®" label and experts from the world of farming. In 2008, Monoprix launched the Monoprix Agricultural Partnerships, which currently bring together 30 fruit and vegetable suppliers complying with specifications on product quality and good agricultural practices. The 30 supplier partners are committed to this new approach. The ambition of the "Tous Cultiv'acteurs" initiative is to support farmers in a progressive approach geared towards obtaining the "Bee Friendly®" label for their products. This very demanding set of standards includes a blacklist of banned pesticides and a set of good agricultural practices to promote biodiversity on farms, to develop resilient production systems requiring fewer pesticides and to forge partnerships with local beekeepers.

These approaches help to support local production chains adopt more responsible production and livestock farming methods.

8.2.3.4. Ensuring animal welfare

Striving to offer products that are consistently more respectful of animal welfare, the Casino Group has been taking action alongside its suppliers to promote animal welfare within production channels.

Animal welfare has been included in the new version of the Supplier Ethics Charter, applicable across the entire Casino Group. By signing up to the Charter, suppliers undertake to ensure that, when products or raw materials are derived or obtained from animal farming, the well-being of the animals in question is maintained throughout the supply chain (including breeding, all stages of transport and slaughter).

The Group's actions are focused on breeding, transport and slaughter, and are implemented by the banners.

Beef sourcing

In 2002, Casino included an animal welfare commitment in the guidelines for its Terre & Saveurs fresh produce brand. In 2013, the guidelines were broadened to include animal slaughter procedures in order to guarantee the Five Freedoms of Animal Welfare as defined by the World Organisation for Animal Health. This helped to develop an audit framework and raise awareness among suppliers regarding welfare conditions in slaughterhouses. Since 2015, slaughterhouses have been audited by independent vets in accordance with the framework laid down by the Casino Group. Monitoring criteria include the assignment of a permanent animal protection professional to the facility, training on animal welfare for all personnel in contact with animals, fitness of animals for transport, and use of compliant, appropriate equipment for handling animals. These audits concern the slaughterhouses supplying meat to Casino and Monoprix stores.

In collaboration with its long-standing suppliers, Casino launched a range of antibiotic-free chicken (Terre & Saveurs and Casino Bio) in 2014; in 2016, it also introduced a range of products made using pork raised from birth without antibiotics (Casino). This strategy has the dual objective of:

- combating antibiotic resistance, in line with the French Ministry for Agriculture's 2017 EcoAntibio plan to reduce the use of antibiotics in farming by 25% over five years;
- respecting animal welfare. Farming chickens without the use of antibiotics requires stepping up standards designed to safeguard animal health (such as farming best practices, satisfactory condition of sheds, heightened surveillance of chicken health, and the quality of chickens' diets throughout the various stages of their lives).

Milk sourcing

Since 2014, Monoprix has selected French farms that comply with the Charter for Good Agricultural Practices (www.charte-elevage.fr/en) and has put in place distinct specifications to improve animal welfare.

In 2014, Monoprix was awarded the Good Dairy Commendation at the European Good Farm Animal Welfare Forum organised by Compassion in World Farming (CIWF) for its commitment to improving welfare standards for dairy cows. This award acknowledges several criteria, including access to pasture for all dairy cows and the implementation of a monitoring and progress plan for the four key animal welfare indicators (lameness, mastitis, body fat and culling rate). Casino supports the "Lait des éleveurs du Monts du Forez" label, which offers the best possible farming conditions, while Franprix sells Cant'Avey'Lot milk under the Lait de la vallée du Lot brand, which meets the specifications of the Bleu Blanc Cœur Charter.

Egg sourcing

The Group's French banners offer eggs laid by hens on free-range or organic farms, in private labels and/or national brands. In 2013, Monoprix was the first major French retail chain to undertake to discontinue sales of eggs from caged hens, and to replace them with free-range or organic eggs. This initiative was recognised by CIWF, which awarded Monoprix the Good Egg Commendation at its Good Farm Animal Welfare Awards in 2013. In 2016, Monoprix decided to discontinue sales of all products made using eggs from caged hens, across all brands. This initiative earned Monoprix a CIWF Good Egg Award in 2016. In early 2017, the Group's other French banners announced plans to discontinue sales of eggs from caged hens under national and private label brands by 2020.

In Brazil, GPA aims to participate actively in the transformation of the Brazilian market. GPA has committed to discontinuing sales of eggs from caged hens by 2025 under its own brands, in line with the public health regulations and requirements laid down by the Brazilian Minister for Agriculture. GPA was the first retailer to make such a commitment in Brazil.

8.2.4. The Casino Group, an environmentally committed group

8.2.4.1. General environmental policy

In 2003, the Casino Group set out its commitments to combat climate change, reduce pollution, and preserve natural resources and biodiversity. It reaffirmed its commitments by signing the United Nations Global Compact in 2009 and by launching a CSR continuous improvement programme, which lays down the Group's environmental priorities.

The Group is committed to the following targets by 2020:

- 20% reduction in greenhouse gas emissions (Scopes 1 and 2);
- 20% reduction in energy consumption per square metre of retail space compared with 2012.

In France it is a signatory to:

- the agreement established in 2011 between the government and the French Trade and Retail Federation (FCD) to have doors fitted on 75% of refrigerators containing fresh produce by 2020;
- the Paris Climate Action Charter and the charter for sustainable urban logistics established by the City of Paris.

In order to further this process, in 2012 the Group strengthened its organisational structure with the creation within the CSR department of an Environment department in charge of coordinating the Group's environmental priorities, sharing good practices and monitoring action plans.

Each Group entity is responsible for implementing the organisational structure and action plans necessary at local level to achieve the predefined objectives.

The stores' environmental priorities are to:

- reduce greenhouse gas emissions;
- improve energy efficiency;
- reduce and recover waste.

8.2.4.2. Raising awareness

Among Group employees

The Group educates its employees on environmental issues through best practice guides, seminars and conferences, and internal media including the intranet and internal newsletters, which explain the challenges related to global warming, waste management, energy savings, biodiversity and food waste.

Several tools are available to employees, including in-store environmentalists' tips for reducing energy consumption, sorting waste and reducing food waste; the Casino Group 12 solutions brochure produced to coincide with COP21 and handed out to employees to promote best practices; the sustainable cold chain guide produced in partnership with the French Agency for Environment and Energy Management (ADEME) to raise awareness among technical teams of the importance of reducing greenhouse gases generated by commercial refrigeration and to identify solutions to achieve low-carbon commercial refrigeration.

In Brazil, GPA held a managerial seminar on issues relating to carbon emissions.

Among external stakeholders

In France, Casino has partnered with Humanity & Biodiversity to produce a guide entitled "Enhancing biodiversity on farms: tools for farmers", published and distributed in 2016 to raise awareness of the challenges related to biodiversity and setting out concrete and practical initiatives to measure and reduce the impact on biodiversity.

Outside France, Éxito has supported and participated in a major campaign under the name "Limpiemos Colombia" in partnership with the Ministry of Environment and Trade and WWF, which aims to raise awareness about waste recycling among the population. More than 23,000 volunteers were mobilised on the operation, and 113 tonnes of waste recovered. In Brazil, Assaí encourages its customers to bring their packaging for recycling, and offers customers the opportunity to receive discounts on their electricity bill.

In 2016, the Group renewed a number of initiatives aimed at raising employee and customer awareness about food waste (see section 8.2.2.4).

8.2.4.3. Sustainable construction

Several years ago, the Group's real estate partners launched programmes to obtain certification for their shopping centres. In France, 30% of shopping centres are certified as "Outstanding" under the BREEAM In-Use (Building Research Establishment Environmental Assessment Methodology) standard, reflecting their environmental excellence.

Grupo Éxito has been recognised twice for its commitment to sustainable construction, obtaining LEED Silver certification for the Éxito Mosquera store in Cundinamarca and LEED Gold certification for the Viva Wajiira Riohacha shopping centre. Three Pão de Açúcar stores are also LEED-certified.

8.2.4.4. A low-carbon strategy against global warming

In 2012, the Casino Group undertook to reduce its greenhouse gas emissions (Scopes 1 and 2) per square metre of retail space by 20% by 2020.

Measuring greenhouse gas emissions

In 2012, the Group standardised its carbon reporting procedure in order to compare the inventories of its subsidiaries and identify best practices. The main sources of emissions in the Group's operating scope are:

- fugitive emissions from refrigeration systems, which account for more than 50% of Scope 1 and Scope 2 emissions;
- emissions related to the production of the energy consumed by stores;
- emissions from the combustion of fuel needed to transport goods.

The Group's subsidiaries carry out a greenhouse gas emission inventory for Scopes 1 and 2 every year to check that their reduction plans are in line with the Group's emissions reduction objectives.

Absolute value of GHG emissions *(tonnes CO_2 eq.)*	Group 2015	Group 2016	2016/2015 change	France	Brazil	Colombia	Other[1]
Scope 1: direct emissions from combustion and refrigerants	1,290,000	1,123,000	-13%	482,000	370,000	200,000	71,000
Scope 2: indirect emissions from energy use	340,000	334,000	-2%	118,000	102,000	77,000	37,000
TOTAL SCOPE 1 AND 2 GHG	**1,630,000**	**1,457,000**	**-11%**	**600,000**	**472,000**	**277,000**	**108,000**

N.B. the total coverage rate in retailing area was 94% for fugitive emissions and 98% for energy.
Note: 2015 data have been restated to ensure comparability with 2016.
Group data exclude discontinued operations in application of IFRS 5, i.e. *Viavarejo and Cnova Brazil.*
(1) Argentina and Uruguay.

Reducing fugitive emissions of refrigerants

The Group's top priority is to reduce emissions resulting from refrigerant leaks, which contribute significantly to the global warming generated by commercial refrigeration units. In partnership with ADEME, the Group published a guide to low-carbon commercial refrigeration for its technical teams in 2015.

The main initiatives implemented serve to:

- strengthen containment systems of existing facilities. The goal is to reduce leakage through improved prevention and the implementation of facilities with better sealing;
- increase the proportion of fluids with low global warming potential (hydrocarbons, CO_2, NH_3) in new facilities. The Group promotes solutions that do not contain HFC. In France, six Casino supermarkets and 15 Monoprix stores use CO_2 as a refrigerant for frozen storage (subcritical facilities). These banners also commissioned facilities for refrigerated and frozen storage using CO_2 (transcritical facilities). In Brazil, GPA has begun the process on subcritical facilities.

In 2016, web seminars were organised with the technical teams to define the terms governing transfers to low-carbon technologies for commercial refrigeration, and a forum was organised by GPA in Brazil with low-carbon refrigeration experts, retailers and the Brazilian government, with support from the Consumer Goods Forum.

Reducing emissions generated by the transport of goods

The Group's second priority is to reduce emissions from goods transport.

The main levers are:

- reducing kilometres travelled;
- increasing loads carried per delivery;
- promoting means of transport other than road with lower greenhouse gas emissions (rail, inland waterways);
- improving the fleet of vehicles (CNG, hybrid, Euro VI);
- training in eco-driving.

In France, Franprix has increased the proportion of goods it delivers to stores located in the Paris city centre *via* the Seine by 42%. It is also continuing work to modernise its fleet of lorries in compliance with the Euro VI directive. Monoprix is gradually upgrading its fleet of natural gas vehicles to bioNGVs to reduce the carbon footprint of deliveries in Paris. Casino makes 98% of its deliveries in the city centre with lorries complying with the latest air pollution standards (Euro V and VI) and equipped with silent cooling systems. In 2016, Casino announced the deployment of a fleet of natural gas vehicles for store deliveries. The new vehicles will emit less CO_2 and cut particulate emissions by 85%. The aim is to have about 400 vehicles operating by 2020. To increase lorry-loading capacity, Casino whenever possible provides stores with stackable handling solutions to load lorries on two levels, avoiding the use of double-deck lorries.

Outside France, GPA remains committed to its backhauling programme and its policy of upgrading transport vehicles to lorries emitting less CO_2 and fine particles, as well as testing the use of double-deck trailers to increase delivery loads and reduce mileage to deliver stores.

In Colombia, Éxito has reduced its mileage by increasing the load capacity of its vehicles, and has centralised the coordination of import flows to optimise container fill rates.

Reducing indirect greenhouse gas emissions by improving energy efficiency

The Group's third priority is to make its stores more energy efficient, thereby reducing the indirect impact of energy consumption on the increase in greenhouse gases (see section 8.2.4.6).

8.2.4.5. Adapting to climate change

The main climate change risk identified as potentially impacting the Group's activities is the increase in extreme weather events such as the 100-year flood in France (particularly Paris), cyclones in Reunion, and drought in Brazil and Argentina. Not only could an increase in the occurrence of such events have direct consequences for the Group's activity, it could also have an indirect impact such as an increase in raw material prices, a loss of seasonal produce sales and a rise in energy prices. For example, the drought recorded in Brazil in recent years, particularly in the state of São Paulo, has led to a significant rise in the price of electricity, since most of it is produced at hydro power plants.

These risks can be managed by (i) complying with local regulations, which specify the equipment to use to manage rainwater and overflow (such as retention basins and green roofs), (ii) strategic stockpiling of basic commodities in partnership with suppliers, and (iii) improving the energy self-sufficiency of its stores using solar panels and generators to guarantee uninterrupted operations and reduce energy consumption. Supplies and inventories of highly weather-sensitive products are managed using software that takes into account data relating to temperature, wind speed, rainfall and snowfall in each area.

8.2.4.6. Controlling consumption of natural resources

Reducing energy consumption

The Group has pledged to reduce its electricity consumption per square metre of retail space by 20% by 2020 (base year: 2012). It is also a signatory of the agreement established in 2011 between the French government and the French Trade and Retail Federation (FCD) to have doors fitted on 75% of refrigerators containing fresh produce by 2020.

The Group's energy consumption per square metre was down 5% year on year in 2016.

Continuous improvement of energy efficiency makes an indirect contribution to the fight against climate change by reducing greenhouse gases resulting from electricity generation, but also the protection of natural areas (forests, oceans and rivers, lakes, mountains, groundwater, ice floes, etc.), which are rich in non-renewable raw materials needed to produce this energy.

Store lighting and commercial refrigeration units are the two main sources of the Group's energy consumption.

Reducing energy consumption is addressed through a continuous improvement process, which is based on monitoring consumption, carrying out energy audits for sites, and implementing an energy renovation programme (Energy Performance Contracts). To this end, the Group's subsidiaries define action plans each year. Energy management of Géant hypermarkets, Casino supermarkets and Monoprix stores is certified compliant with ISO 50001, which sets out the best practices to follow in this area. In France, 96% of Géant hypermarkets, 73% of Casino supermarkets and 26% of Monoprix stores benefit from an Energy Performance Contract, which guarantees to reduce their reference consumption by at least 20%.

Measures taken to meet this target include:

- fitting doors on refrigerators containing chilled products:
- installing smart meters to monitor consumption and implementing low-consumption mechanisms.

Outside France, in Brazil, the Group's 140 hypermarkets and 182 supermarkets underwent energy retrofits in 2015 and 2016 (LED lighting, air conditioning and commercial refrigeration), aimed reducing energy intensity by nearly 25%.

In Colombia, Éxito continued its energy retrofit programme by developing natural lighting, equipping stores with 140,000 LED tubes and standardising remote meter reading. This programme was the focus of "Campaña ahorremos planeta", an internal communication campaign explaining the need to adjust lighting, air conditioning and commercial refrigeration systems based on store opening hours and requirements.

Absolute value of energy consumption *(MWh)*	Group 2015	Group 2016	2016/2015 change	France	Brazil	Colombia	Other[1]
Electricity *(MWh)*	3,442,917	3,292,576	-4%	1,523,837	1,176,361	439,849	152,529
Natural gas *(MWh LHV)*	200,372	200,313	-0.03%	135,508	21,538	29,895	13,371

N.B. The total coverage rate in retailing area was 98% for energy.
Note: 2015 data have been restated to ensure comparability with 2016.
Group data exclude discontinued operations in application of IFRS 5, i.e. *Viavarejo and Cnova Brazil, representing electricity consumption of 204,680 MWh and natural gas consumption of 1,865 MWh LHV in 2016.*
(1) Argentina and Uruguay.

In 2016, Éxito and GPA set up variable compensation for its managers based on the achievement of CSR objectives including reduced power consumption in stores. GPA's 2016 target of a 2% reduction was met.

Promoting renewable energies

The Group began to promote renewable energy in 2007, and continues to roll out the programme, particularly in Colombia, where solar panels have been installed on roofs, and solar canopies have been erected over hypermarket car parks. Two solar power plants are in service; the one in Barranquilla is Colombia's biggest.

Four such plants were commissioned in 2016, two in France and two in Brazil.

In Brazil, the Assaí Várzea Grande store in the state of Mato Grosso has been home to the largest solar power plant in the Brazilian retail sector since 2016.

Installed on the roof of the car park, it consists of 1,140 photovoltaic panels covering roughly 2,000 sq.m. It is capable of generating up to 17% of the store's energy needs at full capacity.

In 2016, 60 units were connected, representing around 458,480 sq.m. of solar panels.

Reducing water consumption

Absolute value of water consumption *(cu.m)*	Group 2015	Group 2016	2016/2015 change	France[(1)]	Brazil	Colombia	Other[(2)]
Water consumption	5,792,883	5,397,209	-7%	1,339,007	2,007,946	1,558,765	491,491

N.B. The total coverage rate in retailing area was 69% for water.
(1) Excluding Franprix. Coverage rate: 98% of consolidated sales.
(2) Argentina and Uruguay.
Note: 2015 data have been restated to ensure comparability with 2016.
Group data exclude discontinued operations in application of IFRS 5, i.e. *Viavarejo and Cnova Brazil, representing 466,136 cu.m of potable mains water consumption in 2016.*

Climate change may result in some areas experiencing periods of prolonged drought disrupting supplies of drinking water or electricity from hydropower production.

The Group operates in regions with low to medium water stress risk, and mostly uses small amounts of drinking water from municipal networks, primarily for cleaning purposes.

However, steps are taken to reduce stores' water consumption by encouraging the replacement of cooling systems that discharge water with closed circuits, the reuse of rainwater, pressure-reducing valves on taps, and regular monitoring of consumption to detect leaks in networks or sanitation equipment. Wastewater is managed in compliance with the relevant local regulations, which stipulate the appropriate pre-processing. By way of example, in France, some warehouses collect rainwater and monitor their consumption in real time *via* smart meters in order to detect leaks. In Brazil, water consumption is recorded daily to detect leaks.

8.2.4.7. Reducing and recycling waste to promote a circular economy and fight pollution

Sorting and recycling store waste

The main sources of waste generated by stores are cardboard, plastic, paper and organic waste. The Group aims to reduce waste and increase recycling rates by helping to develop and sustain local recycling networks. In 2016, Group stores recycled more than 216,737 tonnes of waste, including cardboard, paper, plastic, glass, wood, scrap metal and organic waste. The recycling of 155,132 tonnes of cardboard has saved the equivalent of 6,205 tonnes of CO_2, and that of 11,731 tonnes of plastic roughly 26,863 tonnes of CO_2 equivalent. The waste recovery rate increased by 2 percentage points between 2015 and 2016.

Tonnage of waste recovered	Group 2015	Group 2016	2016/2015 change	France[(1)]	Brazil	Colombia	Other[(2)]
Cardboard	152,208	155,234	+2%	93,865	39,573	17,660	4,136
Other	53,219	62,074	+17%	35,034	7,994	15,956	3,090
TOTAL	**205,427**	**217,308**	**+6%**	**128,899**	**47,567**	**33,616**	**7,226**

N.B. The total coverage rate in retailing area was 85% for recovered waste.
(1) Excluding Vindémia. Coverage rate: 98% of consolidated sales.
(2) Argentina and Uruguay.
Note: 2015 data have been restated to ensure comparability with 2016.
Group data exclude discontinued operations in application of IFRS 5, i.e. *Viavarejo and Cnova Brazil, representing 31,142 tonnes of waste recovered in 2016.*

In France, stores and warehouses sorted more than 128,890 tonnes of waste for recycling by accredited service providers.

In Brazil, 553 GPA stores (Multi Varejo) sort cardboard and 279 sort organic waste for composting. In 30 stores, sorting has been expanded to other materials such as glass and some plastics to improve the overall store recovery rate. The Assaí banner has produced and distributed a video to raise awareness and inform its employees about the right gestures to adopt.

In Colombia, Éxito has strengthened its waste management policy by appointing environment representatives at stores. They are responsible for raising employee and customer awareness. As a result, Éxito recovered over 33,610 tonnes of operational waste.

Collecting used products in stores for recycling by qualified companies

To promote the emergence of a circular economy through the use of used products as raw materials, the Casino Group provides in-store collection points where its customers can return their used products for recycling. In 2016, consumers returned 330 tonnes of batteries, 84 tonnes of light bulbs, 2,435 tonnes of waste electrical and electronic equipment (WEEE), 10 tonnes of ink cartridges and 5,352 tonnes of cardboard, which were then given to accredited service providers for recycling.

In France, Casino stores collected 186 tonnes of used batteries, 41 tonnes of light bulbs, 10 tonnes of printer consumables (ink cartridges), and 210 tonnes of WEEE.

Monoprix stores collected 93 tonnes of batteries, 28 tonnes of light bulbs and 6 tonnes of WEEE, and Cdiscount 2,148 tonnes of WEEE.

Outside France, Pão de Açúcar, Extra and Assaí recycled more than 13,170 tonnes of consumer returns (cardboard, glass, steel, aluminium and plastic) after setting up collection points at store entrances. Éxito and Carulla also provide collection points for used batteries, electrical and electronic devices and out-of-date medicines. Libertad provides in-store collection points for glass, certain types of packaging and used motor oil in partnership with local recycling companies.

Reducing air and noise pollution

In France, Franprix and Monoprix help to reduce pollution in city centres through the use of alternative modes of transport such as inland waterway and railway transport. Where possible, Casino works with transport providers that use low-emission (Euro V and Euro VI-compliant), low-noise vehicles (*i.e.* vehicles compliant with the Piek standard, which guarantees a noise output of less than 60 decibels) and hybrid vehicles so that the final mile of night deliveries can be done in silent electric mode in city centres. In 2016, Casino, Monoprix and Franprix conducted experiments on the use of vehicles running on LNG (liquefied natural gas). The gradual rollout of this solution by Easydis and Monoprix will result in deliveries generating less NOx and fine particles, as well as being quieter since their engines make less noise.

Preventing soil pollution

The main risk of soil pollution relates to the Group's service stations. They are therefore monitored through rigorous inspections by approved third parties. In France, the Group prevents soil pollution through surveys of underground facilities and ground water as well as monitoring of subsoils. Outside France, service stations owned by Éxito and GPA are also inspected regularly to prevent any risk of pollution.

8.2.4.8. Protecting biodiversity

The main direct impact of our activities on biodiversity stems from pressure on natural sites caused by the construction or extension of stores and warehouses. In 2014, French property developer Casino Développement produced a set of best practices for shopping centres in order to preserve biodiversity. Since then, it has provided regular training for project managers.

The main indirect impacts stem from production and consumption methods for products sold in its stores. The Group has taken steps to protect certain marine species, such as banning the sale of deep-sea fish, and plant species threatened by overexploitation, and combat deforestation linked to palm oil production and cattle breeding in Brazil. In addition, consumers are offered new product lines favouring consumption of vegetables. The Group's main initiatives in this area are described in section 8.2.2.3.

As Colombia boasts the world's second-largest biodiversity, Grupo Éxito co-produced the film Wild Magic to raise awareness among consumers about protecting and preserving nature. More than 2.4 million Colombians have seen this documentary, generating takings of more than €1.2 million donated to the Éxito Foundation to fund its "Gen Cero" programme against child malnutrition (see section 8.2.5.1).

8.2.5. The Casino Group, a local corporate citizen

As a local operator with strong roots in regional communities (city centre, suburban and rural areas), the Casino Group has a positive impact on local economic development, solidarity in the regions and efforts to fight poverty and exclusion. It encourages its banners, through the CSR continuous improvement programme, to get involved in more community outreach partnerships with key general interest organisations such as food bank networks, to develop local outreach actions in stores and to support the actions of its Foundations. The Group aims to meet the diverse needs of associations present in its host countries and regions.

8.2.5.1. Acting with corporate foundations

The Casino Corporate Foundation helps children in need by liaising with the Group's other foundations – Instituto GPA in Brazil, the Éxito Foundation in Colombia and the Monoprix Foundation in France.

Supporting disadvantaged youth

In France and Brazil, the Casino Group supports disadvantaged young people by setting up education programmes through its various foundations.

Created in 2009, the Casino Corporate Foundation is committed to combating exclusion by supporting the education of children through theatre, a medium that promotes artistic and collective experience, self-expression and the discovery of others.

It has developed two major theatre-based programmes:

- the "Artistes à l'école" programme, in partnership with France's Ministry of National Education and the Théâtre de l'Odéon, has provided backing for a two-year comprehensive artistic and cultural education curriculum for around 2,000 children: introduction to theatre, insight into theatrical professions, drama and writing workshops, stage productions, etc.

  Projects are selected by a committee comprising members of the Foundation's Board of Directors, as well as artistic and educational experts. The first two-year programme ended in June 2016, and the winning troupe of students was invited by the Foundation to present its production at the Théâtre de l'Odéon in an evening event bringing together students, teachers and artists, as well as Group employees;
- the "Parrains engagés" programme, which supports charitable projects aiming to teach children through drama. Priority is given to projects put forward and sponsored by Group employees. Support is given to ten projects every year, selected by a committee composed of Group employees. In 2016, the programme's main beneficiaries were children living in rural areas with little access to culture.

The Casino Foundation encourages its employees to get involved in its theatre initiative by creating "Tous en scène", a national outreach programme launched in Casino, Franprix and Leader Price stores, as well as restaurants, warehouses and offices. Thanks to the involvement of more than 5,500 stores, funds were raised for Apprentis d'Auteuil and Tréteaux Blancs to develop new theatre projects for children with little access to culture.

Instituto GPA develops educational programmes in Brazil to help young people from low-income backgrounds enter the workforce. In partnership with the government of Rio de Janeiro, it also supports the *Núcleo Avançado em Tecnologia de Alimentos* (NATA) professional training centre, where more than 300 students from low-income families can be trained for jobs in the baking and dairy sectors. In 2016, six students, accompanied by their teachers, again took part in an exchange with France. In addition, Instituto GPA is recognised for its music education programme, "Música & Orquestra", which was set up in 1999 and in 15 years has taught more than 13,000 disadvantaged children aged 10 to 18. The programme proposes free music theory lessons and practical classes to young people from underprivileged backgrounds over roughly two years. The orchestra performs in stores as well as in theatres and at festivals in Brazil and abroad. Lastly, Instituto GPA is continuing its partnership with the Getulio Vargas Foundation to deploy the "Prosperar" programme, which grants merit-based scholarships. Thirty students benefit from this programme.

Encouraging employees' civic commitments

Following an internal investigation confirming employees' desire to volunteer with charitable associations, and firmly believing that employees' civic commitment is a source of fulfilment and skills development, the Casino Foundation launched a volunteer skills programme under the name "Citizen Engagement" in 2016. This support system includes a catalogue of volunteer opportunities to work with 30 organisations partnering with the Casino Foundation; it is available for employees on a dedicated website. This system has already helped recruit a hundred volunteers as part of the annual collection by food banks.

Fighting social isolation

The Monoprix Foundation focuses its action on providing access to food and other basic necessities and combating social isolation in cities. More than 20 charity projects were funded in 2016. The Foundation formed a three-year partnership with Unis-Cité to support the "Intergénéreux" programme to protect the elderly from social isolation. Young people on civic service volunteer in teams in retirement homes or private homes, making friendly visits, offering outings and and allowing the elderly to share their personal stories. Fifteen stores and a warehouse are involved in solidarity initiatives as part of this programme. Finally, solidarity week gave more than 720 employees the chance to participate in a clothing and toy drive.

Fighting child malnutrition

The Éxito Foundation in Colombia has developed expertise recognised by stakeholders in the fight against child malnutrition. It takes action through its "Gen Cero" programme, which aims to ensure that no Colombian child under five suffers from malnutrition by 2030. Through the establishment of partnerships with major Colombian public bodies, it provides support to ensure a healthy and balanced diet for children and mothers from disadvantaged backgrounds, to educate them about better nutrition.

In 2016, roughly €5 million was invested in programmes reaching more than 38,920 children. Éxito played a leading role in the drafting the early childhood protection law in Colombia (*Ley Integral Atencióna Primera Infancia*, the comprehensive early childhood care act).

8.2.5.2. Supporting food banks

The Group encourages partnerships with public interest organisations, particularly food bank networks.

- In France, the Group acts to helping the most disadvantaged members of society, by encouraging its stores to support the French food bank network FFBA. The Group first partnered with the FFBA in 2009, and renewed its association for a further three years in 2016. Under this agreement, the Group undertakes to increase the number of stores involved the national food bank collection day each November. Vindémia recovers perishables from its stores and organises collections from customers in partnership with the *Banque Alimentaire des Mascareignes*.

  In 2016, 10,500 tonnes of products were collected from Group banners (Casino, Monoprix group, Franprix, Leader Price, Vindémia), and 1,421 tonnes were collected from customers.

- Outside France, GPA, which carries out similar initiatives in partnership with non-profit associations such as Amigos do Bem, organised a day-long food drive for the fourth consecutive year. The "Dia de Solidariedade" saw the collection of 859 tonnes of food donations from more than 1,800 participating stores with the help of 11,000 volunteers. Countless charity events are organised throughout the year, including a collection of Easter eggs and a "Solidarity Tree" for underprivileged children at Christmas.

  In Argentina, since 2013, Libertad has supported the Argentine Network of Food Banks *(Red Bancos de Alimentos)*, organising collections in stores (34 tonnes collected in 2016) and participating in the "Camina contra el hambre" campaign, promoting sport while at the same time collecting food donations. Agreements have also been signed with suppliers for the collection of unsold products.

  In Colombia, Grupo Éxito continued the partnership initiated several years ago with local food banks, collecting more than 1,910 tonnes of goods in 2016. It also supports a programme to recover agricultural surplus from rural areas.

  In total, more than 18,800 tonnes of products, the equivalent of 37.8 million meals (5 million more than in 2015) were donated to food bank networks or other similar charities from its collection and recovery operations in 2016.

	2015	2016			2016/2015 change
	Group	Group	France	International	
Donations by stores and warehouses (recovery) – (tonnes)	13,299	16,104	10,557	5,547	+21%
Collection from customers – (tonnes)	2,770	2,789	1,421	1,368	+1%

Note: 2015 data have been restated to ensure comparability with 2016.
Group data exclude discontinued operations in application of IFRS 5, i.e. *Viavarejo and Cnova Brazil.*

8.2.5.3. Supporting the diverse needs of charity organisations

In partnership with national and local associations, and to support socially excluded people, the Group's stores and warehouses organise non-food donation and collection operations. The Group also calls on its suppliers to conduct product-sharing operations on behalf of local and national partner associations.

- In France, demonstrating its commitment to meeting a wide range of needs, the Group continued to support a number of non-profit associations through its banners in France in 2016. The list of included Secours Populaire, the French Red Cross, Apprentis d'Auteuil, Agence du Don en Nature, Emmaüs, Téléthon, Sport dans la Ville and Handi'Chien.

  In 2011, the Casino Group initiated a partnership with microDon, a social economy enterprise, deploying the "Arrondi en caisse" programme at Franprix stores in 2014 and Naturalia stores in 2016. This system gives customers the chance to round up their payment to the next euro. The extra amount is donated to a charity. MicroDon card campaigns were also carried out at more than 100 Monoprix stores between September and December 2016 to support local organisations. For Christmas, the company sold "solidarity comforters" for Mécénat Chirurgie Cardiaque. Cdiscount led a "junk removal" campaign to donate furniture and home appliances to charity organisation Emmaüs. It also partners with Ateliers du Bocage, a company in the Emmaüs network that promotes social integration. The banner also organised a toy drive for hospitalised children, Flying Santa, at the Bordeaux university hospital. A digital catalogue was specially developed for the campaign, and packages were delivered by drone.

  The banners support associations through product-sharing operations with suppliers, which serve to fund solidarity initiatives or which entail donating a certain amount of products based on sales during the operation, which is very popular in stores. In 2016, the Casino Group and Danone joined forces with the organisation Sport dans la Ville to help young people from low-income neighbourhoods. Organised in September 2016 in all Group companies in France, the "From sport to job" operation provided financial support to the Sport dans la Ville to prepare 1,000 young women for the job market. The partnership has been renewed for 2017. Operations run in Casino, Monoprix and Franprix stores, one with Pepsico and the other with Nivea, helped support the Andes solidarity grocery store and the Agence du Don en Nature respectively.

Stores and warehouses also support local non-profits, notably through the "Committed Corporate Citizen" programme in place since 2010. Hundreds of projects emerge each year through the commitment of Casino stores. Store news can be tracked on a Facebook fan page dedicated to the local initiatives of Casino store employees. These actions, initiated and supported by store teams, embody the determination to act on a day-to-day basis within municipalities and local associations.

In 2016, Vindémia signed an agreement with the government to support the fight against violence against women: it was accompanied by numerous awareness campaigns among employees in stores. The agreement will be rolled out in 2017.

- Outside France, reflecting the diversity of banners and needs and the Group's engagement with the community, numerous outreach programmes were rolled out by all banners. On top of its food donation activities, GPA established a "round up" at the checkout system in 90 stores in March 2016.

In Brazil, the Extra brand promotes exchanges between stores and local communities through initiatives in favour of training and employment for young people or through the combination of cultural activities in the store. The "Viva Bairro" programme set up by Extra serves to foster a commitment among local communities to social or environmental issues related to their store located in the region.

Similarly, Libertad's outreach programme "Donemos sonrisas" supports local children's aid initiatives through in-store collections. More than ten foundations and organisations receive funding every year. In Colombia, the "Goticas" programme, deployed for several years, allows customers of Éxito stores to make a donation to fight against child malnutrition when they go through the checkout.

The Disco Group banners in Uruguay contribute funding to various foundations that act primarily for children and social integration and lend assistance to various civil society organisations.

8.3. CASINO GROUP NON-FINANCIAL RESULTS

Table of non-financial indicators

The following table lists all the non-financial indicators published by Casino by strategic focus:

Commitment	Indicator	2015	**2016**	Change
Committed employer				
Promote diversity	% of women in headcount	54%	53%	-1 pts
	% of women managers	35%	37%	+2 pts
	Number of disabled employees at 31 December (under permanent and fixed-term contracts)	6,790	7,134	+5%
	Disabled employees as a proportion of total headcount	2.9%	3.1%	+0.2 pts
Help young people enter the workforce	Percentage of employees <30 years old	40%	39%	-1 pts
	Number of people on Group work-study/ apprenticeship programmes at 31 December	6,993	7,071	+1.1%
Provide growth opportunities for employees	Total number of training hours	3,418,383	4,050,876	+18.5%
	Total hours of training per person	15	18	+20%
Take action to protect employee health and well-being	Number of occupational illnesses (France)	252	260	+3.2%
	Lost-time accident frequency rate	18	16.3	-1.7 pts
	Lost-time accident severity rate[1]	1.1	1.2	+0.1 pts
	Absenteeism rate due to accidents and illness[1]	4.2	4.4	+0.2 pts

Commitment	Indicator	2015	**2016**	Change
Responsible retailer and trusted partner				
Take action to protect consumer health and encourage consumption that respects the environment and biodiversity	Number of "sustainable certified" products	17,450	19,684	+13%
	Number of organic products *(private-label and national-brand products – excluding apparel)*	14,390	16,107	+12%
Combat food waste	Donations by stores and warehouses (recovery) – *(tonnes)*	13,299	16,104	+21%
Strengthen ethical social compliance	Number of social audits conducted by the Group (in accordance with ICS methodology)	266	349	+31%
Environmentally committed group				
Reduce greenhouse gas emissions	GHG emissions, scope 1 – *(tCO_2)*	1,386,849	1,153,405	-17%
	GHG emissions, scope 2 – *(tCO_2)*	342,394	332,846	-3%
Manage consumption of natural resources	Total electricity consumption – *MWh*	3,442,917	3,292,576	-4%
	Electricity/sq.m – *(kWh/sq.m)*	606	577	-5%
	Water consumption – (cu.m)(2)	5,792,883	5,397,209	-7%
Reduce and recover waste	Volume of operating waste recovered (tonnes)(3)	205,427	217,308	+6%
	Percentage of waste recovered (excluding food donations)(4)	45%	47%	+2 pts
Local corporate citizen				
Develop foundation programmes and non-profit partnerships	Funds distributed for community outreach (donations and foundations) – *(thousands of euros)*	65,463	76,420	+17%
	Donations of foodstuffs in meal equivalents – *(thousands of meals)*	26,598	32,209	+21%
	Estimated number of people reached through foundations (Casino Foundation, Éxito Foundation, Instituto GPA)	85,442	96,057	+12.4%

N.B. 2015 data have been adjusted to enable comparisons with 2016 data.
Group data exclude discontinued operations in application of IFRS 5, i.e. *Viavarejo and Cnova Brazil.*
(1) Excluding GPA. Scope: 70% of consolidated net sales.
(2) Excluding Franprix. Scope: 97% of consolidated net sales.
(3) Excluding Vindémia. Scope: 98% of consolidated net sales.
(4) Excluding Vindémia, Franprix and Libertad. Scope: 92% of consolidated net sales.

8.4. REPORTING METHODOLOGY FOR CSR INDICATORS

Reporting scope

Unless otherwise specified, the employee relations, social and environmental data concern all entities under the operational control of the Casino Group and any of its majority-held subsidiaries, in France and abroad. Data concerning affiliates, franchises and business leases are not included. Reporting is on a fully consolidated basis (data included at 100%).

The scope of CSR reporting is the same as the Group's financial reporting:

- "the Group" includes the consolidated data. In accordance with IFRS 5, these data exclude operations discontinued in 2016, *i.e.* Viavarejo and Cnova Brazil;
- "France" comprises the Casino, Monoprix (including Naturalia), Cdiscount, Franprix and Leader Price banners and their support functions (logistics, purchasing, human resources, etc.) located in France as well as Vindémia (Reunion, Mayotte, Mauritius and Madagascar);
- "Latin America" encompasses GPA and its entities (Multivarejo and Assaí), Libertad SA, Grupo Éxito and Disco Devoto and their support functions. In accordance with IFRS 5, this scope excludes operations that were discontinued in 2016, which are presented in a separate section of this document.

Reporting period and accounting principle

The non-environmental data collected cover the operations of the concerned entity or entities for the period starting on 1 January and ending on 31 December of the reference year and include facilities opened or closed down during the year. However, in the case of Casino, workplace accident frequency rates, workplace accident severity rates and the number of lost hours cover the period from 1 December 2015 to 30 November 2016.

Environmental data cover offices, logistics sites and stores that operated for a full 12-month period between 1 October 2015 and 30 September 2016.

Data collection

The procedures for collecting, calculating and consolidating corporate social responsibility (CSR) indicators are formally defined in a Reporting Protocol distributed to all those involved in reporting in France and in foreign subsidiaries. Improvements are made each year to guarantee:

- compliance with the requirements of the application decree relating to Article 225 on the transparency obligations for corporate CSR reporting;
- consistent calculation methodologies in all subsidiaries in France and abroad;
- the reliability of reported data.

This protocol specifies:

- the organisation of the CSR indicators' gathering, validation and consolidation process;
- responsibilities at the various process levels;
- the reporting scope and the principles for taking account of changes in scope (disposals, acquisitions);
- useful definitions for the proper understanding of required data;
- the methodologies for calculating indicators, consistent with applicable international or national reporting standards.

Data consolidation and verification

The protocol introduces control points to limit the risk of error in the transmission of information and ensure the reliable production of indicators. Accordingly, each indicator is assigned to a CSR contributor, who is responsible for collecting, checking and consolidating the data for their reporting scope.

The indicators are then validated by the subsidiary's unit in charge of producing the indicator.

All the data are then brought together and consolidated centrally by the Group CSR department, which also conducts a series of controls to verify their consistency and compliance with the calculation methods and the reporting scope.

External audit

The reporting procedures and tools, as well as selected key indicators, were audited by EY, our Statutory Auditors.

The conclusions of this audit are set out in section 8.5 of this Registration Document.

Background

The Casino Group mainly operates in emerging countries and in France.

Each subsidiary deploys local policies and initiatives in accordance with the Group's CSR policy.

The Group's host countries have significant economic, social, cultural and regulatory differences. Consequently, significant differences exist between the various geographic regions where the Group operates.

Details on methodology and scope

Employee data

Workforce: indicators about the workforce are calculated at 31 December and do not include contracts expiring on that date.

Employees with disabilities: the status of "employee with disabilities" is defined by the laws applicable to each of the Group's host countries. In France, they are defined by the provisions of Article L. 323-3 of the French Labour Code *(Code du travail)*.

- The lost-time accident frequency rate is expressed as the number of accidents per million hours worked. It corresponds to the "Number of work accidents" as a proportion of the "Actual number of hours worked". Actual number of hours worked comprises contractual working hours, overtime and additional hours less lost hours (due to occupational and non-occupational illness, and workplace accidents).
- The lost-time accident severity rate is expressed as the number of lost days per thousand hours worked. It corresponds to the "Number of lost hours due to workplace accidents" as a proportion of the "Actual number of hours worked".
- The absenteeism rate due to accidents and illness (including occupational illness) corresponds to the number of lost hours (excluding commuting accidents) as a proportion of the total number of hours worked.

  Hours worked include contractual hours, overtime and additional hours.

  These data do not include commuting accidents.

  2016 scope: due to the overhaul of GPA's reporting tools, Group severity and absenteeism rates do not include this entity. These indicators therefore cover 56% of the Group's workforce.
- Training:
  - Includes the following:
    Initial training and continuing training hours as well as distance learning (e-learning) programmes.
  - Does not include the following:
    Training hours spent in school under a vocational training contract (apprenticeship or work/study programme); training hours provided to non-Group employees; coaching initiatives implemented on site by supervisors; training programmes for which proof is not received at the reporting date, which can lead to the recording of fewer training hours.

Product and supplier data

- Organic agriculture: organically farmed products are compliant with the local regulations applicable in each country. "Apparel" products are not included in this category, although some of them are produced with organic cotton.

  In France, "Bio" (organic) food products comply with European regulation No. 834/2007. Certified organic private-label products (Agriculture Biologique) cover food and cosmetics that are AB-certified or Cosmebio-certified by independent organisations. Only national brand products from the "consumer products" and "fresh industrial products" categories were reported in 2016. Consequently, the number of products in stores exceeded the number of reported products.
- Fair trade: fair trade-certified private-label products comprise food and fresh produce that carry the Fairtrade/Max Havelaar label only.
- "Sustainable certified" products include private-label products or national brand products produced through organic farming (excluding apparel made with organic cotton) or fair trade and labelled MSC, FSC, NF Environnement, PEFC, European ecolabel, or ECOCERT.
- ICS social audit: regular inspections are carried out to assess company labour practices and measure plants' compliance with the Social Clause Initiative (ICS) methodology (available at http://www.ics-asso.org). The audits are unannounced or semi-announced and are valid for a period of two years as of the initial audit date.

Environmental data

The 2015 and 2016 environmental data do not cover Mayotte, Mauritius or Madagascar (<0.05% of consolidated net sales in 2016).

- GHG emissions: a methodology guide published by the French Ministry of Ecology, Sustainable Development, Transport and Housing is used to calculate emissions. The organisational scope only includes activities under operational control.

  Scope 1 corresponds to direct GHG emissions and includes the items below:
  - direct emissions from stationary combustion sources (natural gas, fuel oil);
  - direct emissions from mobile combustion engine sources (fuel for owned vehicles or vehicles leased long-term);
  - direct fugitive emissions such as those linked to refrigerant leaks.

  Scope 2 corresponds to indirect GHG emissions associated with energy and, more particularly, with electricity.

  The Group uses Carbon Base emission factors or factors published by recognised national sources (ADEME version 7.1, GHG protocol 2012 and IEA 2012).
- Sustainable use of resources: water, electricity and natural gas consumption can be measured from meter readings or from the entity's utility bill.
  - 2015 water consumption scope: entire Group.
  - 2016 water consumption scope: excluding Franprix (scope covers 97% of consolidated net sales).
- Operational waste: the volume of recovered operational waste includes waste sorted by the Group's facilities and delivered to accredited service providers for recovery. Depending on subsidiaries, it includes the following: cardboard, plastics, paper, office and sales equipment, organic waste, lighting consumables, print consumables, waste cooking oil, sewage grease, bone and tallow, and scrap and metals. Packaging waste or wooden handling stands are not included in the reported values.
  - 2015 data: entire Group.
  - 2016 data: excluding Vindémia Reunion (scope covers 98% of consolidated net sales).

  The 2016 recovery rate covers 92% of consolidated net sales.
- Hazardous waste is sent for specific local management in accordance with applicable standards. It is collected and stored separately from other types of waste before delivery to specialised and accredited service providers for treatment. Only hazardous waste recovered by an accredited service provider is included in the quantity of waste recovered.

8.5. INDEPENDENT VERIFIER'S REPORT ON CONSOLIDATED SOCIAL, ENVIRONMENTAL AND SOCIETAL INFORMATION PRESENTED IN THE MANAGEMENT REPORT

This is a free translation into English of the original report issued in the French language and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Year ended the 31st of December 2016

To the shareholders,

In our quality as an independent verifier accredited by the COFRAC[(1)], under the number n° 3-1050, and as a member of the network of one of the statutory auditors of the company Casino, Guichard-Perrachon, we present our report on the consolidated social, environmental and societal information established for the year ended on the 31st of December 2016, presented in chapter 8 of the registration document, hereafter referred to as the "CSR Information," pursuant to the provisions of the article L. 225-102-1 of the French Commercial code *(Code de commerce)*.

Responsibility of the Company

It is the responsibility of the Board of Directors to establish a management report including CSR Information referred to in the article R. 225-105 of the French Commercial code *(Code de commerce)*, in accordance with the protocols used by the company (hereafter referred to as the "Criteria"), and of which a summary is included in introduction to chapter 8 of the registration document and available.

Independence and quality control

Our independence is defined by regulatory requirements, the Code of Ethics of our profession as well as the provisions in the article L. 822-11 of the French Commercial code *(Code de commerce)*. In addition, we have implemented a quality control system, including documented policies and procedures to ensure compliance with ethical standards, professional standards and applicable laws and regulations.

Responsibility of the independent verifier

It is our role, based on our work:

- to attest whether the required CSR Information is present in the management report or, in the case of its omission, that an appropriate explanation has been provided, in accordance with the third paragraph of R. 225-105 of the French Commercial code *(Code de commerce)* (Attestation of presence of CSR Information);
- to express a limited assurance conclusion, that the CSR Information, overall, is fairly presented, in all material aspects, in according with the Criteria.

Our verification work mobilized the skills of seven people between October 2016 and March 2017 for an estimated duration of fourteen weeks.

We conducted the work described below in accordance with the professional standards applicable in France and the Order of 13 May 2013 determining the conditions under which an independent third-party verifier conducts its mission, and in relation to the opinion of fairness, in accordance with the international standard ISAE 3000[(2)].

1. Attestation of presence of CSR Information

Nature and scope of the work

We obtained an understanding of the company's CSR issues, based on interviews with the management of relevant departments, a presentation of the company's strategy on sustainable development based on the social and environmental consequences linked to the activities of the company and its societal commitments, as well as, where appropriate, resulting actions or programmes.

We have compared the information presented in the registration document with the list as provided for in the Article R. 225-105-1 of the French Commercial code *(Code de commerce)*.

In the absence of certain consolidated information, we have verified that the explanations were provided in accordance with the provisions in Article R. 225-105-1, paragraph 3, of the French Commercial code *(Code de commerce)*.

We verified that the information covers the consolidated perimeter, namely the entity and its subsidiaries, as aligned with the meaning of the Article L. 233-1 and the entities which it controls, as aligned with the meaning of the Article L. 233-3 of the French Commercial code *(Code de commerce)* with the limitations specified in the Methodological Note in chapter 8 of the registration document.

Conclusion

Based on this work, and given the limitations mentioned above we confirm the presence in the registration document of the required CSR information.

(1) Scope available at www.cofrac.fr
(2) ISAE 3000 – Assurance engagements other than audits or reviews of historical information.

2. Limited assurance on CSR Information

Nature and scope of the work

We undertook six interviews with the people responsible for the preparation of the CSR Information in the different departments[1], in charge of the data collection process and, if applicable, the people responsible for internal control processes and risk management, in order to:

- assess the suitability of the Criteria for reporting, in relation to their relevance, completeness, reliability, neutrality, and understandability, taking into consideration, if relevant, industry standards;
- verify the implementation of the process for the collection, compilation, processing and control for completeness and consistency of the CSR Information and identify the procedures for internal control and risk management related to the preparation of the CSR Information.

We determined the nature and extent of our tests and inspections based on the nature and importance of the CSR Information, in relation to the characteristics of the Company, its social and environmental issues, its strategy in relation to sustainable development and industry best practices.

For the CSR Information which we considered the most important[2]:

- at the level of the consolidated entity, we consulted documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions, etc.), we implemented analytical procedures on the quantitative information and verified, on a test basis, the calculations and the compilation of the information, and also verified their coherence and consistency with the other information presented in the registration document;
- at the level of the representative selection of entities that we selected[3], based on their activity, their contribution to the consolidated indicators, their location and a risk analysis, we undertook interviews to verify the correct application of the procedures and to identify potential omissions and undertook detailed tests on the basis of samples, consisting in verifying the calculations made and linking them with supporting documentation. The sample selected therefore represented on average 53% of the total workforce and between 31% and 38% of the quantitative environmental information.

For the other consolidated CSR information, we assessed their consistency in relation to our knowledge of the company.

Finally, we assessed the relevance of the explanations provided, if appropriate, in the partial or total absence of certain information.

We consider that the sample methods and sizes of the samples that we considered by exercising our professional judgment allow us to express a limited assurance conclusion; an assurance of a higher level would have required more extensive verification work. Due to the necessary use of sampling techniques and other limitations inherent in the functioning of any information and internal control system, the risk of non-detection of a significant anomaly in the CSR Information cannot be entirely eliminated.

Conclusion

Based on our work, we have not identified any significant misstatement that causes us to believe that the CSR Information, taken together, has not been fairly presented, in compliance with the Criteria.

Paris-La Défense, the 10th of March 2017

French original signed by:

Independent Verifier

ERNST & YOUNG et Associés

Eric Mugnier	Bruno Perrin
Partner, Sustainable Development	Partner

(1) Corporate Social Responsibility department, Human resources department, Quality department, Environment department.

(2) Social information:
- *Quantitative information: employment (total headcount and breakdown, hiring and terminations), organisation of working time, absenteeism, work accidents, notably their frequency and their severity, number of days of training;*
- *Qualitative information: health and safety at the work place, promotion and respect of the ILO core conventions (freedom of association, anti-discrimination policies and actions, elimination of forced labour and child labour).*

Environmental and Societal information:
- *Quantitative information: energy consumptions (thermal and electric), greenhouse gases emissions (scope 1 and 2), share of recovered non-hazardous industrial waste, number of responsible products sold;*
- *Qualitative information: general environmental policy (organisation, training and information delivered to the employees), mitigations actions to reduce food waste, climate change (including emissions related to the use of goods and services), territorial impact, economic and social (employment, regional development, impact on regional and local populations), importance of subcontracting and the consideration of environmental and social issues in purchasing policies and relations with suppliers and subcontractors, measures undertaken in favour of consumers' health and safety), actions undertaken to promote and guarantee Human Rights.*

(3) Brazilian entities Multivarejo, Via Varejo and Assaï.

Casino and its shareholders

9.1. THE MARKET FOR CASINO SECURITIES

9.1.1. Casino, Guichard-Perrachon – parent company

The Company's shares (code ISIN FR0000125585) are admitted for trading on Euronext Paris and are eligible for the Deferred Settlement Service.

The Company has also carried out several bond issues which are listed in Luxembourg. These bond issues (excluding perpetual deeply subordinated bonds) are currently rated BBB- by Fitch Ratings and BB+ by Standard & Poor's. Standard & Poor's announced that it was downgrading Casino's BBB- rating to BB+ with a stable outlook on 21 March 2016, and Fitch revised the outlook of Casino's BBB- rating to negative on 14 December 2016.

Lastly, on 12 January 2012, Casino set up a sponsored level 1 American Depositary Receipt (ADR) programme in the United States. Deutsche Bank is the depositary bank for these ADRs, which may be traded over the counter in the United States. Each Casino share is represented by five ADRs under this programme.

Stock market share prices and trading volumes over the past 18 months (source Euronext Paris)

		High and low prices		Number of shares traded	**Amount traded**
		High *(€)*	Low *(€)*	*(thousands)*	***(€ millions)***
2015	September	56.17	43.64	14,752	732
	October	58.00	47.60	13,430	718
	November	56.68	49.61	10,135	548
	December	53.98	38.75	27,444	1,241
2016	January	42.22	34.38	20,438	802
	February	46.95	38.73	15,974	662
	March	51.16	41.51	17,990	867
	April	54.85	48.00	11,569	595
	May	55.28	49.07	8,921	457
	June	55.34	45.42	9,621	485
	July	53.95	47.00	8,245	419
	August	48.51	43.59	9,970	450
	September	47.34	41.85	8,029	355
	October	47.35	41.25	9,795	434
	November	46.73	41.95	8,439	377
	December	46.85	41.26	7,800	348
2017	January	52.21	45.59	8,374	415
	February	53.20	49.42	6,410	327

Five-year stock market performance

	2012	2013	2014	2015	**2016**
Share price *(€)*[(1)]					
High	75.94	86.80	97.53	87.89	55.34
Low	61.69	68.50	70.02	38.75	34.38
31 December (closing price)	72.10	83.77	76.46	42.42	45.59
Market capitalisation at 31 December *(€ millions)*	8,124	9,475	8,653	4,801	5,060

(1) Source: Euronext.

9.1.2. Other listed companies

The market capitalisations of the companies listed below are based on Bloomberg data, which do not reflect the most recent changes in the number of Cnova shares at end-2016 and are therefore different than the data calculated by the Casino Group.

Almacenes Éxito *(Colombia)*

The Company's shares are listed on the Colombia Stock Exchange (Bolsa de Valores).

	2012	2013	2014	2015	**2016**
Share price (COP)[1]					
High	37,100	36,340	33,280	28,800	16,860
Low	24,000	27,800	24,400	10,100	12,300
31 December (closing price)	35,500	30,000	29,200	13,500	14,900
Market capitalisation at 31 December *(COP millions)*	15,889,953	13,428,130	13,088,612	6,042,658	6,669,304
Market capitalisation at 31 December *(€ millions)*	6,814	5,064	4,552	1,744	2,121

(1) Source: Bloomberg.

Cnova NV *(Netherlands)*

The Company's shares were traded on Nasdaq (New York) from 20 November 2014 to 3 March 2017, when they were delisted. They have been traded on Euronext Paris since 23 January 2015.

Nasdaq (New York)	2014	2015	**2016**
Closing price *(USD)*[1]			
High	8.27	8.49	5.49
Low	6.71	2.28	2.15
31 December (closing price)	7.91	2.41	5.48
Market capitalisation at 31 December *(USD millions)*	3,472	1,063	2,418
Market capitalisation at 31 December *(€ millions)*	2,869	978	2,292

(1) Source: Bloomberg.

Euronext Paris	2015	**2016**
Closing price *(€)*[1]		
High	6.54	5.27
Low	2.14	2.00
31 December (closing price)	2.28	5.18
Market capitalisation at 31 December *(€ millions)*	1,006	2,285

(1) Source: Euronext.

Companhia Brasileira de Distribuiçao *(Brazil)*

The Company's shares are traded on the São Paulo Stock Exchange (BM&FBOVESPA) and on the NYSE (USA) through a level 3 American Depositary Receipt (ADR) programme.

	2012	2013	2014	2015	**2016**
Closing price *(BRL)*[1]					
High	98.90	115.59	115.46	102.69	61.86
Low	67.69	87.90	91.52	41.19	32.90
31 December (closing price)	90.50	104.91	98.63	41.86	54.75
Market capitalisation at 31 December *(BRL millions)*	23,796	27,719	26,142	11,122	14,567
Market capitalisation at 31 December *(€ millions)*	8,802	8,509	8,163	2,577	4,280

(1) Source: Bloomberg.

Via Varejo *(Brazil)*

The Company's shares have been traded on the São Paulo Stock Exchange (BM&FBOVESPA) since 13 December 2013.

	2014	2015	**2016**
Closing price *(BRL)*[1]			
High	26.49	20.15	10.75
Low	18.71	3.25	2.90
31 December (closing price)	20.77	3.27	10.75
Market capitalisation at 31 December *(BRL millions)*	8,777	1,407	4,625
Market capitalisation at 31 December *(€ millions)*	2,741	326	1,359

(1) Source: Bloomberg.

9.2. DIVIDEND AND TAX

Given profit available for distribution of €3,602 million, including retained earnings brought forward from prior years, the Board is recommending a dividend of €3.12 per share.

After deducting the interim dividend of €1.56 paid on 30 November 2016, the remaining dividend amount comes to €1.56 per share.

The ex-date for the dividend balance will be 9 May 2017 and the payment date 11 May 2017.

Individual shareholders resident in France for tax purposes will be entitled to claim 40% tax relief on their dividends, in accordance with Article 158-3, paragraph 2, of the French Tax Code (*Code général des impôts*).

Dividends on any Casino shares held by the Company on the payment date will be credited to retained earnings.

Dividends paid over the last three years are as follows:

Year	Number of shares	Dividend per share	Dividend eligible for the 40% tax reduction	Dividend not eligible for the 40% tax reduction
2013	113,105,831[1]	€3.12	€3.12	-
2014	113,175,162[2]	€3.12	€3.12	-
2015	113,197,686[3]	€3.12	€3.12	-

(1) Including 2,603 shares held by the Company.
(2) Including 374,315 shares held by the Company.
(3) Including 971,304 shares held by the Company.

The following table shows the total dividend payout (in € millions) and the payout rate (as a percentage of underlying net profit, Group share – see Chapter 2, page 16) over the past five years:

Year	2011	2012	2013	2014	2015
Total payout	331.9	337.8	352.9	351.9	350.1
% of underlying net profit, Group share	58.7	59.9	57.1	63.3	85.0

By law, any dividends which have not been claimed within five years of their payment date will lapse and become the property of the French State, in accordance with Articles L. 1126-1 and L. 1126-2 of the French Public Property Code (*Code général de la propriété des personnes publiques*).

Tax treatment of dividends

The information below is provided as a guide only. Shareholders are advised to contact their tax authorities or consult their tax advisor for information specific to their situation.

Individual shareholders who are tax residents in France

Dividends paid to individual shareholders who are French tax residents are entitled to 40% tax relief and are then taxed in accordance with the applicable sliding income tax scale.

The gross dividend is liable to a 15.5% social security withholding tax deducted by the paying agent at the time of payment. In addition, a 21% income tax prepayment is deducted at source by the paying agent. Taxpayers whose 2016 taxable income is below €50,000 for a single person and €75,000 for a couple will be exempt from the prepayment if they have applied to their bank or broker before 30 November 2016. The tax prepayment will be deducted from the income tax due in 2018 on 2017 income. If the tax prepayment exceeds the income tax due, the excess will be refunded.

Dividends on shares registered under an Share Savings Plan (*Plan d'Épargne en Actions* – PEA) are exempted from income tax and social security withholdings during the duration of the PEA, provided that the dividends are maintained in the PEA.

Individual shareholders who are tax residents outside France

In principle, the paying agent applies a 30% withholding tax(1) on the payment date.

However, this withholding tax may be reduced in accordance with the international tax conventions signed by France.

To benefit from direct payment at the reduced rate provided for by the tax agreement between France and the country of tax residence, the non-resident shareholder must provide the paying agent with a tax residence certificate signed by the tax authorities of his or her country of residence before the dividend payment date.

Otherwise, a 30%(1) withholding tax is applied to the dividends. The non-resident shareholder may then request a refund of the overpaid tax before 31 December of the second year following that in which the dividends were paid.

The dividends are not subject to social security withholding.

9.3. SHARE BUYBACK PROGRAMME

9.3.1. Current share buyback programme

The Ordinary General Meeting of 13 May 2016 authorised the Board of Directors to buy back shares of the Company, in accordance with the provisions of Articles L. 255-209 *et seq.* of the French Commercial Code (*Code de commerce*), primarily for the following purposes:

- to ensure the liquidity of and stimulate the market for Company securities through an independent investment services provider acting independently in the name and on behalf of the Company, under the terms of a liquidity agreement compliant with a Code of Conduct recognised by France's securities regulator (*Autorité des marchés financiers* – AMF);
- to implement any Company stock option plan under the provisions of articles L. 225-177 *et seq.* of the French Commercial Code, any savings plan in accordance with articles L. 3332-1 *et seq.* of the French Labour Code (*Code du travail*), or any grant of free shares carried out in the context of the provisions of Articles L. 225-197-1 *et seq.* of the French Commercial Code, or any other share-based compensation mechanism;
- to deliver the shares upon exercise of rights attached to securities granting rights to Company shares through redemption, conversion, exchange, presentation of warrants or debt securities convertible to or exchangeable for Company shares, or any other means;
- to save them for later use as payment or consideration in the context of or following any external growth transactions;
- to cancel all or part of these shares in order to optimise earnings per share in the context of a share capital reduction;
- to implement any future market practice authorised by the AMF and, generally, carry out any transaction compliant with applicable regulations.

The shares may be acquired, sold, transferred, or exchanged by any means and, in particular, on regulated or OTC (over-the-counter) markets, including *via* block trades. These means include the use of any derivative financial instrument traded on a regulated or OTC market and the implementation of option-based strategies under the conditions authorised by the relevant market authorities, provided said means do not help cause a significant increase in the price volatility of the security. Furthermore, the shares may also be placed on loan, pursuant to the provisions of articles L. 211-22 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*).

The purchase price of the shares shall not exceed €100 per share.

(1) The rate is 21% for dividends received by individual tax residents in a European Union country, Iceland, Norway or Liechtenstein.

The use of this authorisation may not result in the number of shares held by the Company representing more than 10% of the total number of shares. For the calculation of the 10% limit referred to above, the number of shares purchased under the liquidity agreement will be determined by deducting the number of shares resold under the agreement during the authorisation period.

In the event of a tender offer for the Company's shares or other securities, this authorisation could only be used for the purpose of fulfilling commitments to deliver securities, especially under share grant plans or strategic transactions initiated or announced before the tender offer was launched.

Transactions completed in 2016 and until 28 February 2017

Liquidity agreement

In February 2005, Casino mandated Rothschild & Cie Banque to implement a liquidity agreement to ensure a wide market and regular quotations for its shares. The agreement complies with the Code of Conduct of the French financial markets association (*Association Française des Marchés Financiers* – AMAFI) approved by the AMF on 1 October 2008.

Casino allocated 700,000 ordinary shares and the sum of €40 million to the liquidity account.

Additional allocations were made on 25 September 2015 (€30 million) and 28 December 2015 (€50 million), bringing the total allocated to the liquidity account to €120 million.

The Company withdrew (i) 580,000 shares from the liquidity account on 16 May 2016 and (ii) 120,000 shares on 23 May 2016. By decision of the Board of Directors on 14 June 2016, these 700,000 shares were subsequently cancelled.

In 2016, a total of 7,817,828 shares were purchased at an average price of €46.96 per share and 8,562,828 shares were sold at an average price of €46.26 per share. At 31 December 2016, the liquidity account held no shares and €129.17 million.

From 1 January 2017 to 28 February 2017, a total of 691,500 shares were purchased at an average price of €50.69 per share and 541,500 shares were sold at an average price of €50.79 per share. At 28 February 2017, the liquidity account held 150,000 shares and €121.62 million.

Other stock transactions

In 2016, the Company purchased 1,270,616 shares at an average price of €45.75 per share through an investment service provider acting in the name and on behalf of the Company on an arm's length basis.

By virtue of the powers granted to it by the Annual General Meeting of 12 May 2015, in addition to the above-mentioned 700,000 shares that were cancelled during the year, the Board of Directors decided to cancel (i) 524,440 shares on 28 July 2016 and (ii) 976,250 shares on 14 October 2016.

A total of 2,200,690 shares were therefore cancelled in the 24 months from 1 March 2015 to 28 February 2017, representing 1.98% of the Company's capital at 28 February 2017.

Except as mentioned above, no other treasury share transactions were carried out between 1 January and 28 February 2017.

Summary of stock transactions

The table below shows details of treasury shares bought and sold between 1 January 2016 and 31 December 2016 and between 1 January 2017 and 28 February 2017, together with the number of treasury shares held by the Company:

	Number of shares	% of share capital represented by the total number of shares
Number of shares held at 31 December 2015	1,831,785	1.62
Shares purchased under the liquidity agreement	7,817,828	
Shares sold under the liquidity agreement	(8,562,828)	
Shares purchased	1,270,616	
Shares sold	0	
Shares cancelled	(2,200,690)	
Shares granted	(55,383)	
Number of shares held at 31 December 2016	101,328	0.09
Shares purchased under the liquidity agreement	691,500	
Shares sold under the liquidity agreement	(541,500)	
Number of shares held at 28 February 2017	**251,328**	**0.23**

At 31 December 2016, the Company owned 101,328 shares (purchase cost: €4.7 million) with a par value of €1.53. Based on the closing price at 31 December 2016 (€45.59), their market value totalled €4.6 million.

At 28 February 2017, the Company owned 251,328 shares (purchase cost: €12.4 million) with a par value of €1.53 each. Based on the closing price at 28 February 2017 (€49.915), their market value totalled €12.5 million.

Treasury shares are allocated for the following purposes:

- 150,000 shares to the liquidity agreement;
- 101,328 shares to cover stock option plans, employee share ownership plans or share grant plans for Group employees.

On 31 December 2016, Germinal SNC, an indirectly controlled wholly-owned company, held 928 shares.

9.3.2. Share buyback programme submitted to the Annual General Meeting for approval

The Annual General Meeting of 5 May 2017 will be asked to renew the authorisation granted to the Board of Directors to buy back or arrange for the buy back of shares in the Company under Articles L. 225-209 *et seq.* of the French Commercial Code, Articles 241-1 to 241-5 of the AMF General Regulations and European Union legislation on market abuse (in particular, regulations No. 596/2014 of 16 April 2014 and No. 2273/2003 of 22 December 2003), primarily for the purposes below:

- to ensure the liquidity of and stimulate the market for Company securities through an independent investment services provider acting independently in the name and on behalf of the Company, under the terms of a liquidity agreement compliant with a Code of Conduct recognised by France's securities regulator (*Autorité des marchés financiers* – AMF);
- to implement any Company stock option plan under the provisions of articles L. 225-177 *et seq.* of the French Commercial Code, any savings plan in accordance with articles L. 3332-1 *et seq.* of the French Labour Code (*Code du travail*), or any grant of free shares carried out in the context of the provisions of Articles L. 225-197-1 *et seq.* of the French Commercial Code, or any other share-based compensation mechanism;
- to deliver the shares upon exercise of rights attached to securities granting rights to Company shares through redemption, conversion, exchange, presentation of warrants or debt securities convertible to or exchangeable for Company shares, or any other means;
- to save them for later use as payment or consideration in the context of or following any external growth transactions;
- to cancel all or part of these shares in order to optimise earnings per share in the context of a share capital reduction under the conditions provided for by law;
- to implement any future market practice authorised by the AMF and, generally, carry out any transaction compliant with applicable regulations.

These shares may be acquired, sold, transferred, or exchanged by any means and, in particular, on regulated or OTC (over-the-counter) markets, including *via* block trades. These means include the use of any derivative financial instrument traded on a regulated or OTC market and the implementation of option-based strategies under the conditions authorised by the relevant market authorities, provided said means do not help cause a significant increase in the price volatility of the security. Furthermore, the shares may also be placed on loan, pursuant to the provisions of articles L. 211-22 *et seq.* of the French Monetary and Financial Code.

The purchase price of the shares shall not exceed €100 (excluding transaction costs) per share with a par value of €1.53.

This authorisation can only be used in respect of a number of shares no greater than 10% of the Company's share capital as of the date of this Shareholders' Meeting or, for example, 10,848,371 shares based on the share capital as of 28 February 2017, after deducting the 251,328 own shares held by the Company, corresponding to a maximum amount of €1,085 million, it being specified that, whenever the Company shares are purchased in the context of a liquidity agreement, the number of shares retained for calculating the aforementioned 10% threshold will correspond to the number of shares purchased, after deducting the number of shares sold back during the authorisation period under the terms of the liquidity agreement. However, the number of shares purchased by the Company and intended to be held then later used as payment or consideration in the context of an external growth transaction, cannot exceed 5% of the share capital. The acquisitions made by the Company cannot, under any circumstance whatsoever, ever lead the Company to holding more than 10% of the shares comprising its share capital.

The authorisation is granted to the Board of Directors for eighteen months. It terminates and replaces the authorisation previously granted under the terms of the eighteenth resolution of the Ordinary Shareholders' Meeting dated 13 May 2016.

In the event of a public tender offer for the shares or securities issued by the Company, the Company may only use this authorisation for the purpose of meeting securities delivery commitments, especially in the context of free share plans or strategic transactions initiated and announced prior to the launch of said public tender offer.

9.4. SHARE CAPITAL AND SHARE OWNERSHIP

9.4.1. Changes in share capital

At 31 December 2016, the share capital amounted to €169,825,403.88 divided into 110,996,996 shares with a par value of €1.53 each.

This was unchanged at 28 February 2017.

Changes in share capital over the past five years

From 1 January 2012 to 31 December 2016		Number of shares issued/ cancelled	Increase/(decrease) in share capital (€)		Share capital (€)	Total number of shares in issue
			Par value	Premium		
2012	Stock options	8,474	12,965	421,017	169,302,342.78	110,655,126
	Stock dividend payments	2,019,110	3,089,238	123,751,251	172,391,581.08	112,674,236
2013	Stock options	195,756	299,506	13,601,365	172,691,087.76	112,869,992
	Absorption of subsidiaries	209	319	8,404	172,691,407.53	112,870,201
	Share grants	235,630	360,513	(360,513)	173,051,921.43	113,105,831
2014	Stock options	69,232	105,924	3,758,298	173,157,846.39	113,175,063
	Absorption of subsidiaries	99	151	2,842	173,157,997.86	113,175,162
2015	Stock options	22,485	34,402	1,251,290	173,192,399.91	113,197,647
	Absorption of subsidiaries	39	59.67	1,345	173,192,459.58	113,197,686
2016	Cancellation of shares	(2,200,690)	(3,367,055.70)	(100,555,713.44)	169,825,403.88	110,996,996

No capital transaction occurred from 1 January 2017 to 28 February 2017.

Potential number of shares

There are no securities or stock options (see section 9.5) that may confer entitlement to share capital, as the free share grant plans underway (see section 9.5) concern existing shares.

Unissued authorised capital

At the Annual General Meetings of 12 May 2015 and 13 May 2016, the shareholders granted the Board of Directors various authorisations to increase the share capital for the purpose of raising funds in the market, if necessary, to finance the Group's future growth and improve its financial position, as well as to make free share grants to employees of the Company and related companies.

The authorisations and delegations granted to the Board of Directors that can lead to the issuance of securities carrying rights to shares of the Company are listed below:

Transactions	Maximum amount	Terms and conditions	Authorisation date	Term	Expiry
Capital increase by issuing shares or securities carrying rights to new or existing shares of the Company or existing shares of any company in which it directly or indirectly owns an interest or to debt securities, with pre-emptive rights in the case of new share issue	€60 million(1)(2)	With PE*	12 May 2015	26 months	11 July 2017
Capital increase by issuing shares or securities carrying rights to new or existing shares of the Company or existing shares of any company in which it directly or indirectly owns an interest or to debt securities by means of a public offering, without pre-emptive rights in the case of new share issues	€17.3 million(1)(2)	Without PE*	12 May 2015	26 months	11 July 2017
Capital increase by issuing shares or securities carrying rights to new or existing shares of the Company or existing shares of any company in which it directly or indirectly owns an interest or to debt securities by means of an offering as referred to in Article L. 411-2 II of the French Monetary and Financial Code, without pre-emptive rights in the case of new share issues	€17.3 million(1)(2)	Without PE*	12 May 2015	26 months	11 July 2017
Capital increase by capitalising reserves, earnings, share premiums or other capitalisable sums	€60 million(1)	-	12 May 2015	26 months	11 July 2017
Capital increase by issuing shares or share equivalents to pay for contributions in kind made to the Company comprising shares or share equivalents	10% of the share capital(1)	Without PE*	12 May 2015	26 months	11 July 2017
Capital increase by issuing shares or share equivalents in the event of a public offering initiated by Casino, Guichard-Perrachon for the shares of another listed company	€17.3 million(1)(2)	Without PE*	12 May 2015	26 months	11 July 2017
Capital increase by issuing free shares to employees who are members of an employee share ownership plan provided by the Company or related companies	2% of the total number of shares outstanding on 12 May 2015 *(i.e., 2,263,541 shares)*	Without PE*	12 May 2015	26 months	11 July 2017
Stock options granted to employees of the Company and employees and corporate officers of related companies	2% of the total number of shares outstanding on 12 May 2015 *(i.e., 2,263,541 shares)*	Without PE*	12 May 2015	26 months	11 July 2017
Share grants of existing or new shares to employees of the Company and related companies	1% of the total number of shares outstanding on 13 May 2016 *(i.e., 1,131,976 shares)*	Without PE*	13 May 2016	18 months	12 November 2017

** PE = pre-emptive subscription rights.*

(1) The aggregate par value of the shares which may be issued, immediately and/or in the future, pursuant to various authorisations, may not exceed €60 million, it being specified that the par value of capital increases that may be carried out, immediately and/or in the future, without pre-emptive rights for existing shareholders may not exceed €17.3 million, without taking account of the par value of the additional shares to be issued to safeguard the rights of securities holders, as required by the law.

(2) The amount of debt securities that may be issued, immediately and/or in the future, pursuant to this authorisation, may not exceed €2 billion or its equivalent value in other currencies or monetary units based on a basket of currencies, it being specified that the overall amount of debt securities that may be issued, immediately or in the future, pursuant to this authorisation, may not exceed €2 billion or its equivalent value in other currencies or monetary units based on a basket of currencies.

None of these authorisations were used in 2016, other than those related to free share grants. The Board of Directors granted 581,226 shares during the year, representing 0.51% of the share capital at the authorisation date.

As all the authorisations are expiring, the Annual General Meeting of 5 May 2017 will be asked to renew them.

The Board is also authorised to reduce the share capital by cancelling treasury shares held, up to a maximum of 10% of the share capital outstanding on the date of cancellation in any 24-month period. Under this authorisation, which was given for a period of 26 months at the Annual General Meeting of 12 May 2015 (*i.e.*, until 11 July 2017), the Board of Directors cancelled 2,200,690 shares during the year, representing 1.9% of the share capital.

The Annual General Meeting of 5 May 2017 will also be asked to renew this authorisation.

9.4.2. Changes in share ownership

Double voting rights

Statutory provisions relating to double voting rights were introduced by the Extraordinary General Meeting of 30 November 1934 and amended by the Extraordinary General Meeting of 21 May 1987 (Article 28-III of the Articles of Association).

With respect to voting rights, Article 28-III of the Company's Articles of Association stipulates as follows:
"Shareholders hold as many votes as the shares he or she holds or represents, without limitation, with the only exception of the cases provided for by law or in the Articles of Association.

However, a double voting right is assigned to all fully paid-up shares effectively held in registered form in the name of the same shareholder for at least four years, as well as, in the event of a share capital increase via capitalization of reserves, profits, or issue premiums, to those registered shares granted free of charge to a shareholder in connection with old shares for which he or she is entitled to this right.

The double voting right is forfeited ipso jure for any share that was converted to bearer-form or that was subject to a transfer of ownership except, in the event of a transfer in which the shares remain in registered form, pursuant to the terms of Article L. 225-124 of the French Commercial Code.

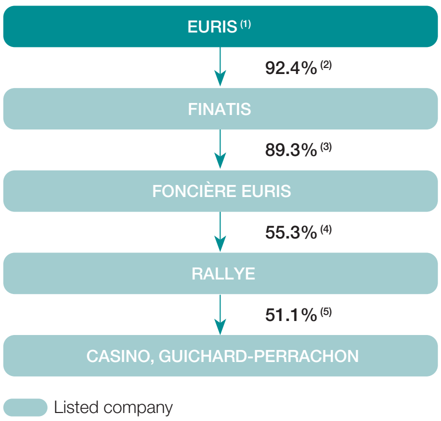
The vote or proxy issued by an intermediary that has either not declared itself as an intermediary registered as a holder of securities on behalf of third parties not domiciled in France, or has not disclosed the identity of the owners of the shares for which it is a registered intermediary, in accordance with regulations in force, will not be counted. "

At 31 December 2016, a total of 163,074,356 voting rights were attached to 110,894,740 shares with voting rights in issue. The number of voting rights is different from the number of shares comprising the share capital due to the double voting right attached to certain registered shares, as well as the direct or indirect holding by the Company of a certain number of its own shares.

Taking into account the gain or loss of double voting rights by certain shareholders since 1 January 2017 and the number of treasury shares held directly or indirectly, a total of 162,912,369 voting rights were attached to 110,744,740 shares carrying voting rights as of 28 February 2017.

Controlling shareholder

Casino, Guichard-Perrachon is controlled, directly and indirectly, by Euris. The diagram below shows the Company's position within the Group as of 28 February 2017:



(1) Euris is controlled by Jean-Charles Naouri.

(2) 92.4% of voting rights based on theoretical voting rights.

(3) 89.3% of voting rights based on theoretical voting rights.

(4) 70.3% of voting rights based on theoretical voting rights.

(5) Takes into account a derivative instrument that can be settled in shares representing 0.7% of the share capital. The shares are held directly or indirectly, excluding treasury shares, by Rallye and its subsidiaries and represent 63.7% of the theoretical voting rights.

Changes in share capital and voting rights

The ownership of share capital and voting rights as of 31 December 2014, 2015 and 2016 and as of 28 February 2017 is as follows:

	Shares		Voting rights exercisable at Annual General Meeting(1)		Theoretical voting rights(1)	
31 December 2014	Number	%	Number	%	Number	%
Public	57,170,577	50.5	60,880,478	38.1	60,880,478	38.1
of which shares in registered form	5,061,122	4.5	8,771,023	5.5	8,771,023	5.5
of which shares in bearer form	52,109,455	46.0	52,109,455	32.6	52,109,455	32.6
Rallye group	54,750,596	48.4	96,498,587	60.4	96,498,587	60.4
Casino Group Employee Mutual Funds	1,233,767	1.1	2,435,531	1.5	2,435,531	1.5
Treasury shares(3)	20,222	0.0	0	0.0	20,222	n.m.
TOTAL	**113,175,162**	**100.0**	**159,814,596**	**100.0**	**159,834,818**	**100.0**

	Shares		Voting rights exercisable at Annual General Meeting(1)		Theoretical voting rights(1)	
31 December 2015	Number	%	Number	%	Number	%
Public	54,151,487	47.9	58,104,341	36.6	58,104,341	36.3
of which shares in registered form	4,621,214	4.1	8,574,068	5.4	8,574,068	5.4
of which shares in bearer form	49,530,273	43.8	49,530,273	31.2	49,530,273	30.9
Rallye group	55,930,447	49.4	98,127,086	61.8	98,127,086	61.1
Casino Group Employee Mutual Funds	1,283,039	1.1	2,484,803	1.6	2,484,803	1.5
Treasury shares(3)	1,832,713	1.6	0	0.0	1,832,713	1.1
TOTAL	**113,197,686**	**100.0**	**158,716,230**	**100.0**	**160,548,943**	**100.0**

	Shares		Voting rights exercisable at Annual General Meeting(1)		Theoretical voting rights(1)	
31 December 2016	Number	%	Number	%	Number	%
Public	53,838,179	48.5	57,714,619	35.3	57,714,619	35.3
of which shares in registered form	4,488,125	4.0	8,364,565	5.1	8,364,565	5.1
of which shares in bearer form	49,350,054	44.5	49,350,054	30.2	49,350,054	30.2
Rallye group(2)	55,930,447	50.4	103,146,472	63.3	103,146,472	63.2
Casino Group Employee Mutual Funds	1,126,114	1.0	2,213,265	1.4	2,213,265	1.4
Treasury shares(3)	102,256	0.1	0	0.0	102,256	0.1
TOTAL	**110,996,996**	**100.0**	**163,074,356**	**100.0**	**163,176,612**	**100.0**

28 February 2017	Shares Number	Shares %	Voting rights exercisable at Annual General Meeting[(1)] Number	Voting rights exercisable at Annual General Meeting[(1)] %	Theoretical voting rights[(1)] Number	Theoretical voting rights[(1)] %
Public	53,699,201	48.4	57,563,172	35.3	57,563,172	35.3
of which shares in registered form	4,470,969	4.0	8,334,940	5.1	8,334,940	5.1
of which shares in bearer form	49,228,232	44.4	49,228,232	30.2	49,228,232	30.2
Rallye group[(2)]	55,930,455	50.4	103,146,480	63.3	103,146,480	63.2
Casino Group Employee Mutual Funds	1,115,084	1.0	2,202,717	1.4	2,202,717	1.3
Treasury shares[(3)]	252,256	0.2	0	0.0	252,256	0.2
TOTAL	**110,996,996**	**100.0**	**162,912,369**	**100.0**	**163,164,625**	**100.0**

(1) The number of rights to vote in Annual General Meeting is not the same as the voting rights published under France's disclosure threshold rules (theoretical voting rights). For the monthly publication of the total number of voting rights and the number of shares comprising the share capital, the total number of voting rights is calculated based on all the shares that potentially carry voting rights, including shares stripped of voting rights (treasury shares), in accordance with Article 223-11 of the AMF General Regulations.

(2) At 31 December 2016, Rallye SA held 31.89% of the share capital (38.09% of the voting rights) directly and 18.50% of the share capital (25.16% of the voting rights) indirectly through three subsidiaries which held more than 5% of the share capital and/or voting rights. These subsidiaries are: Cobivia, which holds 8.20% of the share capital and 11.16% of the voting rights, Alpétrol, which holds 6.02% of the share capital and 8.19% of the voting rights and Habitation Moderne de Boulogne, which holds 4.23% of the share capital and 5.76% of the voting rights.

At 28 February 2017, Rallye SA held 31.89% of the share capital (38.13% of the voting rights) directly and 18.50% of the share capital (25.18% of the voting rights) indirectly through three subsidiaries which held more than 5% of the share capital and/or voting rights. These subsidiaries are: Cobivia, which holds 8.20% of the share capital and 11.17% of the voting rights, Alpétrol, which holds 6.02% of the share capital and 8.20% of the voting rights and Habitation Moderne de Boulogne, which holds 4.23% of the share capital and 5.76% of the voting rights.

Rallye SA has signed an equity swap agreement on 840,495 notional shares expiring on 31 July 2018. The swap may be settled by transferring title to the underlying shares. Including these shares, Rallye's interest at 28 February 2017 was as follows:

	Number	%
Shares	56,770,950	51.1
Theoretical voting rights[(1)]	103,986,975	63.7

(3) Casino holds 928 shares through Germinal, an indirectly wholly-owned company.

On 31 December 2016, the Company conducted a survey of holders of bearer shares. The survey identified 43,169 direct holders or nominees, together holding 49,299,068 shares representing 44.41% of the share capital.

The number of the Company's shareholders is estimated at more than 48,000 and the percentage of share capital held by individual shareholders is estimated at 8.30% (sources: survey of identifiable holders of bearer shares carried out on 31 December 2016 and shareholders' register).

To the best of the Company's knowledge, no shareholder, other than those indicated above, held more than 5% of the Company's share capital or voting rights at 28 February 2017.

Statutory disclosure thresholds

Between 1 January 2016 and 28 February 2017, the following notifiable interest was disclosed to the AMF:

- Rallye notified the AMF that, on 14 March 2016, it had individually crossed the thresholds of 30% of the share capital and one-third of the voting rights of Casino, Guichard-Perrachon and that it subsequently held 32.01% of the share capital and 36.16% of the voting rights, following the transfer to Rallye of all the assets of Genty Immobilier Participations, a wholly-owned company (AMF notice 216C0687). The AMF informed Rallye that, as an exception to French securities laws, it would not be required to make a takeover bid for Genty Immobilier Participations because the transfer was internal (AMF notice 216C0586).

The declarations were made on the basis on information communicated by the Company, in accordance with the requirements of Article L. 233-8 of the French Commercial Code and Article 223-16 of the AMF General Regulations, on the date the threshold was crossed. The disclosure of the total number of voting rights, which is published monthly, is calculated based on all the shares that potentially carry voting rights, including shares stripped of voting rights (treasury shares), in accordance with Article 223-11 of the AMF General Regulations.

Furthermore, Article 11-II of the Company's Articles of Association stipulates the following with respect to the crossing of shareholding thresholds:

"Any natural person or legal entity – including any intermediary registered as the holder of securities for persons not domiciled on the French territory – who, either alone or jointly with other natural persons or legal entities, come to hold to stop holding, in any way whatsoever, a fraction equal to 1% of the voting rights or share capital or a multiple of this fraction, must notify the company, by registered letter with acknowledgement of receipt sent within 5 trading days of effectively crossing one of these thresholds. It must declare not only the number of shares and number of voting rights it directly holds.

This person must, under the same conditions, provide the company with the number of securities it holds that grant future access to the share capital, as well as the number of voting rights attached to said securities. These disclosure requirements will no longer apply in the event that a single or several shareholder(s) acting jointly hold more than 50% of the voting rights.

In the event of any failure to disclose information under these conditions, the portion of shares in excess of what should have been declared are deprived of the right to vote in shareholders' meetings provided, during a given shareholders' meeting, the failure to disclose is officially acknowledged and one or several shareholders jointly holding at least 5% of the share capital or voting rights make the request at said meeting. Under the same conditions, voting rights that have not been properly declared cannot be exercised. If deprived, a voting right cannot be exercised at any shareholders' meeting for two years as from the date on which the disclosure issues are remedied".

Employee share ownership

On 31 December 2016, Group employees held 1,126,114 shares representing 1.01% of the share capital and 1.36% of the voting rights through employee savings plans and different mutual funds.

Shares held by directors and officers

On 31 December 2016, shares held directly by members of the Board of Directors represented 8.28% of the share capital and 11.22% of the voting rights exercisable in general meetings. On the same date, 50.41% of the share capital and 63.27% of the voting rights were controlled directly or indirectly by these members.

On 28 February 2017, Casino shares held directly by members of the Board of Directors represented 8.28% of the share capital and 11.23% of the voting rights. On the same date, 50.41% of the share capital and 63.33% of the voting rights were controlled directly or indirectly by these members.

To the best of the Company's knowledge, transactions carried out in the Company's securities by officers and related parties in 2016 were as follows:

Date	Shareholder	Financial instrument	Purchase/sale	Number	Amount (€)
27 January 2016	Foncière Euris, director	Other types of financial instruments	Financial contract extension consisting of 250,000 put options	250,000	2.85
17 May 2016	Foncière Euris, director	Other types of financial instruments	Financial contract extension consisting of 250,000 put options	250,000	2.95
30 May 2016	Euristates – legal entity linked to Foncière Euris, director	Shares	Sale	2,850	52.45
30 May 2016	Rallye – legal entity linked to Foncière Euris, director	Shares	Purchase	2,850	52.45
31 August 2016	Foncière Euris, director	Other types of financial instruments	Financial contract extension consisting of 250,000 put options	250,000	2.98
31 August 2016	Foncière Euris, director	Other types of financial instruments	Financial contract extension consisting of 250,000 put options	250,000	2.90
19 October 2016	Rallye – legal entity linked to Foncière Euris, director	Call options	Purchase(1)	2,000	12,400

(1) Rallye purchased cash-settled call options in order to hedge its economic exposure to the exercise of the rights attached to the cash-settled bonds redeemable in Casino shares and due February 2022, which it issued on 26 October 2016.

Pledged shares

As of 31 December 2016, 15,187,541 registered shares had been pledged by their holders.

These included shares pledged by the Rallye group to secure credit facilities. As of 31 December 2016, Rallye had pledged 15,065,323 Casino shares representing 13.57% of Casino's share capital.

Shareholder agreement

To the best of the Company's knowledge, there are no shareholders agreements involving the Company's shares.

9.5. EMPLOYEE STOCK OPTIONS AND FREE SHARE GRANTS

For many years, the Group has offered employees opportunities to own a stake in their Company as part of a policy to retain and motivate its teams. This strategy, which was long implemented through share purchase and subscription options, is now carried out through the allotment of free shares ("share grants").

The Company's executive corporate officers are not entitled to receive share grants, in accordance with successive authorisations granted by the Annual General Meeting of shareholders.

Since 2014, share grants have been designed to:

- strengthen the commitment of and/or retain key managers both in France and internationally. The share grants are contingent on beneficiaries remaining with the Company until the vesting date (three years)[1] and, barring exceptions, on the achievement of performance conditions evaluated as from 2016 over a three-year period.

  In addition, the share grants are generally subject to a lock-up period of two years starting from the vesting date;
- reward a critical contribution to the success of strategic and/or particularly complex operations. The share grants are contingent only on the beneficiaries remaining with the Company until the vesting date (one to three years). When the vesting period is less than two years, the shares are subject to a lock-up period such that the combined vesting period and lock-up period would represent at least two years.

In 2016, the Board of Directors – acting on the recommendation of the Appointments and Compensation Committee – granted a total of 581,226 existing shares representing 0.51% of the share capital at the authorisation date. No shares were granted to any executive corporate officers. See below for information on the share grants.

In an effort to further align the interests of managers with those of shareholders, a specific one-off plan was implemented during the year under which employees benefiting from outstanding cash-settled long-term incentive plans ("cash-settled LTI plans"), especially deferred one-off bonuses awarded with respect to strategic and/or particularly complex operations, could exchange these cash-settled LTI plans for share grant plans. A total of 235,179 free shares were granted on 13 May 2016, representing 40% of the 581,226 free shares granted in 2016. Depending on the case, the shares may be subject to a lock-up period such that the beneficiaries hold them for at least two years.

All outstanding share grant plans concern existing shares and do not have a dilutive effect on capital.

Share purchase options

No share purchase options were granted in 2016 and there were no share purchase plans outstanding at 31 December 2016.

Share subscription options

No share subscription options were granted in 2016 and there were no share subscription plans outstanding at 31 December 2016.

(1) Exceptionally, shares granted to key managers in 2015 are contingent on the achievement of performance conditions over a two-year period and on beneficiaries remaining with the Company for these two years.

Share grants

Details of the various plans outstanding at 31 December 2016 are provided in the table below. No corporate officers were among the beneficiaries and all share grants concern existing shares which will be delivered on the vesting date.

Date of Annual General Meeting	Date of Board of Directors meeting/ Grant date	Vesting date	Date from which the vested shares may be sold	Number of shares granted by the Board of Directors	Number of grants cancelled	Number of grants outstanding at the period-end
22 April 2013	18 October 2013	18 October 2018	18 October 2018	7,857	2,576	5,281(1)
22 April 2013	18 October 2013	18 October 2017	18 October 2017	2,705	773	1,932(1)
22 April 2013	6 May 2014	6 May 2018	6 May 2018	1,139	0	1,139(1)
22 April 2013	6 May 2014	6 May 2017	6 May 2019	3,046	0	3,046(1)
22 April 2013	6 May 2014	6 May 2017	6 May 2019	36,672	25,788	10,884(2)
22 April 2013	6 May 2014	6 May 2019	6 May 2019	3,750	2,194	1,556(2)
13 May 2016	13 May 2016	13 May 2017	13 May 2018	70,413	0	70,413(1)
13 May 2016	13 May 2016	13 November 2017	13 May 2018	70,491	1,067	69,424(1)
13 May 2016	13 May 2016	13 January 2018	13 May 2018	52,176	0	52,176(1)
13 May 2016	13 May 2016	13 May 2018	13 May 2018	57,735	2,765	54,970(1)
13 May 2016	13 May 2016	13 January 2019	13 January 2019	17,610	0	17,610(1)
13 May 2016	13 May 2016	13 May 2018	13 May 2020	100,685	776	99,909(3)
13 May 2016	13 May 2016	13 May 2020	13 May 2020	7,178	0	7,178(3)
13 May 2016	13 May 2016	13 May 2019	13 May 2021	25,800	0	25,800(3)
13 May 2016	14 June 2016	14 June 2018	14 June 2018	15,007	1,822	13,185(1)
13 May 2016	14 June 2016	14 January 2019	14 January 2019	9,780	0	9,780(1)
13 May 2016	14 October 2016	14 October 2017	15 October 2018	77,525	0	77,525(1)
13 May 2016	14 October 2016	14 October 2018	15 October 2018	33,157	0	33,157(1)
13 May 2016	14 October 2016	31 March 2018	15 October 2018	939	0	939(1)
13 May 2016	14 October 2016	31 March 2019	1 April 2019	870	0	870(1)
13 May 2016	14 October 2016	1 July 2018	15 October 2018	3,477	0	3,477(4)
13 May 2016	14 October 2016	1 July 2019	2 July 2019	3,477	0	3,477(5)
13 May 2016	14 October 2016	14 October 2019	15 October 2019	20,859	0	20,859(1)
13 May 2016	15 December 2016	15 December 2017	16 December 2018	2,629	0	2,629(1)
13 May 2016	15 December 2016	15 December 2018	16 December 2018	11,418	0	11,418(1)
TOTAL				**636,395**	**37,761**	**598,634**

(1) The share grants are contingent only on the beneficiaries remaining with the Company until the vesting date.
(2) The share grants are contingent on the beneficiaries remaining with the Company until the vesting date and on the achievement of three performance conditions assessed annually over a three-year period (2014, 2015 and 2016) allowing the vesting of shares by thirds and each concerning one-third of the initial grant: annual organic growth (at constant scope of consolidation and exchange rates, excluding calendar effects) in the Group's consolidated sales excluding fuel; annual growth in underlying net profit, Group share at current exchange rates; and annual relative performance of the Casino share, dividends included (Total Shareholder Return – TSR) compared to the performance of companies in the STOXX Euro 600 Retail index.
(3) The share grants are contingent on the beneficiaries remaining with the Company until the vesting date and on the achievement of two performance conditions assessed over a two-year period (2016 and 2017), each concerning half of the initial grant: TSR compared to a sample of European companies in the Food Retail index and the Group's average EBITDA margin (EBITDA/net sales).
(4) The share grants are contingent on the beneficiaries remaining with the Company until the vesting date and, for one-third of the initial grant, on the achievement of two performance conditions: trading profit and net sales at E-Trend (company that operates the "MonShowroom" website), as measured at 31 December 2017.
(5) The share grants are contingent on the beneficiaries remaining with the Company until the vesting date and, for one-third of the initial grant, on the achievement of two performance conditions: trading profit and net sales at E-Trend (company that operates the "MonShowroom" website), as measured at 31 December 2018.

The share grant plan introduced on 11 May 2015, which was due to vest on 11 May 2017 subject to the beneficiaries' continued presence in the Group, is not featured in the above table because the beneficiaries left the Group and the grants were subsequently cancelled.

Under share grant plans set up since 2011 and vesting by 31 December 2016, a total of 35% of shares did not vest because performance conditions were not met and 21% because the beneficiaries left the Group.

Under share grant plans introduced on 15 April 2011, 18 October 2013 and 6 May 2014, shares vested in 2016 as follows:

Date of Annual General Meeting	Date of Board of Directors meeting/ Grant date	Vesting date	Date from which the vested shares may be sold	Number of shares granted by the Board of Directors	Number of grants cancelled	Number of shares vested in 2016
14 April 2011	15 April 2011	15 April 2016	15 April 2016	6,550	2,050	4,500(1)
14 April 2011	15 April 2011	15 April 2016	15 April 2016	380	0	380(1)
22 April 2013	18 October 2013	18 October 2016	18 October 2018	58,724	13,822	44,902(2)
22 April 2013	6 May 2014	6 May 2016	6 May 2018	5,601	0	5,601(2)
TOTAL						**55,383**

(1) The share grants were contingent on the beneficiaries remaining with the Company until the vesting date and on the achievement of performance conditions. The performance conditions mainly concerned organic sales growth and trading profit levels.
(2) The share grants were contingent only on the beneficiaries remaining with the Company until the vesting date.

9.6. FINANCIAL REPORTING

The Investor Relations department's role is to provide the financial community with accurate, specific and fair information about the Group's strategy, business model and performance.

Financial information is prepared and validated by the Accounting and Financial Control departments prior to release.

The Legal and Accounting departments also contribute to producing the Registration Document and management report.

The Board of Directors reviews all information and news releases about the Group's results or financial and strategic transactions, and may make comments and proposals. The Audit Committee reviews information on the annual and interim financial statements prior to release. News releases on sales and earnings figures are also submitted to the Statutory Auditors for comment prior to issue.

Financial information is disclosed to the markets through the following communication channels:

- media releases;
- conference calls for quarterly releases of sales figures;
- annual and interim results presentations;
- road shows, conferences, meetings or conference calls with financial analysts and investors, in France and abroad;
- Annual General Meetings;
- Registration Documents and Annual and Corporate Social Responsibility Reports;
- the Group's corporate website.

Group Investor Relations is also involved in checking and setting the publication timetable for the financial information drawn up by listed majority-controlled subsidiaries and ensures consistency among the various media produced by the Group.

9.7. SHAREHOLDERS' CONSULTATIVE COMMITTEE

As announced at the 12 May 2015 Annual General Meeting, the Company has put in place a Shareholders' Consultative Committee to facilitate regular and meaningful dialogue between the Company and its individual shareholders and to improve the Company's communication with respect to its shareholders.

The committee has ten members, including:

- five shareholder representatives (two individual shareholders, a former employee shareholder and two representatives of a shareholder association), designated for a two-year term;
- five Company representatives (Board Secretary, Finance department, Investor Relations department and Corporate Legal department).

The Committee is expected to meet at least twice a year. The first meeting took place on 16 March 2016.

Annual General Meeting of 5 May 2017

10.1. PRESENTATION AND DRAFT RESOLUTIONS

10.1.1. Ordinary Shareholders' Meeting deliberations

Resolutions 1 and 2: Approval of the annual financial statements

Presentation

In the context of the 1st and 2nd resolutions, shareholders are called upon to approve first the Company's annual financial statements, followed by its consolidated financial statements as of 31 December 2016, as well as the transactions recorded in these statements.

The financial statements for the fiscal year take into account €56,438 in non-tax deductible expenses, as the latter are described in Article 39-4 of the *Code général des impôts* (hereinafter the "French General Tax Code").

The Statutory Auditors certified these financial statements without reservation.

First resolution

Approval of the Annual Financial Statements for the Fiscal Year ended 31 December 2016

The Ordinary Shareholders' Meeting, after reviewing the Board of Directors' report and the Statutory Auditors' reports, approves the Annual Financial Statements for the fiscal year ended 31 December 2016 as they were presented at the Meeting, including all of the transactions reported therein or referenced in the aforementioned reports. The financial statements for the fiscal year in question report a net profit of €405,506,355.80.

The Shareholders' Meeting acknowledges that the financial statements for the past fiscal year take into account the non-tax deductible expenses described in Subparagraph 4 of Article 39-4 of the *Code général des impôts* in the amount of €56,438, with the corresponding tax totaling €19,432.

In addition, the Shareholders' Meeting, duly notes the transfer of the FY 2015 dividends allocated to the 971,304 shares held by the Company as of 19 May 2016, corresponding to their effective dividend payment date, and totaling €3,030,468.48, to "Retained Earnings," in accordance with the decision taken by the Ordinary Shareholders' Meeting dated 13 May 2016.

Second resolution

Approval of the Consolidated Financial Statements for the Fiscal Year ended 31 December 2016

The Ordinary Shareholders' Meeting, after reviewing the Board of Directors' report and the Statutory Auditors' report, approves the Consolidated Financial Statements for the fiscal year ended 31 December 2016 as they were presented at the Meeting, including all of the transactions reported therein or referenced in the aforementioned reports. The consolidated financial statements for the fiscal year in question report a consolidated net profit of €2,196 million.

Resolution 3: Allocation of income and dividend determination

Presentation

Under the terms of the 3rd resolution, the Board of Directors asks you to approve a dividend distribution of €3.12 per share, equal to the previous year's dividend.

Considering the €1.56 per share advance payment on dividends paid out on 30 November 2016, the dividend balance is equal to €1.56 per share.

The ex-dividend date for the remaining balance is 9 May 2017. The dividend will be paid out on 11 May 2017.

Third resolution

Allocation of Income for the Fiscal Year – Dividend determination

The Ordinary Shareholders' Meeting, after reviewing the Board of Directors' report, decides to allocate the income for the fiscal year ended 31 December 2016 in the following way, it being specified that no statutory reserve allocation is necessary:

FY 2016 profit		€405,506,355.80
FY 2015 retained earnings	(+)	€3,196,610,271.85
DISTRIBUTABLE PROFIT	**(=)**	**€3,602,116,627.65**
Dividend	(-)	€346,310,627.52
ALLOCATION TO "RETAINED EARNINGS"	**(=)**	**€3,255,806,000.13**

Each share will receive a dividend of €3.12 per share.

The Ordinary Shareholders' Meeting hereby acknowledges that

- the amount of the dividend it has decided to distribute, equal to €3.12 per share, includes the €1.56 per share advance payment on dividends paid out on 30 November 2016;
- as a result, the outstanding dividend balance is equal to €1.56 per share and will be paid out on 11 May 2017.

For natural persons residing in France for tax purposes, the amount of the dividend distributed among shareholders represents income eligible for the 40% tax reduction referenced in Sub-paragraph 3.2° of Article 158 of the French General Tax Code.

Since the Casino shares held by the Company are not entitled to dividends, any dividends that would have been allocated to said shares on the dividend payment date will be transferred to "Retained Earnings".

The Shareholders' Meeting acknowledges that the dividends distributed in the past three fiscal years amounted to:

Fiscal Year	Number of shares	Dividend per share	Distributed dividend eligible for the 40% tax reduction	Distributed dividend not eligible for the 40% tax reduction
2013	113,105,831[(1)]	€3.12	€3.12	-
2014	113,175,162[(2)]	€3.12	€3.12	-
2015	113,197,686[(3)]	€3.12	€3.12	-

(1) Of which 2,603 shares held by the Company.
(2) Of which 374,315 shares held by the Company.
(3) Of which 971,304 shares held by the Company.

Resolution 4: Related-party agreement with Cnova N.V.

Presentation

Under the terms of the 4th resolution, the Board of Directors asks you to approve the Commitment Letter that had been granted by Casino with respect to its subsidiary Cnova N.V., in the context of the business consolidation of Cnova Brazil, a subsidiary of Cnova N.V., into Via Varejo, a subsidiary of CBD, to file a tender offer for the ordinary shares of Cnova N.V at the price of USD 5.50 per share subject to the prior completion of the business merger between Cnova Brazil into Via Varejo (hereinafter the "Merger") and, as a shareholder of Cnova N.V., to vote in favour of the merger at Cnova N.V.'s general shareholders' meeting.

The commitment to launch a tender offer was for Cnova N.V.'s float, in other words any shares other than those directly or indirectly held by Casino and its subsidiaries CBD and Éxito.

The Company's Board of Directors, at its meeting dated 11 May 2016, unanimously authorised (the director concerned did not vote) the Commitment Letter dated 8 August 2016, after the Audit Committee unanimously issued a favourable opinion, following review of the terms and conditions of the Merger and the proposed tender offer with their respective financial counsels.

In the context of assessing the Merger to be completed prior to the launch of the tender offer, Casino believed that said Merger would improve the operating and financial efficiency of both Cnova N.V. and Via Varejo and, by combining their respective resources, would strengthen their operating and competitive positions.

The Merger enables Cnova N.V., which continues to operate *via* its subsidiary Cdiscount in France, to refocus its business on the French market, since the latter performs better than the Brazilian market, to simplify its governance structure while reducing administrative expenses, and to improve management's ability to efficiently exercise its future strategic plans. In addition, the Merger optimises the value of the investment in Via Varejo by enabling it, in particular, to secure larger economies of scale and generate operating synergies as a result of, in particular, the integration of Cnova Brazil's E-commerce and delivery businesses into Via Varejo's existing and developing operations in Brazil.

As the controlling shareholder of Cnova N.V., Casino's main goal in supporting the Merger and committing to launching the tender offer in accordance with the terms of its Commitment Letter vis-à-vis Cnova N.V., has been to maximise the value of its investment in Cnova N.V. and to offer the opportunity to those Cnova N.V. shareholders who do not wish to keep their equity in the company once the Merger is complete, to immediately liquidate their securities at a cash price considered fair by the Cnova N.V. committee mandated by Cnova N.V.'s board of directors to study the Merger and the tender offer.

Following the completion of the merger of Cnova Brazil's businesses into Via Varejo on 31 October 2016, Casino launched the tender offer for Cnova N.V.'s shares on the Euronext and Nasdaq regulated markets on 27 December 2016. The offer price was subject to a fairness opinion issued by EightAdvisory, an independent expert. Offers closed on 25 January 2017, at which point Casino and its subsidiaries held 98.88% of the ordinary shares issued by Cnova N.V., representing 99.41% of the voting rights.

The Commitment Letter's powers ended with the completion of the tender offer.

The Statutory Auditors' Special Report on the related-party agreements and commitments, provided in Chapter 4 of the 2016 Registration Document, also includes this Commitment Letter.

Fourth resolution

Related-party Agreement: approval of the Letter of Commitment to Cnova N.V. to file a public tender offer for Cnova N.V. securities and to vote in favour of the merger, in the context of integrating the businesses of Cnova Brazil within Via Varejo

The Ordinary Shareholders' Meeting, after reviewing the Statutory Auditors' report on the agreements described in Article L. 225-38 of the *Code de commerce* (hereinafter the "French Commercial Code"), hereby approves the Letter of Commitment to Cnova N.V. dated 8 August 2016, under the terms of which, in the context of the integration of Cnova Brazil's businesses within Via Varejo, Casino Guichard-Perrachon hereby makes the commitment to Cnova N.V., under certain conditions, to file a public tender offer for the securities of Cnova N.V. and to vote in favour of the merger at Cnova N.V's General Shareholders' Meeting.

Resolution 5: Related-party agreement with Mercialys

Presentation

In the context of the 5th resolution, the Board of Directors asks that you approve the Amending Act dated 31 January 2017, concerning the Real Estate Partnership Agreement *(Convention de partenariat immobilier)* entered into with Mercialys on 2 July 2012, as previously amended by the Amending Act dated 12 November 2014 approved by the General Shareholders' Meeting dated 12 May 2015.

Mercialys is Group Casino's historic partner in real estate development projects for a large number of the Group's sites in France. In the context of the development of its dual business model combining distribution and commercial real estate businesses, Casino and its subsidiaries join forces with Mercialys to carry out real estate development projects under the terms of this partnership agreement, signed in 2012. Therefore, with around sixty jointly developed sites, Mercialys and Casino have successfully developed a balanced relationship enabling them to join forces to complete projects that improve the attractiveness of their sites. As such, the Partnership Agreement is a natural and well-adapted tool for continuing to develop the Group's sites.

It is hereby reminded that the Partnership Agreement relies on the following principles:

- priority access (right of first refusal) granted to Mercialys with respect to commercial real estate projects developed by Casino and/or its subsidiaries in France in its business sector;
- in exchange, Mercialys' commitment (non-compete clause) to refrain from investing in any new projects that could potentially have a significant impact on a Group Casino food retail site;
- reciprocal commitments split up into various steps based on the development stage of a given project, from identifying "Projects to be Confirmed" to selling projects when they are complete;
- a project valuation based on capitalised projected rent, by applying the capitalisation rate of the Agreement's rate schedule, relative to a matrix updated by the parties on a half-yearly basis, including a 50/50 split in any potential upside/downside upon opening;
- to improve flexibility, an accelerated project validation process allowing for the direct signature of a bill of sale and the option of setting the valuation of the asset on the basis of the project's expected Internal Rate of Return (IRR). For example, the parties' objective is to target projects able to deliver an expected IRR in the range of 8% to 10%;
- an annual "meeting" clause enabling the parties to discuss the terms and conditions of their partnership on an annual basis.

As such, the Amending Act dated 31 January 2017 extends the Agreement until 31 December 2020, as it would have expired on 31 December 2017 and, in particular, makes the following modifications for the purpose of improving the terms and conditions of the parties' collaboration while maintaining the general principles of the Agreement and the initial balance of rights and obligations applicable to each party, respectively

- the confirmation of the accelerated project validation process, first implemented as an exception in 2014, with the formalisation and the development of the conditions under which this process can be used, which remains subject to both parties' approval;
- the preservation of the price setting mechanisms (schedule or IRR), with the following adjustments:
  - further details on the determination of the applicable rate in the event the schedule is used, by explicitly integrating large retail food stores (hypermarket) in the calculation,
  - the post-extension use of the commercial centre's area, to determine the category of the centre in the schedule (instead of the average area pre/post-extension), which could allow for potentially significant threshold effects to be avoided, ones that could generate an additional non-justified discount to the valuation of assets.

Various other clauses are also subject to changes made in the spirit of the partnership, the purpose of which is to improve the conditions of the cooperation between the parties, such as the flexibility applied to the terms and conditions for determining marketing services.

Therefore, these changes are in line with the continuation of the initial Partnership Agreement, which constitutes a well-adapted and balanced legal framework to develop the Group's sites.

The renewal of the Partnership Agreement cements the current relations between Mercialys and Casino and, in so doing, enables Casino and its subsidiaries to continue to benefit from a natural solution for its real estate projects, together with a non-compete commitment from Mercialys.

At its meeting dated 15 December 2016, the Company's Board of Directors unanimously authorised (the directors concerned did not vote) the signature of this Amending Act, after the Audit Committee had reviewed it in the context of the related-party agreements review process applicable within the Group. The Audit Committee unanimously issued a favourable opinion on the signature of this amendment, after having read:

- the real estate expert's report concluding that the new wording proposed was in line with the principles of the Partnership Agreement and that, by simplifying certain points and further detailing others, the application of the agreements will be smoother while preserving the balance of interests for both parties; and
- a legal opinion concluding that the it had no observations to make relative to Casino and Mercialys' respective corporate interests.

The Statutory Auditors' Special Report on the related-party agreements and commitments, provided in chapter 4 of the 2016 Registration Document, also includes this Amending Act.

Fifth resolution

Related-party Agreement: approval of the Amending Act to the Partnership Agreement entered into with Mercialys

The Ordinary Shareholders' Meeting, after reviewing the Statutory Auditors' special report on the agreements described in Article L. 225-38 of the French Commercial Code, hereby approves the 31 January 2017 Amending Act to the Partnership Agreement entered into with Mercialys on 2 July 2012.

Resolution 6: Related-party agreement with Euris

Presentation

Under the terms of the 6th resolution, the Board of Directors asks you to approve amendments No. 2 and No. 3, respectively dated 16 December 2016 and 14 March 2017, modifying the Agreement entered into on 5 September 2003, setting the terms and conditions of Euris' permanent assignment to act as the strategic advisor of Casino, Guichard-Perrachon (hereinafter the "Company").

As the parent company, Euris is naturally involved in its group's policy-making and participates in its strategy and development. As such, it is perfectly positioned to advise its subsidiaries, notably the Company, regarding their strategic goals and the management and development of their businesses, both in France and abroad, but also to ensure the necessary consistency of the actions taken within its group.

Euris relies on well-adapted means and structures, with a management team, led by its President, that is entrusted with this assignment based on its confirmed expertise and recognised experience in the various areas in which it is called upon to offer advice, and on its extensive knowledge of its group (17 persons, including the President).

Therefore, Euris can permanently offer, for the common good of all subsidiaries that cannot individually assemble all of the necessary expertise, all the high value added means and expertise, at favourable financial conditions, and of which the economic relevance, overall balance, and adaptation to the subsidiaries' types of businesses have been confirmed by external experts and, in particular, in the context of a study conducted by an independent expert.

Euris' assignment for the Company was formalised *via* the signature of the Agreement dated 5 September 2003. In this context, Euris participates in discussions on the strategic goals and the development of the business, in research studies, and in the optimisation of the financial structure and resources of the Company. It also provides its advice and assistance in very sensitive strategic areas such as legal matters, governance, accounting and tax matters, communication, human resources, as well as whenever complex, transactions, notably in the financial and development fields, are implemented. Therefore, it provides the Company with studies and analyses on a regular and ad hoc basis, based on the projects and issues at hand.

The strategic assistance costs incurred by Euris (mainly comprised of the compensation to be paid to the members of Euris' management team responsible for the assignment and any related environmental costs, totaling €6.99 million for 2016 in relation to all its subsidiaries including the Company, and representing 0.02% of the group's consolidated revenue) are allocated annually among the subsidiaries concerned, in accordance with the terms and conditions that were amended in 2015 following an external financial study, by applying the most generally accepted allocation keys and a 10% surcharge.

Thus, regarding the billing of holding companies, a primary key is applied targeting the prorated capital employed by each of them, namely its shareholders' equity and its net financial debt. Next, a secondary key is applied to the Company's operating subsidiaries, aiming to distribute the cost based on their prorated revenue, while the Company bears 20% of the cost.

The above billing terms and conditions under which Euris bills the Company for its assignment took effect as from 1 January 2015 under the terms of Amendment No. 1 dated 9 April 2015 to the Agreement dated 5 September 2003, authorised by the Board of Directors at its meeting dated 16 February 2015 and approved by the Company's General Shareholders' Meeting dated 13 May 2016.

The purpose of amendments No. 2 and No. 3, which are subject to the General Shareholders' Meeting's approval, is to:

- Amendment No. 2 dated 16 December 2016: the renewal of the agreement with the preservation of the billing terms and conditions for 2016, which resulted in a billable amount of €910,000 in 2016 (against €840,000 in 2015). The increase reflects the higher strategic costs incurred by Euris in 2016 and the respective amounts assigned to each of the companies concerned based on applying the primary allocation key.
- Amendment No. 3 dated 14 March 2017: the renewal of the agreement, as from 2017, and the renewal of the same billing terms and conditions, with an increase in the term to 3 years and the corresponding integration of a requirement to update the amount billed to the Company based on changes in Euris' strategic assistance costs and the respective amounts assigned through allocation keys.

The renewal and change in duration of Euris' assignment as strategic advisor enable the Company to make sure it continues to permanently benefit from favourable conditions with respect to Euris' means and expertise.

At its meetings dated 15 December 2016 and 6 March 2017, the Company's Board of Directors unanimously authorised (the directors concerned did not vote) the signature of amendments No. 2 and No. 3, after the Audit Committee unanimously issued a favourable opinion in the context of the related-party agreements review process applicable within the Group. The Audit Committee issued its opinion after reading the reports of financial experts and an independent study confirming that the cost allocation method retained was relevant and well-adapted to the assignment in question, and after receiving legal opinions concluding that renewing the Agreement and increasing its term to three years was in line with the Company's corporate interests.

The Company appointed the firm Didier Kling & Associés as independent expert for the purpose of reviewing and evaluating the allocation method retained in the context of the billing of Casino for the strategic advice provided by Euris, and the types of services invoiced to Casino within this scope.

The independent expert concluded, in particular, that:

- the method according to which the costs incurred by Euris are allocated to subsidiaries in the context of the consulting, management assistance, and strategic advice assignment is relevant, balanced, and well-adapted to the type of business activities carried out by its subsidiaries;
- expenses invoiced back are justified and correctly allocated under the same defined terms and conditions;
- the surcharge applied to these expenses, barring a potential tax restriction applicable locally, falls within a commonly used range;
- the services provided in connection with permanent and temporary assignments falling within the scope of the management and strategic advisory agreement or meeting the specific needs formulated by Casino, Guichard-Perrachon's management, are constant and beneficial. In addition, these services are deemed necessary to maintain the consistency of the management and strategic policy of both the Euris and Casino groups;
- therefore, the cost of these services appears justified.

The Statutory Auditors' Special Report on the related-party agreements and commitments, provided in chapter 4 of the 2016 Registration Document, also includes these amendments.

Sixth resolution

Related-party Agreement: approval of amendments to the Strategic Advisory Agreement entered into with Euris

The Ordinary Shareholders' Meeting, after reviewing the Statutory Auditors' special report on the agreements described in Article L. 225-38 of the French Commercial Code, hereby approves amendments No. 2 and No. 3, dated respectively 16 December 2016 and 14 March 2017, to the Strategic Advisory Agreement entered into with Euris on 5 September 2003.

Resolution 7: Advisory vote on the components of the compensation of the Chairman and Chief Executive Officer in respect of the 2016 fiscal year

Presentation

The Afep-Medef Corporate Governance Code, which the Company uses as its reference, encourages companies to submit the components of the compensation of executive corporate officers in respect of a given fiscal year to the advisory opinion of shareholders.

Under the terms of the 7th resolution, you are asked to issue a favourable opinion on the components of the compensation due or awarded to Jean-Charles Naouri, Chairman and Chief Executive Officer, with respect to the fiscal year ended 31 December 2016, as detailed and discussed in the table appended (see page 310), it being specified that these components are also presented in Chapter 6 of the 2016 Registration Document.

Seventh resolution

Advisory Vote on the components of the compensation due or awarded to the Chairman and Chief Executive Officer, in respect of the 2016 Fiscal Year

Pursuant to the terms of the Afep-Medef Corporate Governance Code, the Ordinary Shareholders' Meeting, after reviewing the information presented in the Board of Directors' report, issues a favourable advisory opinion on the components of the compensation due or awarded to Jean-Charles Naouri, Chairman and Chief Executive Officer, in respect of the fiscal year ended 31 December 2016.

Resolution 8: Approval of the principles and criteria for determining, distributing, and allocating the components of the compensation of the Chairman and Chief Executive Officer in respect of the 2017 fiscal year

Presentation

Pursuant to the terms of Article L. 225-37-2 of the French Commercial Code, introduced by the French Law of 9 December 2016 relative to transparency, anti-corruption, and the modernisation of economic life *(loi du 9 décembre 2016 relative à la transparence, à la lutte contre la corruption et à la modernisation de la vie économique* (also known as the *"Loi Sapin 2"*)), the principles and criteria for determining, distributing, and allocating the fixed, variable, and exceptional components comprising the aggregate compensation and benefits of all kinds for which the Chairman and Chief Executive Officer is eligible in connection with his mandate, must be subject, at least once per year, to the approval of the General Shareholders' Meeting.

Under the terms of the 8th resolution, you are asked to approve the principles and components of the compensation of Jean-Charles Naouri, Chairman and Chief Executive Officer, as determined by the Board of Directors on 6 March 2017 on the recommendation of the Appointments and Compensation Committee, as appended *(see page 311)*, it being specified that all of these components are also presented in Chapter 6 of the 2016 Registration Document.

Eighth resolution

Approval of the principles and criteria for determining, distributing, and allocating the components of the compensation of the Chairman and Chief Executive Officer, in respect of the 2017 Fiscal Year

Pursuant to the terms of Article L. 225-37-2 of the French Commercial Code, the Ordinary Shareholders' Meeting approves the principles and criteria for determining, distributing, and allocating the fixed, variable, and exceptional components comprising the aggregate compensation and benefits of all kinds for which the Chairman and Chief Executive Officer is eligible in connection with his mandate, as detailed in the report attached to the report referenced in Articles L. 225-100 and L. 225-102 of the French Commercial Code.

Resolutions 9 to 15: Renewal of the mandates of five directors – appointment of an independent female director – proposal not to fill a director's seat left vacant

Presentation

The Board of Directors is currently composed of 12 directors and 2 non-voting directors. Resolutions 9 to 14 ask you, on the recommendation of the Appointments and Compensation Committee, to renew, for a 3-year term, the respective directorships of Gérald de Roquemaurel, David de Rothschild, Frédéric Saint-Geours, Euris, and Foncière Euris, and to appoint a new independent director, Christiane Féral-Schuhl, an attorney and previously Chairman of the Paris Bar Association *(Bâtonnier du Barreau de Paris)* in 2012 and 2013, and the profile of whom is complementary to other members' experience and expertise, as director for a 3-year term *(see the presentation page 163 and following of this registration document)*. The Board of Directors determines that she meets all the Afep-Medef criteria to qualify as independent director. Under the terms of the 15th resolution, it is proposed not to fill the vacancy left by Marc Ladreit de Lacharrière following the termination of his directorship.

In this context, Cobivia, a director representing the controlling shareholder, will resign from its directorship prior to the General Shareholders' Meeting in order to maintain the number members on the Board of Directors at 12.

Therefore, if you approve these proposals, following the Shareholders' Meeting, the Board will remain composed of 12 directors and will include 6 independent directors (50%), a qualified external member, and 5 representatives of the controlling shareholder, the latter not benefiting from the majority of votes on the Board of Directors. The percentage of women on the Board will be equal to 42%, against 33% currently.

The Board of Directors noted that based on the criteria of the Afep-Medef Code, as revised in 2016, Frédéric Saint-Geours and Gérald de Roquemaurel, whose directorships are proposed for renewal, will no longer be considered independent directors as from the 2018 General Shareholders' Meeting, since they will then have served for 12 years. On the recommendation of the Governance Committee, the Board will review the composition of the Board of Directors in order to continue to apply the Afep-Medef Code's recommendations concerning the representation of independent members.

Ninth resolution

Renewal of Gérald de Roquemaurel's Appointment as director

After reviewing the Board of Directors' report and acknowledging that Gérald de Roquemaurel's term of office is expiring at the end of this meeting, the Ordinary Shareholders' Meeting decides to renew his appointment as director for three years, or until the end of the Ordinary Shareholders' Meeting convened in 2020 to approve the financial statements for the fiscal year ended 31 December 2019.

Tenth resolution

Renewal of David de Rothschild's Appointment as director

After reviewing the Board of Directors' report and acknowledging that David de Rothschild's term of office is expiring at the end of this meeting, the Ordinary Shareholders' Meeting decides to renew his appointment as director for three years, or until the end of the Ordinary Shareholders' Meeting convened in 2020 to approve the financial statements for the fiscal year ended 31 December 2019.

Eleventh resolution

Renewal of Frédéric Saint-Geours's Appointment as director

After reviewing the Board of Directors' report and acknowledging that Frédéric Saint-Geours' term of office is expiring at the end of this meeting, the Ordinary Shareholders' Meeting decides to renew his appointment as director for three years, or until the end of the Ordinary Shareholders' Meeting convened in 2020 to approve the financial statements for the fiscal year ended 31 December 2019.

Twelfth resolution

Renewal of Euris' Appointment as director

After reviewing the Board of Directors' report and acknowledging that Euris' term of office is expiring at the end of this meeting, the Ordinary Shareholders' Meeting decides to renew its appointment as director for three years, or until the end of the Ordinary Shareholders' Meeting convened in 2020 to approve the financial statements for the fiscal year ended 31 December 2019.

Thirteenth resolution

Renewal of Foncière Euris' Appointment as director

After reviewing the Board of Directors' report and acknowledging that Foncière Euris' term of office is expiring at the end of this meeting, the Ordinary Shareholders' Meeting decides to renew its appointment as director for three years, or until the end of the Ordinary Shareholders' Meeting convened in 2020 to approve the financial statements for the fiscal year ended 31 December 2019.

Fourteenth resolution

Appointment of Christiane Féral-Schuhl as director

After reviewing the Board of Directors' report, the Ordinary Shareholders' Meeting decides to appoint Christiane Féral-Schuhl as new director for three years, or until the end of the Ordinary Shareholders' Meeting convened in 2020 to approve the financial statements for the fiscal year ended 31 December 2019.

Fifteenth resolution

Vacancy on the Board of Directors

After reviewing the Board of Directors' report, the Ordinary Shareholders' Meeting decides not to fill the Board of Directors' seat left vacant as a result of the termination of Marc Ladreit de Lacharrière's functions on 16 September 2016.

Resolution 16: Company share repurchases

Presentation

The 16th resolution renews the authorisation granted to the Board of Directors for 18 months for the purpose of purchasing Company shares. The maximum purchase price remains set at €100 per share and the maximum number of shares that can be purchased would be capped at 10% of the number of shares comprising the share capital of the Company as of the date of the General Shareholders' Meeting. For example, based on the share capital as of 28 February 2017, excluding the 251,328 own shares it holds, the maximum theoretical amount of that the Company could invest in purchasing its own shares would total €1,085 million, corresponding to 10,848,371 shares.

In the context of the authorisation granted by the General Shareholders' Meeting dated 13 May 2016 and on the basis of data as of 28 February 2017, the Company acquired 1,270,616 shares, representing 1.12% of the share capital, of which 1,124,416 shares were cancelled. In addition, in the context of the liquidity agreement, 4,033,085 shares were purchased and 3,765,835 shares were sold.

As of 28 February 2017, the Company held 251,328 shares (0.23% of the share capital), of which 101,328 shares were allocated to the hedging of all stock option plans, savings plans, or free share plans and 150,000 shares were held in the context of the liquidity contract.

The goals of the repurchase plan are described below in the 16th resolution as well as in the description of the repurchase plan in Chapter 9 of the 2016 Registration Document.

In the event of a public tender offer for the shares or securities issued by the Company, the Company may only use this authorisation for the purpose of meeting securities delivery commitments, especially in the context of free share plans or strategic transactions initiated and announced prior to the launch of said offer.

Sixteenth resolution

Authorisation for the Company to purchase its own shares

The Ordinary Shareholders' Meeting, after reviewing the Board of Directors' report, authorises the Board of Directors to purchase or to order the purchase of Company shares in accordance with the provisions of Articles L. 225-209 *et seq.* of the French Commercial Code, Articles 241-1 to 241-5 of the General Regulation of the *Autorité des Marchés Financiers* (French financial markets regulator, hereinafter the "AMF"), as well as the European regulation on market abuse (particularly European Regulations No. 596/2014 dated 16 April 2014 and No. 2273/2003 dated 22 December 2003), in order to, in particular:

- ensure the liquidity of and stimulate the market for Company securities through an independent investment services provider acting independently in the name and on behalf of the Company, under the terms of a liquidity agreement compliant with a Code of Conduct recognised by the AMF;
- implement any Company stock option plan under the provisions of Articles L. 225-177 *et seq.* of the French Commercial Code, any savings plan in accordance with Articles L. 3332-1 *et seq.* of the *Code du travail* (hereinafter the "French Labour Code"), or any grant of free shares carried out in the context of the provisions of Articles L. 225-197-1 *et seq.* of the French Commercial Code, or any other share-based compensation mechanism;
- deliver the shares upon exercise of rights attached to securities granting rights to Company shares through redemption, conversion, exchange, presentation of warrants or debt securities convertible to or exchangeable for Company shares, or any other means;
- to save them for later use as payment or consideration in the context of or following any external growth transactions;
- to cancel all or part of these shares in order to optimise earnings per share in the context of a share capital reduction under the conditions provided for by law;
- to implement any future market practice authorised by the AMF and, generally, carry out any transaction compliant with applicable regulations.

These shares may be acquired, sold, transferred, or exchanged by any means and, in particular, on regulated or OTC (over-the-counter) markets, including *via* block trades. These means include the use of any derivative financial instrument traded on a regulated or OTC market and the implementation of option-based strategies under the conditions authorised by the relevant market authorities, provided said means do not help cause a significant increase in the price volatility of the security. Furthermore, the shares may also be placed on loan, pursuant to the provisions of Articles L. 211-22 *et seq.* of the *Code monétaire et financier* (hereinafter the "French Monetary and Financial Code").

The share purchase price cannot exceed €100 (excluding acquisition costs) for each share carrying a par value of €1.53.

This authorisation can only be used in respect of a number of shares no greater than 10% of the Company's share capital as of the date of this Shareholders' Meeting or, for example, 10,848,371 shares based on the share capital as of 28 February 2017, after deducting the 251,328 own shares held by the Company, corresponding to a maximum amount of €1,085 million, it being specified that, whenever the Company shares are purchased in the context of a liquidity agreement, the number of shares retained for calculating the aforementioned 10% threshold will correspond to the number of shares purchased, after deducting the number of shares sold back during the authorisation period under the terms of the liquidity agreement. However, the number of shares purchased by the Company and intended to be held then later used as payment or consideration in the context of an external growth transaction, cannot exceed 5% of the share capital. The acquisitions made by the Company cannot, under any circumstance whatsoever, ever lead the Company to holding more than 10% of the shares comprising its share capital.

The authorisation is granted to the Board of Directors for eighteen months. It terminates and replaces the authorisation previously granted under the terms of the eighteenth resolution of the Ordinary Shareholders' Meeting dated 13 May 2016.

In the event of a public tender offer for the shares or securities issued by the Company, the Company may only use this authorisation for the purpose of meeting securities delivery commitments, especially in the context of free share plans or strategic transactions initiated and announced prior to the launch of said public tender offer.

Consequently, full powers are granted to the Board of Directors, with the ability to sub-delegate, to implement this authorisation, place any and all stock market orders, enter into any and all agreements for the purpose of, in particular, keeping an accounting of share purchases and sales, allocate or reallocate the purchased shares in support of various objectives under applicable legal and regulatory conditions, complete any and all reporting to the AMF and perform any other formalities and, generally, do all that is necessary.

10.1.2. Extraordinary Shareholders' Meeting deliberations

Presentation

Below is a summary table comparing the financial delegations and authorisations granted by the General Shareholders' Meeting dated 12 May 2015 and 13 May 2016, and the renewal of which is submitted to your approval in the context of resolutions 17 to 29 presented hereafter.

Resolutions		Terms and Conditions	Maximum previously authorised par value	Maximum par value submitted to the Shareholders' Meeting
N° 17:	Share Capital Increase	with PSR*	€60,000,000(1)	€59,000,000(1)
N° 18:	Share capital increase via a public offer	without PSR*	€17,300,000(1)	€16,900,000(1)
N° 19:	Share capital increase via a private placement	without PSR*	€17,300,000(1)	€16,900,000(1)
N° 20:	Setting of the issue price for the share capital increases without PSR in the context of resolutions 18 and 19	-	Average weighted price during the last 10 trading days with a possible 5% discount	Average weighted price during the last 10 trading days with a possible 5% discount
N° 21:	Increasing the amount of the initial issue with or without PSR	-	15% of the initial issue	15% of the initial issue
N° 22:	Share capital increase by capitalisation of reserve	-	€60,000,000	€59,000,000
N° 23:	Share capital increase via a tender offer launched by Casino	without PSR*	€17,300,000(1)	€16,900,000(1)
N° 24:	Share capital increase to compensate tendered securities	without PSR*	10% of the share capital	10% of the share capital
N° 25:	Overall ceiling on the authorisations granted in the context of resolutions 17 to 24	with/ without PSR*	€60,000,000(1)	€59,000,000(1)
		of which without PSR*	€17,300,000(1)	€16,900,000(1)
N° 26:	Grants of stock purchase options to employees	-	2% of the share capital as of the date of the Shareholders' Meeting	2% of the share capital as of the date of the Shareholders' Meeting
N° 27:	Grants of stock subscription options to employees	without PSR*		
N° 28:	Grants of free shares to employees	without PSR*	1% of the share capital as of the date of the Shareholders' Meeting	
N° 29:	Share capital increase for the benefit of employees	without PSR*	2% of the share capital as of the date of the Shareholders' Meeting	2% of the share capital as of the date of the Shareholders' Meeting

* *PSR = preferential subscription right.*

(1) *the total amount of debt securities that can be issued immediately and/or in the future, by virtue of the various authorisations, cannot exceed €2 billion, since this amount, under the terms of the 25th resolution, represents an aggregate ceiling to which all authorisations are subject.*

Regarding the renewal on which you are being asked to vote, it should be noted that the aggregate amount of share capital increases that could potentially be carried out by virtue of the 17th to 24th resolutions would be capped at a par value of €59 million (aggregate ceiling), (against €60 million in 2015) corresponding to 34,74% of the share capital as of 31 December 2016 (€169,825,403.88), of which a maximum of €16.9 million (against €17.3 million in 2015), or 9.95% of the share capital as of 31 December 2016, for share capital increase delegations without preferential subscription rights carried out by virtue of the 18th, 19th, 20th, 21st, 23rd, and 24th resolutions. This aggregate ceiling is set pursuant to the terms of the 25th resolution

These delegations would be granted for 26 months. They cannot be used at the time of public tender offers, unless previously approved by the General Shareholders' Meeting.

You are also being asked, in resolutions 26 to 29, to renew, for a thirty-eight month period, the authorisations to grant stock subscription and stock purchase options and free shares, as well as, for a twenty-six month period, the share capital increase delegation relative to employee shareholding transactions, within a limit not to exceed the specific ceilings that is not deducted, as was previously the case, from the €59 million aggregate share capital increase ceiling set under the terms of the 25th resolution.

Resolutions 17 to 19: Share capital increase with and without shareholders' preferential subscription rights

Presentation

The Ordinary and Extraordinary Shareholders' Meeting dated 12 May 2015 had delegated its authority to your Board of Directors for 26 months for the purpose of issuing shares or securities granting access to the share capital of the Company or of any company in which it holds a direct or indirect equity stake, with preferential subscription rights (resolution 14) and without preferential subscription rights *via* a public tender offer (resolution 15) and *via* a private placement (resolution 16).

Your Board of Directors did not use these delegations and you are being asked to renew them.

Under the 17th resolution, you are being asked to delegate the necessary authority to the Board of Directors for a new 26-month period for the purpose of deciding on the issue, with shareholders' preferential subscription rights, of shares or securities granting immediate and/or future access to the share capital of the Company or of any company in which it directly or indirectly holds an equity stake, it being specified that the par value of the securities that could potentially be issued by virtue of this delegation cannot exceed:

- €59 million (34.74% of the share capital as of 31 December 2016), if they are securities representing a portion of the share capital (against €60 million in 2015); and
- €2 billion, if they are debt securities (same amount as in 2015).

Each of these amounts would constitute an aggregate ceiling by virtue of the 25th resolution, which limits the aggregate par value of the issues of capital securities, with or without preferential subscription rights, or debt securities that can potentially be carried out by virtue of the 17th to 24th resolutions, to €59 million and €2 billion, respectively.

Under the terms of the 18th and 19th resolutions, you are being asked to delegate the necessary authority to the Board of Directors for a new 26-month period for the purpose of issuing shares or securities, without shareholders' preferential subscription rights, either *via* a public offer with the option of granting a priority subscription period to shareholders (resolution 18) or *via* a private placement as discussed in Article L. 411-2-II of the French Monetary and Financial Code (resolution 19), it being specified that the par value of the securities that could potentially be issued by virtue of these delegations cannot exceed:

- €16.9 million (9.95% of the share capital as of 31 December 2016), if they are securities representing a portion of the share capital (against €17.3 million previously), it being specified that this amount, by virtue of the 25th resolution, is an aggregate sub ceiling for share capital increases without preferential subscription rights (excluding issues for the benefit of members of a company savings plan); and
- €2 billion, if they are debt securities (aggregate ceiling set according to the 25th resolution).

You are being asked to suspend these delegations in the event of a public tender offer, unless previously approved by the General Shareholders' Meeting.

The ability to issue financial instruments without preferential subscription rights would enable the Board to benefit more quickly from market opportunities based on changes in the financial markets and on the Group's strategy. As such, the French Monetary and Financial Code offers companies the possibility of carrying out share capital increases in the context of private placements with qualified investors or a restricted group of investors, provided said investors are acting on their own behalf.

For issues carried out without preferential subscription rights, the issue price of the securities will be set such that the Company receives, for each share issued by the Company, an amount equal to no less than the minimum authorised under applicable regulations as of the issue date or, as of the date hereof, an amount equal to the weighted average of the prices of the share on the Euronext Paris regulated stock exchange during the last three trading days preceding the date on which it was set including, as the case may be, a maximum 5% discount.

For issues carried out with preferential subscription rights in the context of the 17th resolution, the sum paid or to be paid to the company for each of the Company shares that could be issued must be at least equal to the par value of the share.

The issue price of all securities granting access to shares would be determined based on market practices and conditions.

The allocation rights attached to the securities that can be issued in the context of this resolution could be exercised on set dates, at any time, or during one or several set periods determined by your Board, beginning no earlier than on the issue date of the primary security and ending in the event of redemption, conversion, or exchange of a debt security no later than three months after the loan has reached maturity or, in other cases, no later than seven years after the issue of the security granting access thereto.

Seventeenth resolution

Delegation of authority granted to the Board of Directors for the purpose of issuing Company shares or securities granting access to the shares of the Company or one of its subsidiaries, with maintenance of the preferential subscription rights of existing shareholders

The Extraordinary Shareholders' Meeting, after reviewing the Board of Directors' report and the Statutory Auditors' report and confirming that the share capital is entirely paid-up, in the context of Articles L. 225-127, L. 225-129, L. 225-129-2, L. 228-91, L. 228-92, L. 228-93, L. 228-94 *et seq.* of the French Commercial Code:

- delegates its authority to the Board of Directors, with the ability to sub-delegate under the conditions set forth by law, for the purpose of deciding to issue, in one or several transactions, in the amounts and at the times it shall determine, both in France and abroad, Company shares or any other securities granting access, by any means either immediately or in the future, to the share capital of the Company, *via* the allocation, at the discretion of the Company, of new or existing Company shares, or a combination of both, or of existing shares of any other company in which it directly or indirectly holds an equity interest, and with maintenance of the preferential subscription rights of existing shareholders. The subscription may be carried out either in cash or by offsetting liabilities;
- decides that the securities thus issued and granting the right to the allocation of new or existing shares of the Company or existing shares of any other company in which it directly or indirectly holds an equity interest, can be debt securities or be associated with the issue of debt securities, or allow said debt securities to be issued as interim securities. They may, in particular, take the form of subordinated and unsubordinated fixed term or perpetual debt securities, and be expressed in Euros or an equivalent value in foreign currency or composite monetary units.

The Company's new share warrants may be issued through a subscription offering, but also through a free allocation to owners of old shares, it being specified that the Board of Directors will have the right to decide that the allocation rights to fractional shares will not be negotiable and that the corresponding securities will be sold, while the sums generated from the sale will be allocated to their rights-holders no later than within thirty days following the day the whole number of securities to which they are entitled is registered on their account.

The aggregate par value of Company shares that can be issued, immediately and/or in the future, by virtue of this delegation, cannot exceed fifty-nine (59) million euros, plus, as the case may be, the par value of any additional shares to be issued in order to protect, in accordance with legal and regulatory provisions and, as the case may be, with contractual stipulations providing for other cases of adjustment, the rights of holders of securities granting future access to capital securities of the Company.

The aggregate par value of debt securities over the Company that could be issued by virtue of this delegation cannot exceed two (2) billion euros or its equivalent value in foreign currency or composite monetary units.

In the event of a subscription offering, the Board of Directors can, in accordance with the law, introduce, if it deems it necessary, a subscription right for excess shares by virtue of which the capital securities or other securities granting access to the share capital that have not been subscribed as of right will be granted to shareholders who subscribed for a larger number of securities than the number to which they were entitled, proportionally to the subscription rights that they hold and, in all cases, no higher than the amount of their requests.

If subscriptions as of right and, as the case may be, subscriptions for excess shares do not cover the entire issue, the Board can take any of the following actions, under the conditions set forth by law and in the order it shall determine:

- limit the issue to the amount of subscriptions, provided this number reaches at least three quarters of the decided issue;
- freely distribute all or part of the unsubscribed securities;
- offer all or part of the unsubscribed securities to the public, on the French or foreign market.

This delegation implies *ipso jure* that, for the benefit of holders of securities that could be issued and granting access to the share capital of the Company, shareholders waive their preferential subscription right to the capital securities of the Company to which said securities may grant a right.

Within the limits set by the General Shareholders' Meeting and pursuant to the law, the Board of Directors has full powers, with the ability to sub-delegate, (i) to decide whether to use this delegation, (ii) to set the conditions, type and characteristics of the issue(s) it plans to carry out, such as the issue price and whether to include a premium for the shares and other securities to be issued, the date, even retroactive, from which the new shares will bear dividend entitlement *(jouissance)* and, as the case may be, the conditions applicable to the repurchase or the exchange of the securities to be issued and whether to cancel them or not, (iii) to determine the payment method for the shares or securities granting access to the share capital to be issued immediately or in the future, (iv) to acknowledge the completion of the subsequent share capital increases, (v) to deduct the issue costs from the premium, (vi) to amend the Articles of Association, and (vii) to request, as the case may be, that the shares and other securities thus issued be admitted to trading on a regulated market.

The Board of Directors may, in particular:

- set, in the event of the immediate issue of debt securities, the loan amount, duration, issue currency, subordination status, the fixed, variable, zero coupon, indexed or other interest rate and its payment date, the interest capitalisation conditions, the terms and conditions and fixed or variable redemption price, with or without a premium, the terms and conditions of redemption relative to market conditions, as well as the conditions under which they will grant rights to the shares of the Company and other terms and conditions of the issue (including whether to grant them guarantees or sureties);
- amend, during the life of the securities concerned, the terms and conditions of the securities issued or to be issued, in compliance with the applicable formalities;
- take any and all measures to protect the holders of rights and securities granting future rights to new shares of the Company, and do so in accordance with legal and regulatory provisions and, where applicable, the contractual stipulations providing for other cases of adjustment;
- if necessary, suspend the exercise of the rights attached to these securities for a set period in accordance with legal and regulatory provisions;

- enter into any and all agreements, with any and all credit institutions, take any and all measures and carry out any and all formalities to ensure the completion and successful conclusion of any issue carried out using the powers conferred in this delegation;
- deduct, as applicable, the capital increase costs from the amount of the premiums associated with each of these increases and, if considered timely, also withdraw the sums required to raise the legal reserve to one tenth of the new capital after each issue.

This delegation is granted for twenty-six months as from the date of this Shareholders' Meeting and nullifies the unused portion, as the case may be, of the previous delegation of its type granted under the terms of the fourteenth resolution at the General Shareholders' Meeting dated 12 May 2015.

The Board of Directors may not, unless previously authorised by the General Shareholders' Meeting, use this delegation as from the date a third party files a tender offer for the Company's shares and until the end of the tender offer period.

Eighteenth resolution

Delegation of authority granted to the Board of Directors for the purpose of issuing Company shares or securities granting access to the shares of the Company or one of its subsidiaries, with cancellation of the preferential subscription rights of existing shareholders, *via* a public offering

The Extraordinary Shareholders' Meeting, after reviewing the Board of Directors' report and the Statutory Auditors' report, and in accordance with the provisions of the French Commercial Code, particularly Articles L. 225-129 to L. 225-129-6, L. 225-135, L. 225-136, L. 225-148, and L. 228-91 *et seq*. of said Code:

- delegates its authority to the Board of Directors, with the ability to sub-delegate under the conditions set forth by law, for the purpose of deciding to issue, in one or several transactions, in the amounts and at the times it shall determine, both in France and abroad, and *via* a public offering, Company shares or any other securities granting access, by any means either immediately or in the future, to the share capital of the Company, *via* the allocation, at the discretion of the Company, of new or existing Company shares, or a combination of both, or of existing shares of any other company in which it directly or indirectly holds an equity interest. The subscription may be carried out either in cash or by offsetting liabilities;
- decides that the securities thus issued and granting the right to the allocation of new or existing shares of the Company or existing shares of any other company in which it directly or indirectly holds an equity interest, can be debt securities or be associated with the issue of debt securities, or allow said debt securities to be issued as interim securities. They may, in particular, take the form of subordinated or unsubordinated fixed term or perpetual debt securities, and be expressed in Euros, in any other legal currency, or in composite monetary units.

The aggregate par value of Company shares that can be issued, immediately and/or in the future, by virtue of this delegation, cannot exceed sixteen million nine hundred thousand (16,900,000) euros, plus, as the case may be, the par value of any additional shares to be issued in order to protect, in accordance with legal and regulatory provisions and, as the case may be, with contractual stipulations providing for other cases of adjustment, the rights of holders of securities granting future access to capital securities of the Company.

The aggregate par value of debt securities over the Company that could be issued by virtue of this delegation cannot exceed two (2) billion euros or its equivalent value in foreign currency or composite monetary units.

The General Shareholders' Meeting decides to cancel the shareholders' preferential subscription rights to the capital securities issued pursuant to this delegation. However, the General Shareholders' Meeting delegates the necessary powers to the Board of Directors to introduce, if considered useful with respect to all or part of an issue, a priority subscription period for shareholders to subscribe a pro-rated entitlement and/or excess shares and to determine the exercise terms and conditions, in accordance with applicable legal and regulatory provisions.

The General Shareholders' Meeting decides that if shareholder and general public subscriptions do not cover the entire issue, the Board can take any of the following actions, and in the order it shall deem useful:

- limit the issue to the amount of subscriptions, provided this number reaches at least three quarters of the decided issue;
- freely distribute all or part of the unsubscribed securities;
- offer all or part of the unsubscribed securities to the public, on the French or foreign market.

Whenever the Company launches a public exchange offer for its own shares, the General Shareholders' Meeting delegates the necessary powers to the Board of Directors to tender the securities described under Article L. 228-91 of the French Commercial Code, issued in connection with this authorisation.

This delegation implies *ipso jure* that, for the benefit of holders of securities that could be issued and granting access to the share capital of the Company, shareholders waive their preferential subscription right to the capital securities of the Company to which said securities may grant a right.

The issue price of the shares to be set by the Board of Directors will be at least equal to the minimum provided by regulations in force on the issue date, which is currently equal to the weighted average of the market prices of the share on the Euronext Paris regulated market during the last three trading days preceding the day on which the price is set minus, as the case may be, a maximum discount of 5%, and after correcting, as the case may be, for any variations in the benefit entitlement date (*jouissance*).

The issue price of the securities granting access to the share capital of the Company and the number of shares to which these securities will grant a right, to be set by the Board of Directors, will be such that the sum immediately received by the Company plus, as the case may be, the sum that may be subsequently received by the Company are, for each share issued in connection with the issue of said securities, at least equal to the issue price defined in the previous paragraph.

Within the limits set by the General Shareholders' Meeting and pursuant to the law, the Board of Directors has full powers, with the ability to sub-delegate, (i) to decide whether to use this delegation, (ii) to set the conditions, type and characteristics of the issue(s) it plans to carry out, such as the issue price and whether to include a premium for the shares and other securities to be issued, (iii) to determine the payment method for the shares or securities granting access to the share capital to be issued immediately or in the future and, as the case may be, the conditions applicable to the repurchase or the exchange of the securities to be issued and whether to cancel them or not, (iv) to acknowledge the completion of the subsequent share capital increases, (v) to deduct the issue costs from the premium, (vi) to amend the Articles of Association, and (vii) to request, as the case may be, that the shares and other securities thus issued be admitted to trading on a regulated market.

The Board of Directors can, in particular:

- set, in the event of the immediate issue of debt securities, the loan amount, duration, issue currency, subordination status, the fixed, variable, zero coupon, indexed or other interest rate and its payment date, the interest capitalisation conditions, the terms and conditions and fixed or variable redemption price, with or without a premium, the terms and conditions of redemption relative to market conditions, as well as the conditions under which they will grant rights to the shares of the Company and other terms and conditions of the issue (including whether to grant them guarantees or sureties);
- amend, during the life of the securities concerned, the terms and conditions of the securities issued or to be issued in compliance with the applicable formalities;
- take any and all measures to protect the holders of rights and securities granting future rights to new shares of the Company, and do so in accordance with legal and regulatory provisions and, where applicable, the contractual stipulations providing for other cases of adjustment;
- if necessary, suspend the exercise of the rights attached to these securities for a set period in accordance with legal and regulatory provisions;
- enter into any and all agreements, with any and all credit institutions, take any and all measures and carry out any and all formalities to ensure the completion and successful conclusion of any issue carried out using the powers conferred in this delegation;
- deduct, as applicable, the capital increase costs from the amount of the premiums associated with each of these increases and, if considered appropriate, also withdraw the sums required to raise the legal reserve to one tenth of the new capital after each issue.

This delegation is granted for twenty-six months as from the date of this Shareholders' Meeting and nullifies the unused portion, as the case may be, of the previous delegation of its type granted under the terms of the fifteenth resolution at the General Shareholders' Meeting dated 12 May 2015.

The Board of Directors may not, unless previously authorised by the General Shareholders' Meeting, use this delegation as from the date a third party files a tender offer for the Company's shares and until the end of the tender offer period.

Nineteenth resolution

Delegation of authority granted to the Board of Directors for the purpose of increasing the share capital by issuing Company shares or securities granting access to the shares of the Company or one of its subsidiaries, with cancellation of the preferential subscription rights of existing shareholders, *via* a private placement described in Article L. 411-2-II of the French Monetary and Financial Code

The Extraordinary Shareholders' Meeting, after reviewing the Board of Directors' report and the Statutory Auditors' report, in the context of Articles L. 225-129 to L. 225-129-6, L. 225-135, L. 225-136, L. 228-91 *et seq.* of the French Commercial Code:

- delegates its authority to the Board of Directors, with the ability to sub-delegate under the conditions set forth by law, for the purpose of deciding to issue, in one or several transactions, in the amounts and at the times it shall determine, both in France and abroad, *via* any of the offerings described in Article L. 411-2 of the French Monetary and Financial Code, Company shares or any other securities granting access, by any means, either immediately or in the future, to the share capital of the Company, *via* the grant, at the discretion of the Company, of new or existing Company shares, or a combination of both, or of existing shares of any other company in which it directly or indirectly holds an equity interest. The subscription may be carried out either in cash or by offsetting liabilities;
- decides that the securities thus issued and granting the right to the allocation of new or existing shares of the Company or existing shares of any other company in which it directly or indirectly holds an equity interest, can be debt securities or be associated with the issue of debt securities, or allow said debt securities to be issued as interim securities. They may, in particular, take the form of subordinated and unsubordinated fixed term or perpetual debt securities, and be expressed in Euros or an equivalent value in foreign currency or composite monetary units.

The aggregate par value of Company shares that can be issued, immediately and/or in the future, by virtue of this delegation, cannot exceed sixteen million nine hundred thousand (16,900,000) euros, plus, as the case may be, the par value of any additional shares to be issued in order to protect, in accordance with legal and regulatory provisions and, as the case may be, with contractual stipulations providing for other cases of adjustment, the rights of holders of securities granting future access to capital securities of the Company.

The aggregate par value of debt securities over the Company that could be issued by virtue of this delegation cannot exceed two (2) billion euros or its equivalent value in foreign currency or composite monetary units.

The General Shareholders' Meeting decides to cancel the shareholders' preferential subscription rights to the shares and securities granting access to the share capital to be issued for the benefit of the persons referenced in Paragraph II of Article L. 411-2 of the French Monetary and Financial Code.

This delegation implies *ipso jure* that, for the benefit of holders of securities that could be issued and granting access to the share capital of the Company, shareholders waive their preferential subscription right to the capital securities of the Company to which said securities may grant a right.

The General Shareholders' Meeting decides that if subscriptions have not depleted the predetermined issue amount, the Board can limit the issue to the amount of subscriptions, provided this number reaches at least three quarters of the decided issue.

The issue price of the shares to set by the Board of Directors will be at least equal to the minimum provided by regulations in force on the issue date, which is currently equal to the weighted average of the market prices of the share on the Euronext Paris regulated market during the last three trading days preceding the day on which the price is set minus, as the case may be, a maximum discount of 5%, and after correcting, as the case may be, for any variations in the benefit entitlement date *(jouissance)*.

The issue price of the securities granting access to the share capital of the Company and the number of shares to which these securities will grant a right, to be set by the Board of Directors, will be such that the sum immediately received by the Company plus, as the case may be, the sum that may be subsequently received by the Company are, for each share issued in connection with the issue of said securities, at least equal to the issue price defined in the previous paragraph.

Within the limits set by the General Shareholders' Meeting and pursuant to the law, the Board of Directors has full powers, with the ability to sub-delegate, (i) to use this delegation, (ii) to set the conditions, type and characteristics of the issue(s) it plans to carry out, such as the issue price and whether to include a premium for the shares and other securities to be issued, (iii) to determine the payment method for the shares or securities granting access to the share capital to be issued immediately or in the future and, as the case may be, the conditions applicable to the repurchase or the exchange of the securities to be issued and whether to cancel them or not, (iv) to acknowledge the completion of the subsequent share capital increases, (v) to deduct the issue costs from the premium, (vi) to amend the Articles of Association, and (vii) to request, as the case may be, that the shares and other securities thus issued be admitted to trading on a regulated market.

The Board of Directors can, in particular:

- set, in the event of the immediate issue of debt securities, the loan amount, duration, issue currency, subordination status, the fixed, variable, zero coupon, indexed or other interest rate and its payment date, the interest capitalisation conditions, the terms and conditions and fixed or variable redemption price, with or without a premium, the terms and conditions of redemption relative to market conditions, as well as the conditions under which they will grant rights to the shares of the Company and other terms and conditions of the issue (including whether to grant them guarantees or sureties);
- amend, during the life of the securities concerned, the terms and conditions of the securities issued or to be issued in compliance with the applicable formalities;
- take any and all measures to protect the holders of rights and securities granting future rights to new shares of the Company, and do so in accordance with legal and regulatory provisions and, where applicable, the contractual stipulations providing for other cases of adjustment;
- if necessary, suspend the exercise of the rights attached to these securities for a set period in accordance with legal and regulatory provisions;
- enter into any and all agreements, with any and all credit institutions, take any and all measures and carry out any and all formalities to ensure the completion and successful conclusion of any issue carried out using the powers conferred in this delegation;
- deduct, as applicable, the capital increase costs from the amount of the premiums associated with each of these increases and, if considered appropriate, also withdraw the sums required to raise the legal reserve to one tenth of the new capital after each issue.

This delegation is granted for twenty-six months as from the date of this Shareholders' Meeting and nullifies the unused portion, as the case may be, of the previous delegation of its type granted under the terms of the sixteenth resolution at the General Shareholders' Meeting dated 12 May 2015.

The Board of Directors may not, unless previously authorised by the General Shareholders' Meeting, use this delegation as from the date a third party files a tender offer for the Company's shares and until the end of the tender offer period.

Resolution 20: Exceptional setting of the issue price in the context of share capital increases without shareholders' preferential subscription rights

Presentation

Under the terms of the 20th resolution, you are being asked to renew the authorisation granted to your Board of Directors, in the context of issues without preferential subscription rights, *via* public offerings (18th resolution) or private placements (19th resolution), for the purpose of, if deemed appropriate, setting the issue price based on the weighted average market price of the share during the last 10 trading days preceding the date on which it was set, including, as the case may be, a maximum 5% discount, in accordance with the conditions set forth by law.

You are being asked to suspend this delegation in the event of a public tender offer, unless previously approved by the General Shareholders' Meeting.

The 25th resolution limits the aggregate amount of issues of capital securities, with and without preferential subscription rights, or debt securities, that can be carried out based on the terms of the 17th to 24th resolutions.

Twentieth resolution

Authorisation granted to the Board of Directors, in the event of any equity issues without shareholders' preferential subscription rights carried out *via* public offerings or private placements, for the purpose of setting the issue price in accordance with the terms and conditions determined by the General Shareholders' Meeting

The Extraordinary Shareholders' Meeting, after reviewing the Board of Directors' report and the Statutory Auditors' report, as an exception to the provisions of Sub-paragraph 2 of Article L. 225-136-1 of the French Commercial Code, authorises the Board of Directors, with the ability to sub-delegate under the conditions set forth by law, in the context of Article L. 225-136 of the French Commercial Code, and in connection with an issue carried out by virtue of the eighteenth and nineteenth resolutions of this Shareholders' Meeting, to set the issue price in accordance with the following conditions:

- the issue price will be equal to the weighted average market price of the share during the ten trading days preceding the date on which it is set minus, as the case may be, a maximum 5% discount;
- the issue price of the securities granting access to the share capital of the Company and the number of shares to which these securities grant a right, will be such that the sum immediately received by the Company plus, as the case may be, the sum that may be subsequently received by the Company are, for each share issued in connection with the issue of said securities, at least equal to the issue price defined in the previous paragraph.

The maximum par value of the share capital increase carried out by virtue of this resolution cannot exceed 10% of the share capital per year. This threshold is assessed on the date on which the Board of Directors' sets the issue price.

This delegation is granted for twenty-six months as from the date of this Shareholders' Meeting and nullifies the unused portion, as the case may be, of the previous delegation of its type granted under the terms of the seventeenth resolution at the General Shareholders' Meeting dated 12 May 2015.

The Board of Directors may not, unless previously authorised by the General Shareholders' Meeting, use this authorisation as from the date a third party files a tender offer for the Company's shares and until the end of the tender offer period.

Resolution 21: Power to increase the amount of issues in the event of excess subscription requests in the context of share capital increases with or without shareholders' preferential subscription rights

Presentation

The purpose of the 21st resolution is to renew the authorisation granted to your Board of Directors in the context of share capital increases carried out with or without preferential subscription rights (17th, 18th, 19th, and 20th resolutions), in order to increase the initial amount of the issues in the event of excess subscription requests, under applicable regulatory conditions.

You are being asked to suspend this delegation in the event of a public tender offer, unless previously approved by the General Shareholders' Meeting.

As such, during the 30 days preceding the closing of the subscription period, your Board of Directors would have the ability to increase the number of securities issued, at the same price as that retained in the initial issue, within a limit not to exceed 15% of the initial issue and of the ceiling set pursuant to the 17th, 18th, 19th, and 20th resolutions, depending on the case, and of the aggregate ceiling set pursuant to the 25th resolution.

Twenty-first resolution

Delegation of authority granted to the Board of Directors for the purposes of increasing the number of securities to be issued in the event of a share capital increase carried out with or without shareholders' preferential subscription rights

The Extraordinary Shareholders' Meeting, after reviewing the Board of Directors' report and the Statutory Auditors' report, delegates its authority to the Board of Directors, with the ability to sub-delegate under the conditions set forth by law, in accordance with the provisions of Article L. 225-135-1 of the French Commercial Code, and in the context of any issue carried out by virtue of resolutions seventeen to twenty of this Shareholders' Meeting, for the purpose of issuing a higher number of shares or securities than that initially set, within the time frame and limits provided for by applicable regulations as of the issue date (or, currently, within thirty days of the close of the subscription period, and in an amount no higher than 15% of the initial issue and at the same price as that retained for the initial issue), and subject to compliance with the aggregate ceiling set in the resolution pursuant to which the issue was decided and to the aggregate maximum amount set forth in the twenty-fifth resolution.

This delegation is granted for twenty-six months as from the date of this Shareholders' Meeting and nullifies the unused portion, as the case may be, of the previous delegation of its type granted under the terms of the eighteenth resolution at the General Shareholders' Meeting dated 12 May 2015.

The Board of Directors may not, unless previously authorised by the General Shareholders' Meeting, use this delegation as from the date a third party files a tender offer for the Company's shares and until the end of the tender offer period.

Resolution 22: Share capital increase by capitalisation of reserves, profits, premiums, or other funds

Presentation

At its meeting dated 12 May 2015, the General Shareholders' Meeting had delegated its authority to your Board of Directors for 26 months, for the purpose of increasing the share capital *via* the capitalisation of reserves, profits, premiums, or other sums eligible for capitalisation.

Your Board of Directors did not use this delegation.

Under the terms of the 22nd resolution, you are being asked to renew this delegation for 26 months, within a limit not to exceed an aggregate par value of €59 million (34.74% of the share capital as of 31 December 2016) (against €60 million previously), which constitutes the aggregate share capital increase ceiling applicable to all issues carried out in the context of the 17th to 24th resolutions and set forth in the 25th resolution. You are also being asked to suspend this delegation in the event of a public tender offer, unless previously approved by the General Shareholders' Meeting.

Twenty-second resolution

Delegation of authority granted to the Board of Directors for the purpose of increasing the share capital *via* the capitalisation of reserves, profits, premiums, or any other sums for which capitalisation is authorised

The General Shareholders' Meeting, voting in accordance with the quorum and majority rules governing ordinary shareholders' meetings, after reviewing the Board of Directors' report, in accordance with Articles L. 225-129 to L. 225-130 of the French Commercial Code, delegates its authority to the Board of Directors, with the ability to sub-delegate under the conditions set forth by law, for the purpose of deciding to increase the share capital, in one or several transactions, at the times and according to the terms and conditions it shall determine, by capitalising reserves, profits, premiums, or any other sums for which capitalisation is authorised, *via* the issue and the free grant of new capital securities or by raising the par value of existing capital securities, or a combination of these two methods.

The aggregate value of the share capital increase resulting from the issues carried out by virtue of this resolution cannot exceed the par amount of fifty-nine (59) million euros, which does not include the amount necessary to protect the value, as required by law, of the rights of holders of securities granting the right to capital securities.

The General Shareholders' Meeting grants all powers to the Board of Directors, with the ability to sub-delegate, for the purpose of implementing this resolution and, in particular, to:

- define all the terms and conditions of the authorised transactions and, in particular, to set the amount and type of the reserves and share premiums to be capitalised, to set the number of new capital securities to be issued or the amount of the increase in the par value of existing shares comprising the share capital, to set the date, retroactive or not, as from which the new capital securities shall bear benefit entitlement *(jouissance)* or the date on which the par value increase will take effect;
- take all the necessary steps to protect the rights of holders of securities granting access to the share capital on the day of the share capital increase;
- define the conditions for using fractional shares and, in particular, to decide that these rights will be neither tradable nor transferable and that the corresponding capital securities will be sold, while allocating the proceeds from said sale to rights-holders within the time frame set under applicable regulations, or currently no later than 30 days after the date on which the whole number of granted capital securities is registered in their account;
- acknowledge the completion of the share capital increase resulting from the issue of capital securities, to amend the Articles of Association accordingly, to request the admission of the securities on a regulated market, and to carry out any and all required publication formalities;
- and, generally, take any and all measures and complete any and all formalities required to ensure the successful completion of each share capital increase.

This delegation is granted for twenty-six months as from the date of this Shareholders' Meeting and nullifies the unused portion, as the case may be, of the previous delegation of its type granted under the terms of the nineteenth resolution at the General Shareholders' Meeting dated 12 May 2015.

The Board of Directors may not, unless previously authorised by the General Shareholders' Meeting, use this delegation as from the date a third party files a tender offer for the Company's shares and until the end of the tender offer period.

Resolution 23: Share capital increase in the context of a public tender offer launched by the Company

Presentation

The Ordinary and Extraordinary Shareholders' Meeting dated 12 May 2015 had delegated its authority to your Board of Directors for 26 months for the purpose of issuing shares and securities granting access to the share capital of the Company in the event of a public tender offer launched by the Company and targeting the securities of another publicly traded company.

Your Board of Directors did not use this delegation.

Under the terms of the 23rd resolution, you are being asked to renew this delegation for 26 months so that the Company can have this option, which could prove necessary for continuing to implement its development strategy.

The aggregate par value of all securities that could potentially be issued by virtue of this delegation cannot exceed:

- €16.9 million (9.95% of the share capital as of 31 December 2016), if they are securities representing a portion of the share capital (against €17.3 million previously); and
- €2 billion, if they are debt securities.

You are also being asked to suspend this delegation in the event of a public tender offer, unless previously approved by the General Shareholders' Meeting.

The 25th resolution limits the aggregate amount of issues of capital securities, with and without preferential subscription rights, or debt securities, that can be carried out based on the terms of the 17th to 24th resolutions.

Twenty-third resolution

Delegation of authority granted to the Board of Directors for the purpose of issuing shares or securities granting access to the share capital in the event of a public exchange offer launched by the Company, and doing so without maintaining preferential subscription rights

The Extraordinary Shareholders' Meeting, after reviewing the Board of Directors' report and the Statutory Auditors' report, and voting in accordance with Articles L. 225-129 to L. 225-129-6, L. 225-148, and L. 228-91 *et seq.* of the French Commercial Code,

- delegates the necessary authority to the Board of Directors, with the ability to sub-delegate under the conditions set forth by law, for the purpose of deciding on the issue of Company shares and/or any securities granting immediate or future access to the share capital of the Company, in order to compensate securities tendered in the context of a mixed or alternative public exchange offer launched by the Company in France or abroad and targeting the securities of a company, the shares of which are admitted to trading on one of the regulated markets described in Article L. 225-148 of the French Commercial Code.

Insofar as necessary, the General Shareholders' Meeting decides to waive shareholders' preferential subscription rights to these shares or securities.

The aggregate par value of Company shares that can be issued, immediately and/or in the future, by virtue of this delegation, cannot exceed sixteen million nine hundred thousand (16,900,000) euros, plus, as the case may be, the par value of any additional shares to be issued in order to protect, in accordance with legal and regulatory provisions and, as the case may be, with contractual stipulations providing for other cases of adjustment, the rights of holders of securities granting future access to capital securities of the Company.

The aggregate par value of debt securities over the Company that could be issued by virtue of this delegation cannot exceed two (2) billion euros or its equivalent value in foreign currency or composite monetary units.

This delegation implies *ipso jure* that, for the benefit of holders of securities that could be issued and granting access to the share capital of the Company, shareholders waive their preferential subscription right to the capital securities of the Company to which said securities may grant a right.

The Board of Directors will have full powers, with the ability to sub-delegate, to implement this delegation and, in particular, to set the exchange parity as well as, if necessary, the amount of cash to be paid, to acknowledge the number of securities tendered in exchange, to determine the dates, the issue conditions and, in particular, the price, benefit entitlement date *(jouissance)*, payment method, type, and characteristics of the securities to be issued, to suspend or postpone, as the case may be, the exercise of the rights attached to the securities to be issued, in the cases and within the limits set forth in regulatory and contractual provisions, and to record as a balance sheet liability the contribution premium from which all the costs and duties, if any, incurred in connection with the transaction will be charged, to acknowledge the completion of the share capital increases, to amend the Articles of Association accordingly, and to complete any formalities and declarations, and to request any authorisations necessary to ensure the success of the transactions authorised under this delegation and, generally, to do all that is necessary.

This delegation is granted for twenty-six months as from the date of this Shareholders' Meeting and nullifies the unused portion, as the case may be, of the previous delegation of its type granted under the terms of the twentieth resolution at the General Shareholders' Meeting dated 12 May 2015.

The Board of Directors may not, unless previously authorised by the General Shareholders' Meeting, use this delegation as from the date a third party files a tender offer for the Company's shares and until the end of the tender offer period.

Resolution 24: Share capital increase to compensate tendered securities granted to the Company

Presentation

The Ordinary and Extraordinary Shareholders' Meeting dated 12 May 2015 had authorised your Board of Directors, for 26 months, and within a limit not to exceed 10% of the Company's share capital, to issue shares or securities granting rights to the share capital, for the purpose of compensating contributions in kind granted to the Company and comprising shares or securities granting access to the share capital.

Your Board of Directors did not use this delegation.

Under the terms of the 24th resolution, you are being asked to renew this delegation for 26 months and under the same conditions, so that the Company can have this option, which could prove necessary for continuing to implement its development strategy.

You are also being asked to suspend this delegation in the event of a public tender offer, unless previously approved by the General Shareholders' Meeting.

The 25th resolution limits the aggregate amount of issues of capital securities or debt securities that can be carried out based on the terms of the 17th to 24th resolutions

Twenty-fourth resolution

Delegation of powers granted to the Board of Directors, within the limit of 10% of the Company's share capital, to issue shares or securities granting rights to the share capital, in return for contributions in kind granted to the Company and comprising shares or securities granting access to share capital

The Extraordinary Shareholders' Meeting, after reviewing the Board of Directors' report and the Statutory Auditors' report, and voting in accordance with the provisions of Article L. 225-129 *et seq.* and L. 225-147 of the French Commercial Code,

delegates all necessary powers to the Board of Directors, with the ability to sub-delegate under the conditions set forth by law, in order to decide to issue, in an amount not to exceed 10% of the Company's share capital, assessed on the day the Board of Directors approved the issue and, on the basis of the report of the Capital Contributions Auditor *(commissaire aux apports)* referenced in the first and second paragraphs of Article L. 225-147 above, the issue of shares or securities granting rights by all means, immediately and/or in the future, to the share capital of the Company, in return for contributions in kind granted to the Company and comprised of shares or securities granting access to the share capital, where the provisions of Article L. 225-148 of the French Commercial Code are not applicable, and decides, as necessary, to waive the preferential subscription rights of shareholders to the shares or securities to be issued in the context of this delegation, for the benefit of holders of the securities tendered as contributions in kind.

This delegation implies *ipso jure* that, for the benefit of holders of securities that could be issued and granting access to the share capital of the Company, shareholders waive their preferential subscription right to the capital securities of the Company to which said securities may grant a right.

The Board of Directors will have full powers, will the ability to sub-delegate, to implement this resolution, to set all of the terms and conditions of the authorised transactions, particularly to provide a ruling, based on the report of the Capital Contributions Auditor *(commissaire aux apports)* referenced in the first and second paragraphs of Article L. 225-147 above, on the assessment of contributions and the grant of special benefits and their value (including, to reduce, with the contributors' agreement, the assessment of the contributions or the payment for special benefits), to set the conditions, the type, and characteristics of the shares and other securities to be issued, to deduct, as the case may be, any necessary amounts from the share premiums and, in particular, all the expenses incurred in connection with the share capital increase, to acknowledge the completion of the share capital increases carried out by virtue of this delegation, to amend the Articles of Association accordingly, and to complete any formalities and declarations, and to request any authorisations necessary to ensure the success of these contributions and, generally, to do all that is necessary.

This delegation is granted for twenty-six months as from the date of this Shareholders' Meeting and nullifies the unused portion, as the case may be, of the previous delegation of its type granted under the terms of the twenty-first resolution at the General Shareholders' Meeting dated 12 May 2015.

The Board of Directors may not, unless previously authorised by the General Shareholders' Meeting, use this delegation as from the date a third party files a tender offer for the Company's shares and until the end of the tender offer period.

Resolution 25: Aggregate ceiling applicable to financial authorisations

Presentation

The purpose of the 25th resolution is to limit the aggregate amount of issues of capital securities or debt securities that can be carried out based on the terms of the 17th to 24th resolutions.

As such, the aggregate par value of the share capital increases that can be carried out, either immediately and/or in the future, cannot exceed €59 million, which corresponds to 34.74% of the share capital as of 31 December 2016 (against €60 million previously), it being specified that the aggregate amount of share capital increases that can be carried out, either immediately and/or in the future, without preferential subscription rights, in the context of the 18th, 19th, 20th, 21st, 23rd, and 24th resolutions cannot exceed €16.9 million (corresponding to 9.95% of the share capital as of 31 December 2016).

The aggregate par value of issues of debt securities cannot exceed €2 billion.

Twenty-fifth resolution

Aggregate ceiling applicable to the Financial Authorisations granted to the Board of Directors

The Extraordinary Shareholders' Meeting, after reviewing the Board of Directors' report, and subject to a vote in favour of the preceding seventeenth to twenty-fourth resolutions, decides that:

- the aggregate par value of debt security issues that can be carried out by virtue of these delegations cannot exceed two (2) billion euros or its equivalent value in foreign currency or composite monetary units;
- the aggregate par value of share capital increases that can be carried out, immediately and/or in the future, by virtue of these resolutions, cannot exceed fifty-nine (59) million euros, it being specified that the aggregate amount of share capital increases that can be carried out, immediately and/or in the future, without preferential subscription rights, in the context of the eighteenth, nineteenth, twentieth, twenty-first, twenty-third, and twenty-fourth resolutions cannot exceed sixteen million nine hundred thousand (16,900,000) euros, which does not include, for each of these amounts, the par value of any additional shares to be issued in order to protect the rights of holders of securities granting access to the share capital of the Company.

The Shareholders' Meeting duly notes that the aggregate par value of fifty-nine (59) million euros does not include the par value of the shares:

- to be issued, as the case may be, at the moment of exercise of stock options reserved for employees granted under the terms of the 27th resolution;
- to be granted to employees under free allocations of shares to be issued *via* share capital increase in the context of the 28th resolution;
- to be issued, as the case may be, for the benefit of the members of a company savings plan *(plan d'épargne d'entreprise)* of the Company, in the context of the issues decided by virtue of the 29th resolution.

Resolutions 26 and 27: Stock options

Presentation

The Ordinary and Extraordinary Shareholders' Meeting dated 12 May 2015 had authorised your Board of Directors, for 26 months, to grant stock purchase and subscription options to employees of the Company and employees and corporate officers of the companies related to it.

Your Board of Directors did not use this delegation, preferring to make free allocations of shares instead, but asks you, on the recommendation of the Appointments and Compensation Committee, to keep this flexibility so that it may still grant stock options in the context of its policy to incentivise and instil loyalty in its employees.

Under the terms of the 26th resolution (stock purchase options) and the 27th resolution (stock subscription options), you are being asked to renew these authorisations for 38 months.

With respect to these authorisations, it is hereby reminded that, based on the selected policy, executive corporate officers of the Company cannot benefit from either stock purchase options or stock subscription options.

The total number of stock purchase and/or stock subscription options that can be granted cannot exceed 2% of the share capital (same as 2015), it being specified that, in the context of these new authorisations, it is asked that this ceiling also include the shares freely granted under the terms of the 28th resolution. As of the date hereof, there is no outstanding stock option.

The purpose of the grants would be to:

- on the one hand, motivate, reinforce the commitment of, and/or instil loyalty in the Group's key managers, both in France and abroad, in which case the exercise of the stock options is subject to continued employment at the time of exercise and, barring any exceptions, to the satisfaction of one or several performance conditions evaluated over the course of three Fiscal Years;
- on the other hand, to reward a major contribution to the success of strategic and/or particularly complex transactions, in which case the exercise of the stock options is only subject to the beneficiary's continued employment at the time of exercise.

The share purchase or subscription price cannot be lower than the average of the opening market prices of the share during the 20 trading days preceding the day on which the options would be granted. Concerning the stock purchase options, the subscription can also not be lower than the average purchase price of the shares held by the Company under the terms of Articles L. 225-208 and L. 225-209 of the French Commercial Code. Stock options would have to be exercised within 7 years.

Twenty-sixth resolution

Authorisation granted to the Board of Directors for the purpose of granting stock purchase options to the Company's employees and to the employees and corporate officers of its related companies

The Extraordinary Shareholders' Meeting, after reviewing the Board of Directors' report and the Statutory Auditors' report, authorises the Board of Directors to grant stock purchase options, in one or several transactions, granting rights to shares of the Company derived from purchases made by the Company under the conditions provided for by law, to the employees of the Company and the employees and corporate officers of its related companies or groups described under Article L. 225-180 of the French Commercial Code, with the exception of the Company's executive corporate officers who are not entitled to benefit from stock purchase options.

The total number of stock purchase options that may be granted in the context of this authorisation may not exceed 2% of the total number of shares comprising the Company's share capital as of the date hereof, while taking into account the allocations made under the twenty-seventh and twenty-eighth resolutions, provided the Extraordinary Shareholders' Meeting has approved them, yet without taking account, however, the stock purchase or subscription options previously granted and not yet exercised, and the adjustments that could be made in order to protect the rights of beneficiaries in accordance with applicable legal and regulatory provisions.

The share purchase price to be paid by beneficiaries can neither be lower than the average of the opening market prices during the twenty trading days preceding the day on which the options are granted, nor lower than the average purchase price of the shares held by the Company under the terms of Articles L. 225-208 and L. 225-209 of the French Commercial Code. Options must be exercised within a seven-year time frame.

If, during the granted options' exercise period, the Company carries out one of the financial transactions allowed by the law, the Board of Directors must, in accordance with regulatory conditions, adjust the number and the price of the shares that could potentially be purchased through the exercise of the granted options.

Full powers are granted to the Board of Directors to:

- determine the beneficiaries of the options;
- set the number of options granted to each of them;
- set the purchase price of the shares and the exercise periods for the options within the limits indicated above;
- impose, as the case may be, a period during which the options cannot be exercised and/or a period during which the purchased shares cannot be sold, it being specified that this period cannot exceed three years after the options are exercised;
- take all necessary decisions, in the context of this authorisation, grant any and all delegations and, generally, do all that is necessary.

The authorisation is granted for thirty-eight months as from the date of this Shareholders' Meeting and nullifies the unused portion, as the case may be, of the previous delegation of its type granted under the terms of the twenty-fourth resolution at the General Shareholders' Meeting dated 12 May 2015.

Twenty-seventh resolution

Authorisation granted to the Board of Directors for the purpose of granting stock subscription options to the Company's employees and to the employees and corporate officers of its related companies, and shareholders' explicit decision to waive their preferential subscription rights

The Extraordinary Shareholders' Meeting, after reviewing the Board of Directors' report and the Statutory Auditors' report, authorises the Board of Directors to grant Company stock subscription options, in one or several transactions, to the employees of the Company and the employees and corporate officers of its related companies or groups described under Article L. 225-180 of the French Commercial Code, with the exception of the Company's executive corporate officers who are not entitled to benefit from stock subscription options.

The total number of stock subscription options that may be granted in the context of this authorisation cannot grant the right to subscribe more than 2% of the total number of shares comprising the Company's share capital as of the date hereof, while taking into account the allocations made under the twenty-sixth and twenty-eighth resolutions, provided the Extraordinary Shareholders' Meeting has approved them, yet without taking into account, however, the stock purchase or subscription options previously granted and not yet exercised, and the adjustments that could be made in order to protect the rights of beneficiaries in accordance with applicable legal and regulatory provisions.

The share subscription price may not be less than the average of the opening market prices during the twenty trading days preceding the day on which the options are granted and the exercise period for the options may not exceed seven years.

The shareholders expressly waive their preferential right to subscribe the shares that will be issued as and when the options are exercised, for the benefit of options holders.

If, during the granted options' exercise period, the Company carries out one of the financial transactions allowed by the law, the Board of Directors must, in accordance with regulatory conditions, adjust the number and the price of the shares that could potentially be subscribed through the exercise of the granted options.

Full powers are granted to the Board of Directors to:

- determine the beneficiaries of the options;
- set the number of options granted to each of them;
- set the subscription price of the shares and the exercise periods for the options within the limits indicated above;
- impose, as the case may be, a period during which the options cannot be exercised and/or a period during which the subscribed shares cannot be sold, it being specified that this period cannot exceed three years after the options are exercised.

Full powers are granted to the Board of Directors to:

- temporarily suspend the exercise of options in the event of transactions involving the clipping of a subscription right;
- charge the capital increase costs to the amount of the premiums linked to these increases;

- take any and all necessary measures in the context of this authorisation, grant any and all delegations;
- acknowledge the completion of the share capital increase(s) resulting from the exercise of the options, amend the Articles of Association accordingly and, generally, do all that is necessary.

The authorisation is granted for thirty-eight months as from the date of this Shareholders' Meeting and nullifies the unused portion, as the case may be, of the previous delegation of its type granted under the terms of the twenty-fifth resolution at the General Shareholders' Meeting dated 12 May 2015.

Resolution 28: Free allocations of company shares to employees of the Group

Presentation

The Ordinary and Extraordinary Shareholders' Meeting date 13 May 2016 authorised your Board of Directors, for 18 months, in order to benefit from new provisions introduced by way of the French "Macron" law, to make free allocations of Company shares to employees of the Company and companies related thereto, it being specified that no executive corporate officer of the Company can benefit from free allocations of shares.

For many years, the Group has implemented a policy aimed at encouraging its employees to become stakeholders in the Company, to increase their motivation and loyalty. Since 2014, for the most part this policy aims to:

- on the one hand, motivate, reinforce the commitment of, and/or instil loyalty in the Group's key managers, both in France and abroad, in which case the definitive grant of free shares is subject to continued employment at expiration of the 3-year acquisition period (1) and, barring any exceptions, to fulfilling performance conditions assessed, since 2016, over three fiscal years.

  In addition, the beneficiaries of these plans are generally required to hold their definitively granted shares for two years;

- on the other hand, to reward a major contribution to the success of strategic and/or particularly complex transactions, in which case the definitive grant of the shares is only subject to the beneficiary's continued employment at expiration of the acquisition period, which could range from one to three years. Whenever the acquisition period is less than two years, a holding requirement is imposed such that aggregate duration of the acquisition and holding periods amounts to no less than two years.

In the context of the authorisation granted on 13 May 2016, your Board of Directors, after the Appointments and Compensation Committee issued a favourable opinion, carried out free share plans in 2016 involving a total number of 581,226 existing shares representing 0.51% of the share capital as of the date of the authorisation. In accordance with the terms of the granted authorisation, no free allocation of shares was granted to executive corporate officers. The completed grants are presented in the 2016 Registration Document.

In addition, in 2016, still in an effort to align the interests of executives with those of shareholders, an exceptional specific plan was put in place to enable employees who benefited from active long term incentive plans in cash (hereinafter "Cash LTI Plans"), especially from exceptional deferred bonuses in connection with strategic and/or particularly complex transactions, to waive their rights to their Cash LTI Plans in favour of a free share plan. As such, 235,179 shares were freely allotted on 13 May 2016, representing 40% of the 581,226 shares granted in 2016. Depending on the case, these grants include a holding period in order to comply with the above-mentioned 2-year requirement.

Under the terms of the 28th resolution, on the recommendation of the Appointments and Compensation Committee, you are asked to renew the ability to make free allocations of shares to employees by voting in favour of the 38-month renewal of the authorisation granted to the Board of Directors in 2016, while excluding, as was previously the case, executive corporate officers of the Company, who are not eligible as previously for free allocations of shares. The proposed resolution sets the total number of shares that can be granted for free over 38 months to 2% of the share capital (excluding any adjustments) (against 1% previously, due to the shorter duration of the authorisation), it being specified that, in the context of this new authorisation, it is hereby proposed that the stock subscription and/or purchase options granted by virtue of the 26th and 27th resolutions also be included in this 2% ceiling.

It is hereby reminded that all currently active free share plans concern existing shares with no dilutive impact on the share capital, and that the total number of existing shares that may be definitively delivered in connection with confirmed grants, but that have not yet vested, totals 0.54% of the share capital as of 31 December 2016.

In addition, of the free shares granted since 2011 and definitively attributable up to 31 December 2016, 35% were not delivered for failing to satisfy the performance criteria and 21% for failing to comply with the continued employment condition.

In accordance with applicable legal provisions, the authorisation specifies that the shares would be definitively delivered to their beneficiaries at expiration of an acquisition period, the duration of which would be set by the Board of Directors and could not be shorter than one year, and that the shares should be held by beneficiaries for a minimum period to be set by the Board of Directors, it being specified that the cumulative duration of these acquisition and holding periods could not be shorter than two years. However, insofar as the acquisition period for all or part of one or several grants is not shorter than a 2-year minimum, the Board of Directors would be authorised to decide not to impose a holding period on the shares concerned. In addition, the Board of Directors would be authorised to decide, in the event that the beneficiary suffers a disability classifiable in the 2nd or 3rd category set forth in Article L. 341-4 of the French Social Security Code, or their respective equivalents in other countries, that the shares could be definitively granted to said beneficiary prior to the expiration of any remaining acquisition period.

(1) *As an exception, with respect to the 2015 free share plan for key managers, the free shares have been granted subject to two years presence and performance conditions; Initially scheduled in May 2015, this grant was postponed to May 2016 in order to be granted under the French Macron Law legal framework.*

Twenty-eighth resolution

Authorisation granted to the Board of Directors to make free allocation of existing Company shares or Company shares to be issued, to the employees of the Company and its related companies, including the *ipso jure* waiver of shareholders' preferential subscription rights

The Extraordinary Shareholders' Meeting, after reviewing the Board of Directors' report and the Statutory Auditors' report, in accordance with Articles L. 225-197-1 *et seq*. of the French Commercial Code:

- authorises the Board of Directors, in accordance with and under the conditions set forth in the provisions of Articles L. 225-197-1 to L. 225-197-5 of the French Commercial Code, to carry out, in one or several transactions, for the benefit of the employees of the Company or certain categories of them, as well as to the employees of companies or economic interest groups related to the Company under the conditions set forth in Article L. 225-197-2 of the French Commercial Code, a free allocation of Company shares, existing or to be issued, it being specified that the Company's executive corporate officers are not entitled to receive free allocation of shares;
- the total number of shares that can be granted may not exceed 2% of the total number of shares comprising the Company's share capital as of the date hereof, while taking into account the allocations made under the twenty-sixth and twenty-seventh resolutions, provided the Extraordinary Shareholders' Meeting has approved them, yet without taking into account, however, the adjustments that could be made in order to protect the rights of beneficiaries in accordance with applicable legal, regulatory, and contractual provisions.

The General Shareholders' Meeting authorises the Board of Directors to carry out, alternatively or cumulatively, within the limit set in the previous sub-paragraph:

- the grant of shares resulting from buybacks completed by the Company under the conditions set forth in Articles L. 225-208 and L. 225-209 of the French Commercial Code; and/or
- the grant of shares to be issued *via* a share capital increase; in this case, the General Shareholders' Meeting authorises the Board of Directors to increase the share capital up to the maximum par value amount corresponding to the number of granted shares and duly notes that this authorisation implies shareholders' *ipso jure* waiver of their preferential subscription rights to the shares to be issued, for the benefit of the beneficiaries of free shares.

The General Shareholders' Meeting decides that the shares will be definitively granted to their beneficiaries at expiration of an acquisition period, the duration of which is to be set by the Board of Directors and cannot be shorter than one year, and that the shares must be held by beneficiaries for a minimum period to be set by the Board of Directors, it being specified that the cumulative duration of these acquisition and holding periods cannot be shorter than two years. However, insofar as the acquisition period for all or part of one or several grants is not shorter than a minimum two years, the General Shareholders' Meeting authorises the Board of Directors to decide not to impose a holding period on the shares concerned. If useful, it should be noted that the Board of Directors has the power to set the various acquisition and holding periods based on regulatory provisions in force in the country in which the beneficiaries reside. In addition, the General Shareholders' Meeting authorises the Board of Directors to decide that, in the event that the beneficiary suffers a disability classifiable in the second or third category set forth in Article L. 341-4 of the French Social Security Code, or their respective equivalents in other countries, the shares can be definitively delivered to him or her prior to the expiration of any remaining acquisition period.

The General Shareholders' Meeting decides that the final and binding grants of shares to employees could be subject to satisfying one or several performance conditions to be determined by the Board of Directors.

The General Shareholders' Meeting grants all necessary powers to the Board of Directors, with the ability to sub-delegate under legal conditions, for the purpose of, and within the limits set above:

- determining the beneficiaries, or the category or categories of beneficiaries of share grants, it being reminded that any employee who holds more than a 10% equity stake in the share capital cannot receive shares, and that the grant of free shares cannot lead any one employee to hold more than a 10% equity stake in the share capital of the Company;
- allocating the rights to share grants, in one or several transactions and whenever the Board of Directors deems it timely;
- setting the conditions and criteria for granting the shares such as, yet not limited to, seniority conditions, continued employment conditions for employees and corporate officers during the acquisition period, and any other individual or collective financial or performance condition;
- determining, under applicable statutory conditions and limits, the definitive durations of the acquisition period and, as the case may be, the holding period imposed on the shares;
- registering the free shares granted, as the case may be, in an account held in the name of rights-holder, referencing the lock-up condition and its duration;
- lifting restrictions on the sale of the shares during the holding period in the case of redundancy, retirement, category 2 or 3 disability as defined in Article L. 341-4 of the French Social Security Code, or in case of death;
- recording, as the case may be, a locked-up reserve assigned to the rights of beneficiaries, corresponding to the aggregate par value of the shares that could potentially be issued through a capital increase, by withholding the necessary amounts from any and all reserves that can be freely used by the Company;
- setting the date, which may be retroactive, on which the new shares issued in connection with the free allocation of shares will bear benefit entitlement *(jouissance)*;
- withholding, as the case may be, the necessary amounts from the locked-up reserve to cover the par value of the shares to be issued to beneficiaries;
- in the event of a share capital increase, amending the Articles of Association accordingly and carrying out any necessary formalities;
- make any necessary adjustments, as the case may be, during the acquisition period, to the number of shares freely allotted based on the impact of any potential transactions involving the Company's share capital, in order to protect the rights of beneficiaries, it being specified that any additional shares granted as a result of these adjustments will be considered to have been granted on the same date as the initially granted shares.

In accordance with the provisions of Articles L. 225-197-4 and L. 225-197-5 of the French Commercial Code, a special report will be presented annually at the Ordinary Shareholders' Meeting detailing the transactions carried out under this authorisation.

The Extraordinary Shareholders' Meeting sets the period during which the Board of Directors may use this authorisation at thirty-eight months. This authorisation nullifies the unused portion of the previous delegation of its type granted by the General Shareholders' Meeting dated 13 May 2016 (nineteenth resolution).

Resolution 29: Share capital increase reserved for members of a *plan d'épargne d'entreprise* (company savings plan under french law)

Presentation

The Ordinary and Extraordinary Shareholders' Meeting dated 12 May 2015 had authorised your Board of Directors, for 26 months, to increase the share capital or sell own shares for the benefit of members of a company savings plan of the Company and companies related thereto.

Your Board of Directors did not use this delegation.

You are being asked, under the terms of the 29th resolution, to renew this authorisation for 26 months.

The total number of shares that could potentially be issued under the terms of this resolution remains unchanged at 2% of the share capital as of the date of the Shareholders' Meeting (excluding any adjustments), and is not deducted from the aggregate share capital ceiling set under the terms of the 25th resolution.

You are being asked to waive shareholders' preferential subscription rights to the shares and securities granting access to the share capital that could potentially be issued in the context of this authorisation. In accordance with the terms of Article L. 3332-19 of the French Labour Code, the subscription price of the shares cannot be lower than the average of the listed prices of the share during the 20 trading days preceding the date of the decision setting the opening day of the subscription period, minus a maximum 20% discount, or a 30% discount whenever the plan's lock-up period is higher than or equal to 10 years. However, it deemed timely, the Board of Directors can decide to reduce or eliminate the discount thus granted in order to take into account any applicable foreign legal, regulatory, and tax provisions, as the case may be.

The Board of Directors will have also the authority to decide to make free allocation of shares or other securities granting access to the share capital of the Company, it being understood that the total benefit derived from this grant and, as the case may be, of any employer matching contribution or discount on the subscription price, cannot exceed legal and regulatory limits.

The purpose of this authorisation is to develop the Group's employee shareholding, which totals 1.01% of the share capital as of 31 December 2016 (shares held in the context of a French company savings plan and various collective investment funds *(fonds communs de placement)).*

Twenty-ninth resolution

Delegation of authority granted to the Board of Directors for the purpose of increasing the share capital, or selling the Company's own shares, and doing so without shareholders' preferential subscription rights for the benefit of members of a French company savings plan (*plan d'épargne d'entreprise*)

The Extraordinary Shareholders' Meeting, after reviewing the Board of Directors' report and the Statutory Auditors' report, and voting in the context of the provisions of Articles L. 3332-1 *et seq.* of the French Labour Code and Article L. 225-138-1 of the French Commercial Code, delegates the necessary authority to the Board of Directors, under the conditions set forth by law, with the ability to sub-delegate, pursuant to the terms of Articles L. 225-129-2 and L. 225-129-6 of the French Commercial Code, for the purpose of, at its own discretion, increasing the share capital of the Company, in one or several transactions, *via* the issue of share or securities granting access to the Company's share capital, reserved for members of a company savings plan offered by Casino, Guichard-Perrachon or its related companies under the conditions described in Article L. 233-16 of the French Commercial Code and under the conditions set forth in Articles L. 3332-18 *et seq.* of the French Labour Code.

The aggregate number of shares that could potentially be issued by virtue of this authorisation cannot exceed 2% of the aggregate number of shares comprising the share capital of the Company as of the date of this General Shareholders' Meeting plus, as the case may be, any additional shares to be issued in order to protect the rights of beneficiaries, in accordance with applicable legal and regulatory provisions, is being specified that this ceiling is different from both the ceiling described in the Eighteenth resolution and is not deducted from the aggregate ceiling discussed in the twenty-fifth resolution.

The subscription price of the shares, as set in accordance with the provisions of Article L. 3332-19 of the French Labour Code, can be neither lower, by more than 20%, or 30% whenever the plan's lock-up period is 10 years or more, than an average of the market prices of the Company's share during the 20 trading days preceding the date of the decision setting the opening day for subscriptions, nor higher than this average, it being specified that the General Shareholders' Meeting expressly authorises the Board of Directors, if the latter deems it timely, to reduce or cancel the aforementioned discount, in order to take into account, in particular, any international legal, regulatory, and fiscal provisions that may apply.

The General Shareholders' Meeting also decides that the Board of Directors will have the authority to decide to make free allocation of shares or other securities granting access to the share capital of the Company, it being understood that the total benefit derived from this grant and, as the case may be, of any employer matching contribution or discount on the subscription price, cannot exceed legal and regulatory limits.

In favour of the beneficiaries of the share capital increases that could potentially be carried out by virtue of this delegation, the General Shareholders' Meeting expressly decides to cancel the preferential subscription right of shareholders to the shares or other securities granting access to the share capital to be issued, as well as to the Company shares to which the securities issued by virtue of this authorisation could potentially grant a right, it being specified that said shareholders, in the event of a grant of free shares or other securities granting access to the share capital, also waive any rights to said shares or securities, including the portion of reserves, profits, or share premiums that could be capitalised.

The General Shareholders' Meeting authorises the Board of Directors to sell the shares purchased by the Company pursuant to the provisions of Articles L. 225-206 *et seq.* of the French Commercial Code, in one or several transactions and at its sole discretion, within the limit of 2% of the shares issued by the Company to the employee members of a company savings plan of the Company and the companies related to it under the conditions set forth in Article L. 233-16 of the French Commercial Code and under the conditions stipulated in Articles L. 3332-18 *et seq.* of the French Labour Code.

The General Shareholders' Meeting authorises the Board of Directors, in accordance with and under the conditions set forth in Article L. 225-135-1 of the French Commercial Code, to issue a number of shares greater than the number initially set, at the same price as the one set for the initial issue, and capped at the aforementioned amount.

The General Shareholders' Meeting grants full powers to the Board of Directors, with the ability to sub-delegate under the conditions set forth by law, to implement this authorisation and to carry out this or these issue(s) within the limits set above, on the dates, within the time frames, and according to the terms and conditions it will set in accordance with the statutory and legal stipulations and, in particular, to:

- determine whether the issues can be carried out for the direct benefit of beneficiaries or through collective investment vehicles, and set the scope of the share capital increase reserved for members of a savings plan;
- set the amounts of the share capital increases, the issue terms and conditions, the characteristics of the shares and, as the case may be, of the other capital securities, the dates and the duration of the subscription period, the terms and conditions and amount of time granted to subscribers to pay for their securities, the seniority conditions that should be met by subscribers of new shares;
- after each share capital increase and at its sole discretion, deduct the costs of the share capital increase from the amount of the premiums associated with each of these increases and withdraw the sums required to raise the legal reserve to one tenth of the new capital;
- acknowledge the amount of the share capital increases based on the number of shares effectively subscribed and amend the Articles of Association to reflect the direct or deferred share capital increases;
- and, generally, enter into any agreements, take any and all measures, and to complete any and all formalities useful to the issue, the listing, and the servicing of securities that can be issued under this authorisation.

The authorisation is granted for twenty-six months as from the date of this Shareholders' Meeting and nullifies the unused portion, as the case may be, of the previous delegation of its type granted under the terms of the twenty-seventh resolution at the General Shareholders' Meeting dated 12 May 2015.

Resolution 30: Cancellation of shares purchased by the Company *via* a share capital reduction

Presentation

The Ordinary and Extraordinary Shareholders' Meeting dated 12 May 2015 had authorised your Board of Directors, for 26 months, to reduce the share capital by cancelling, within a limit not to exceed 10% of the existing share capital as of the cancellation date (in other words, adjusted based on the share capital transactions that took place), the shares that the Company could potentially purchase by virtue of an authorisation granted by the Ordinary Shareholders' Meeting, per 24-month periods.

Under the terms of this delegation, you Board of Directors cancelled 2,200,690 shares, representing 1.9% of the share capital on the day the authorisation was granted.

You are being asked, pursuant to the terms of the 30th resolution, to renew this authorisation for 26 months, under the same conditions.

Thirtieth resolution

Authorisation granted to the Board of Directors for the purpose of reducing the share capital *via* the cancellation of own shares

The Extraordinary Shareholders' Meeting, after reviewing the Board of Directors' report and the Statutory Auditors' report, authorises the Board of Directors, in accordance with the provisions of Article L. 225-209 of the French Commercial Code, to reduce the share capital, at any time per twenty-four month periods, in one or several transactions, *via* the cancellation of shares purchased by the Company by virtue of an authorisation granted by the Ordinary Shareholders' Meeting, within a limit not to exceed 10% of the existing share capital as of the cancellation date (in other words, adjusted based on the share capital transactions carried out since this resolution took effect).

The General Shareholders' Meeting grants all powers to the Board of Directors, with the ability to sub-delegate under the conditions set forth by law, for the purpose of completing this or these share capital reductions within the limits set above and, in particular, acknowledging the completion and deducting the difference between the purchase price of the shares and their par value from the reserve or the premium of its choice, amending the Articles of Association accordingly, and complete any and all formalities.

The authorisation is granted for twenty-six months as from the date of this Shareholders' Meeting and nullifies the unused portion, as the case may be, of the previous delegation of its type granted under the terms of the twenty-third resolution at the General Shareholders' Meeting dated 12 May 2015.

Resolution 31: Statutory changes concerning the appointment of directors representing employees

Presentation

Under the terms of the 31st resolution, and based on the Appointments and Compensation Committee's opinion, your Board of Directors asks you to approve the modifications of Articles 14, 16, and 29 of the Company's Articles of Association in order to introduce the terms and conditions for appointing the director(s) representing employees on the Board of Directors, pursuant to the provisions of French Law No. 2013-504 dated 14 June 2013 on employment security, as amended by French Law No. 2015-994 on Labour and Employment dated 17 August 2015. A comparison after amendments of these articles is presented in the appendices *(pages 42 and 43)*.

Ever since the aforementioned law of 17 August 2015 took effect, the Company is subject to its provisions, which requires at least two directors representing employees on the Board of companies with more than twelve directors, and only one in all other cases.

The law offers several choices for how to appoint directors representing employees.

As such, in accordance with applicable legal provisions, the Board of Directors, after receiving the opinion of the Appointments and Compensation Committee, asks that you vote in favour of giving the authority to make this appointment to the labour organisation that obtained the highest number of votes in the first round of the professional elections referenced in Articles L. 2122-1 and L. 2122-4 of the French Labour Code carried out at the Company or its subsidiaries, whenever one director must be appointed, or by each of the top two labour organisations that obtained to highest number of votes in the first round of these elections, whenever two directors must be appointed.

In accordance with the law, the Group Works Council was consulted for opinion and, on 8 February 2017, issued a favourable opinion on the proposed appointment terms and conditions.

Subject to the voting results of the 9th to 15th resolutions on which you will vote, the Board of Directors will be composed of 12 members at expiration of the General Shareholders' Meeting and, therefore, only one director representing employees is to be appointed by the labour organisation with the most votes. This election must take place no later than six months after the Shareholders' Meeting or, at the latest, on 5 November 2017.

The term of office for a director representing employees is the same as for directors appointed by the General Shareholders' Meeting, or three years. The director representing employees has the same rights and obligations as other directors elected by the General Shareholders' Meeting, with the exception of the obligation to hold Company shares. While exercising his or her duties, he or she must comply with the same non-disclosure requirements as other directors and is liable in the same way. The status of director representing employees is, however, subject to specific legal provisions. In addition to the terms and conditions of their appointment, their directorship ends in the event of a termination of their employment contract, or a court-ordered dismissal for negligence or misconduct at the request of the majority of members on the Board of Directors. The director representing employees will be granted extra hours to have enough time to prepare the meetings and offered a training program regarding his or her directorship in order to facilitate his or her integration.

Thirty-first resolution

Statutory changes to allow for the appointment of Directors representing employees (Articles 14, 16, and 29 of the Articles of Association)

The Extraordinary Shareholders' Meeting, after reading the Board of Directors' reports, decides:

- to insert the following paragraph II in Article 14 of the Articles of Association, and to combine the current four sub-paragraphs into a paragraph I:

  "Article 14 – Rules applicable to the Composition of the Board of Directors

  (...)

  II. In accordance with the provisions of Article L. 225-27-1 of the French Commercial Code, the Board of Directors also includes one or two directors representing employees, the responsibilities of which are subject to applicable statutory provisions and to the terms of these Articles of Association.

  Whenever the number of Directors appointed by the Ordinary Shareholders' Meeting is lower than or equal to twelve, a Director representing employees is appointed by the labour organisation that received the most votes in the first round of the elections, referenced in Articles L. 2122-1 and L. 2122-4 of the French Labour Code, held at the company and its direct or indirect subsidiaries, the registered headquarters of which are located on French territory. Whenever the number of Directors appointed by the Ordinary Shareholders' Meeting is higher than twelve, two Directors representing employees must be appointed by each of the two labour organisations that received the most votes in the first round of elections.

  The number of Directors appointed by the Ordinary Shareholders' Meeting to be taken into account to determine the number of Directors representing employees is assessed on the date the employee representatives are appointed to the Board.

  The appointed Director must have been bound to the company or one of its direct or indirect subsidiaries with registered headquarters in France or abroad, through an employment contract for at least two years prior to his or her appointment.

  Directors representing employees are appointed for three years. They take office once the office of departing directors representing employees expires. Their duties expire at the end of the General Shareholders' Meeting set to approve the financial statements of the past fiscal year and held in the year in which the directorship expires. As of the term of said directorship, the renewal of an appointment of one or two Directors representing employees will be subject to complying with the conditions set forth in Article L. 225-27-1 of the French Commercial Code. Exceptionally, the first Director representing employees will take office at the first Board of Directors' meeting held following his or her appointment.

  In the event that the seat of a Director representing employees becomes vacant, the vacancy must be filled under the conditions set forth in Article L. 225-34 of the French Commercial Code. The directorship of the Director representing employees terminates ipso jure in the event of the termination of his or her employment contract or his or her removal from office in accordance with the terms of Article L. 225-32 of the French Commercial Code, or in the event of occurrence of a conflict ("cas d'incompatibilité") as described in Article L. 225-30 of the French Commercial Code.

As an exception to the provisions of Article 15 of the Articles of Association, Directors representing employees are not required to hold a minimum number of shares.

Subject to the provisions of this Article or the regulations in force, Directors representing employees share the same status, the same rights, and the same responsibilities as other Directors.";

- *to modify the title of Article 16 of the Articles of Association, which will now read:*

  "Article 16 – Duration of Office – Age Limitations – Replacement of Directors appointed by the Ordinary Shareholders' Meeting";

- *to modify the title of the 3rd sub-paragraph of Paragraph I of Article 29 of the Articles of Association, which will now read as follows:*

  "Article 29 – Ordinary Shareholders' Meeting

  I. The Ordinary Shareholders' Meeting meets every year to:

  (...)

  subject to the provisions of Paragraph II of Article 14 of the Articles of Association, appoint the Directors, confirm or reject the provisional appointments made by the Board and, as the case may be, remove Directors from office at its entire discretion,

  (...)".

Resolution 32: Statutory changes to the age limit for exercising the functions of Chairman of the Board of Directors and Chief Executive Officer

Presentation

Under the terms of the 32nd resolution, and pursuant to the opinion of the Governance Committee, you are being asked to increase the age limit for exercising the functions of Chairman of the Board of Directors and Chief Executive Officer from 70 to 75 years and to make the corresponding changes to Articles 20 and 21 of the Articles of Association.

Thirty-second resolution

Statutory changes to the age limit for exercising the functions of Chairman of the Board of Directors and Chief Executive Officer (Articles 20 and 21 of the Articles of Association)

The Extraordinary Shareholders' Meeting, after reading the Board of Directors' reports, decides to set the age limit for exercising the functions of Chairman of the Board of Directors and Chief Executive Officer to 75 years and to amend the wording of the 4th sub-paragraph of Article 20 of the Articles of Association as well as the wording of the 6th sub-paragraph of Paragraph I of Article 21 of the Articles of Association, which will now read as follows:

"Article 20 – The Chairman of the Board of Directors

(...)

The Chairman's age cannot exceed seventy-five (75) years. Exceptionally, in the event the Chairman reaches the aforementioned age while in office, he or she will remain Chairman until the end of his or her term of office.

(...)";

"Article 21 – Senior Management

The Chief Executive Officer

(...)

The Chief Executive Officer's age cannot exceed seventy-five (75) years. However, in the event that the Chief Executive Officer reaches this age while in office, he or she will remain in office until the expiration of his or her term of office.

(...)".

Resolutions 33 and 34: Articles of association update

Presentation

Under the terms of the 33rd resolution, it is proposed to amend the second sub-paragraphs of Article 4 and of Paragraph IV of Article 25 of the Articles of Association to make sure they are consistent with applicable legal provisions.

Article L. 225-36 of the French Commercial Code, as amended under French Law No. 2016-1691 dated 9 December 2016 on Transparency, anti-corruption, and the modernisation of economic life, states that the Board of Directors now has the authority to move the registered headquarters anywhere on the French territory and not only in same or neighbouring counties *(départements)*. Therefore, you are asked to approve a simpler wording for the second sub-paragraph of Article 4 of the Articles of Association, in reference to applicable legal provisions.

In the second sub-paragraph of Paragraph IV of the Articles of Association, you are asked to replace the reference to Article R. 225-79 of the French Commercial Code to a reference to Article 1316-4 (now Article 1367) of the French Civil Code, which is more relevant to the purpose of the statutory provision. In its second subparagraph, this Article states that "whenever the company decides, in accordance with the terms of the Articles of Association, to allow shareholders to participate in General Shareholders' Meetings electronically, the signature of the shareholder or his or her legal or judicial representative can correspond to a reliable mechanism to identify the shareholder, and guaranteeing his or her association with the absentee ballot in question."

The wording of the second sub-paragraphs of Article 4 and of Paragraph IV of Article 25 of the Articles of Association would be modified as follows:

Previous version	New version
Article 4 – Headquarters *The registered headquarters are located in Saint-Étienne (42000), France, at 1, cours Antoine Guichard.* *These registered headquarters can be transferred to any other location in the same département (county) or an adjacent one, pursuant to a Board of Directors' decision to be approved at the next General Shareholders' Meeting and, for a transfer to any other location, pursuant to an Extraordinary Shareholders' Meeting decision.* *Whenever a transfer is decided by a Board of Directors' decision, the Board is authorised to amend the Articles of Association to reflect such transfer*	*Article 4 – Headquarters* *The registered headquarters are located in Saint-Étienne (42000), France, at 1, cours Antoine Guichard.* *They can be transferred to any other location in accordance with the legal provisions in force.* *Whenever a transfer is decided by a Board of Directors' decision, the Board is authorised to amend the Articles of Association to reflect such transfer.*
Article 25 – Composition of the General Shareholders' Meeting *(...)* *The Board of Directors can decide to let shareholders participate in meetings and vote remotely* via *videoconference or by any means of telecommunication or transmission, including the Internet, provided it allows them to be identified under the conditions set by both applicable regulations and the Board of Directors.* *The Board of Directors can also decide to fill out their forms for voting by mail or by proxy electronically, under the conditions set by applicable regulations. Filling out and signing the forms can be done directly on the website of the centralising institution responsible for the General Shareholders' Meeting. The electronic signature of the form can be completed by any procedure compliant with the provisions of the first sentence of the second paragraph of Article 1316-4 of the French Civil Code, or any future legal provision that may replace it, such as a username and passcode combination.* *The electronic vote, as well as the corresponding acknowledgement of receipt issued, will be considered as an irrevocable written document binding on all parties, except in the event of a sale of securities disclosed under the conditions set forth in the second paragraph of Article R. 225-85 IV of the French Commercial Code, or any other future legal or regulatory provision that were to replace it. The electronic proxy form and the acknowledgement of receipt will be considered as a revocable written document binding on all parties under the conditions set out by law.*	*Article 25 – Composition of the General Shareholders' Meeting* *(...)* *The Board of Directors can decide to let shareholders participate in meetings and vote remotely* via *videoconference or by any means of telecommunication or transmission, including the Internet, provided it allows them to be identified under the conditions set by both applicable regulations and the Board of Directors.* *The Board of Directors can also allow shareholders to fill out their forms for voting by mail or by proxy electronically, under the conditions set by applicable regulations. Filling out and signing the forms can be done directly on the website of the centralising institution responsible for the General Shareholders' Meeting. The electronic signature of the form can be completed by any procedure compliant with the provisions of the second sub-paragraph of Article R. 225-79 of the French Commercial Code, or any future legal provision that may replace it, such as setting a username and passcode combination* *The electronic vote, as well as the corresponding acknowledgement of receipt issued, will be considered as an irrevocable written document binding on all parties, except in the event of a sale of securities disclosed under the conditions set forth in the second paragraph of Article R. 225-85 IV of the French Commercial Code, or any other future legal or regulatory provision that were to replace it. The electronic proxy form and the acknowledgement of receipt will be considered as a revocable written document binding on all parties under the conditions set out by law..*

In addition, under the terms of the 34th resolution, you are asked to delegate all powers to the Board of Directors, in accordance with Article L. 225-36 of the French Commercial Code, for the purpose of making any necessary changes to ensure the Articles of Association remain consistent with all applicable legal and regulatory provisions. In accordance with applicable law, any such changes would be subject to the approval of the Extraordinary Shareholders' Meeting.

Thirty-third resolution

Modification of Articles 4 and 25 of the Articles of Association

The Extraordinary Shareholders' Meeting, after reading the Board of Directors' report, decides to amend the wording:

- of the 2nd sub-paragraph of Article 4 of the Articles of Association, which will now read as follows:

  "Article 4 – Headquarters

  (...)

  They can be transferred to any other location in accordance with the legal provisions in force.

  (...)";

- of the 2nd sub-paragraph of Paragraph IV of Article 25 of the Articles of Association, which will now read as follows:

  "Article 25 – Composition of the General Shareholders' Meeting

  (...)

  The Board of Directors can also allow shareholders to fill out their forms for voting by mail, or by proxy, electronically, under the conditions set forth in applicable regulations. Filling out and signing the forms can be completed directly on the website of the centralising institution responsible for the General Shareholders' Meeting. The electronic signature of the form can be completed by any procedure compliant with the provisions of the second sub-paragraph of Article R. 225-79 of the French Commercial Code, or any future legal provision that may replace it, such as setting a username and passcode combination.

  (...)".

Thirty-fourth resolution

Delegation of authority granted to the Board for the purpose of making all modifications necessary for ensuring compliance of the Articles of Association with all applicable legal and regulatory provisions

The Extraordinary Shareholders' Meeting, after reading the Board of Directors' report and in accordance with the terms of Article L. 225-36 of the French Commercial Code, delegates all necessary powers to the Board of Directors for the purpose of making all modifications necessary for ensuring that the Company's Articles of Association comply with all applicable legal and regulatory provisions, provided these modifications are ratified by the Extraordinary Shareholders' Meeting.

Resolution 35: Powers for formalities

Presentation

The 35th resolution is a common resolution that allows for the completion of legal announcements and formalities.

Thirty-fifth resolution

Powers for formalities

The General Shareholders' Meeting grants full powers to the bearers of an original excerpt or copy of the minutes of this Shareholders' Meeting to complete all filings, publications and formalities prescribed by law.

Appendices

Information on the components of the compensation due or awarded to the Chairman and Chief Executive Officer, for the 2016 fiscal year

(7th resolution of the Ordinary Shareholders' Meeting dated 5 May 2017)

In accordance with the recommendations of the Afep-Medef Code, as revised in November 2016, and in the guidebook of the High Committee in charge of Corporate Governance, under the terms of the seventh resolution, shareholders must issue an advisory opinion on the components of the compensation due or awarded by the Company or companies it controls to the Chairman and Chief Executive Officer for the 2016 fiscal year, as presented and described in the table below.

All of these components are also presented in Chapter 6 of the 2016 Registration Document.

Components of the Compensation	Gross Amount due or awarded with respect to 2016	Information
Fixed Compensation	€480,000	Unchanged since 2013.
Annual Variable Compensation	€625,120	The variable component with respect to 2016 could represent 100% of the fixed component, corresponding to a target amount of €480,000 provided the set objectives are completed. The payment of this compensation was based on completing the following four exclusively quantitative objectives, set by the Board of Directors at its meeting dated 13 May 2016, after receiving the Appointments and Compensation Committee's opinion: ▪ 3 quantitative financial objectives, consistent with the Group's objectives, representing 90% of the target amount (or €432,000) and up to 157.50% (or €756,000) in the event of over-performance, each of which accounts for 30% of said compensation (or €144,000) and up to 52.5% (or €252,000) of the target amount, namely: – Consolidated organic growth in sales (excl. petrol and calendar effects), – Trading profit in France, – Free cash flow in France; ▪ 1 non-financial quantitative objective associated with CSR, accounting for 10% of the target amount (or €48,000), with no over-performance entitlement, corresponding to Casino being listed in at least one of the following three indicators: FTSE4GOOD Index, Euronext Vigeo Indices, DJSI. The over-performance entitlement, maintained at 175%, was only applicable to the 3 quantitative financial criteria. Therefore, the variable compensation was capped at 167.5% of the amount of fixed compensation (corresponding to a maximum aggregate amount of €804,000). On 6 March 2017, the Board of Directors reviewed the results obtained with respect to these objectives and set the amount of the 2016 variable component. For each objective, the percentage amount of the variable component relative to the fixed component is 48.82% with respect to the organic growth in sales, 30.46% with respect to the trading profit (France), 40.95% *with respect to* the Free Cash Flow (France), and 10% with respect to the non-financial quantitative objective associated with CSR. On aggregate, the amount of the 2016 variable component, expressed as a percentage of the fixed component, totals 130.23% (the cap was 167.5%). No variable compensation had been paid in 2015 since none of the criteria were satisfied under the predetermined conditions.
Benefits of any kind	Not Applicable	The executive is not eligible for benefits of any kind
Directors' attendance fees	€12,500	As a director, the Chairman and Chief Executive Officer receives half of the attendance fee, or €12,500. It is hereby reminded that the base individual value of directors' attendance fees is set at €25,000, and includes a €8,500 fixed component and a €16,500 variable component, the latter of which cannot be reallocated in the event of absence.

Other components of compensation discussed in the Afep-Medef Code: Not Applicable.

No allocation or mechanism granting deferred annual variable compensation, multi-annual variable compensation, or exceptional compensation was put in place for the benefit of the Chairman and Chief Executive Officer.

The Chairman and Chief Executive Officer neither is nor has been the beneficiary of any stock option subscription or stock option purchase plan or any other form of long term compensation.

In addition, the Chairman and Chief Executive Officer does not benefit from any supplementary pension plan, and is not entitled to any severance compensation in the event of termination of his duties or to any compensation in connection with a non-compete obligation.

He is enrolled in the Company's mandatory supplemental collective pension scheme (régime collectif obligatoire de retraite complémentaire) (ARRCO and AGIRC) and its collective employment insurance scheme (régime de prévoyance), available to all managers.

Board of Directors' Report on the principles and criteria for determining, distributing, and allocating the components of the Chairman and Chief Executive Officer's compensation for the 2017 fiscal year

(8th resolution of the Ordinary Shareholders' Meeting dated 5 May 2017)

Pursuant to the terms of Article L. 225-37-2 of the French Commercial Code, the principles and criteria for determining, distributing, and allocating the fixed, variable, and exceptional components comprising the aggregate compensation and benefits of any kind for which the Chairman and Chief Executive Officer is eligible with respect to 2017 in connection with his directorship, must be approved by shareholders at the General Shareholders' Meeting dated 5 May 2017.

In this context, at its meeting dated 6 March 2017, and based on the Appointments and Compensation Committee's opinion, the Board of Directors set the principles and structure of the Chairman and Chief Executive Officer's compensation with respect to 2017.

Principles

The Board of Directors uses the Afep-Medef Code as its reference to determine the principles for setting the compensation of senior executive corporate officers and, to lead its discussions, relies on external experts' analyses and conclusions to educate the Board and the Appointments and Compensation Committee on existing market practices. These routine compensation analyses allow to draw a comparison between, on the one hand, the executive corporate officer's compensation structure and how it has evolved, the weight assigned to each of the components, as well as the criteria for setting his variable compensation and, on the other, the practices of other comparable companies, particularly those of which the executive corporate officer is the controlling shareholder or a member of the controlling shareholder's family.

The Board of Directors ensures that the compensation policy is consistent with the Company's corporate interests and the interests of shareholders and stakeholders. The performance indicators selected for setting the variable compensation must be in line with the Group's strategy. They are challenging and integrate financial and non-financial criteria that can be assessed annually and/or multi-annually.

Based on the Appointments and Compensation Committee's proposal, the Board of Directors decided to set the structure of the Chairman and Chief Executive Officer's compensation for 2017 in the following way:

Components of the Chairman and Chief Executive Officer's Compensation

Relying on the analyses and recommendations of specialised external consultants, the Board of Directors decided to modify the Chairman and Chief Executive Officer's compensation policy in order to include an evaluation of the Group's performance over a longer term and to increase the variable part of his overall compensation.

Therefore, the Chairman and Chief Executive Officer's 2017 compensation can be broken down as follows:

Fixed Compensation

The fixed compensation totals a gross amount of €480,000, unchanged since 2013.

Annual Variable Compensation

The target amount of the annual variable compensation is heretofore in line with market practices, totalling 130% of the fixed component (corresponding to a gross amount of €624,000) provided the set objectives are met. In the event of over-performance, this variable component could reach a maximum amount unchanged of 167.50% of said fixed compensation (corresponding to €804,000).

The annual variable compensation is entirely subject to the achievement of challenging objectives reflecting the Group's strategic priorities:

- Quantitative objectives only:
  - three budget-based quantitative objectives aligned with the Casino group's primary objectives for 2017.
    The proposed objectives, which are consistent with the Group's quantitative criteria and objectives for awarding the 2017 bonus to members of the Executive Committee, concern:
    - consolidated organic growth in sales,
    - organic growth of consolidated trading profit,
    - net underlying profit Group share per share.

    Each criterion includes a minimum completion level, which triggers 50% of the target amount, as well as a target level corresponding to the Group's objectives, and an over-performance level relative to the target, all of which are pre-determined. The variable compensation fluctuates linearly between the minimum and maximum thresholds;
  - a non-financial quantitative objective associated with CSR, the same as the one retained for the 2016 variable component, aiming to secure Casino, Guichard-Perrachon's presence in at least one of the following three major non-financial indicators: FTSE4GOOD Index, Euronext Vigeo Indices, DJSI.
    The inclusion of a non-financial quantitative criteria associated with CSR, consistent with common practice, highlights the strategic value the Group places on the development of its CSR policy.
    As such, the criterion retained targets 3 indicators that include the highest performing companies based on corporate, societal, and environmental criteria.
    Since 2016, a criterion associated with CSR was also included in the determination of the annual bonus awarded to members of the Executive Committee.
- Financial objectives are given more importance in the determination of the variable compensation:

  The weight of the four proposed criteria remains broken down as follows:
  - the three financial objectives account for 90% of the target amount and up to 118.8% in the event of over-performance, each of which counts for one third or 30%, and up to 39.6% in the event of over-performance;
  - the CSR objective accounts for 10% of the target amount, a share in line with current observed practices.

  The over-performance entitlement is reserved for the 3 financial criteria and totals 132%.

- As such, the allocation of the retained quantitative criteria and their respective weight in the determination of the variable compensation component is the following:

Target amount: €624,000 (corresponding to 130% of fixed compensation)	Variable component target	Variable component maximum
Financial quantitative objectives		
Consolidated organic growth in sales (excl. petrol and calendar effects)		
% of the target amount	30.0	39.6
Amount *(in € thousands)*	187.2	247.2
Organic Growth of Consolidated trading profit		
% of the target amount	30,0	39,6
Amount *(in € thousands)*	187.2	247.2
Net underlying profit Group share per share (excl. petrol and calendar effects)		
% of the target amount	30.0	39.6
Amount *(in € thousands)*	187.2	247.2
Non-financial quantitative objective		
Presence in at least one of the following three indices: FTSE4GOOD Index, Euronext Vigeo Indices, DJSI		
% of the target amount	10.0	10.0
Amount *(in € thousands)*	62.4	62.4

Long Term Variable Compensation (LTI)

In order to increase the variable component of the Chairman and Chief Executive Officer's overall compensation and include an evaluation of the Group's performance over a longer term, he is also awarded conditional long term variable compensation. In order to determine the objectives, the Board of Directors relied on the analyses and recommendations of specialised external consultants.

If the performance conditions are satisfied, the target amount is set at a maximum 100% of the fixed compensation component, or a gross amount of €480,000.

The payment of this long term variable compensation, subject to the executive's continued employment, will also be subject to completing the following two performance conditions, assessed at the end of a three-fiscal year period . Each condition will account for 50% of this compensation, namely:

- the change in relative Total Shareholder Return (TSR) (as compared with the TSR of nine other European companies in the food retail industry: Ahold – Delhaize, Carrefour, Colruyt Group, Dia, Jeronimo Martins, Metro, Morrisons, Sainsbury's and Tesco);
- the Group's average EBITDA/sales ratio for the period in question.

The target objectives are challenging and consistent with those set in the context of LTI plans for key managers. The conditions include minimum achievement thresholds that must be reached to trigger the right to compensation, and the share of compensation moves linearly between the lower threshold and the maximum target amount.

The elements for determining the annual and long term variable compensation of the Chairman were subject to an analysis and recommendations of specialised consultants concluding that the structure of the compensation of Casino's Chairman and Chief Executive Officer was consistent with market practices concerning the number and type of criteria used, the higher weight given to quantitative financial criteria, and the presence of a non-financial quantitative criteria associated with CSR, the latter of which is in line with the practices observed and with the Group's desire to prioritise the development of its CSR policy. The introduction of a long term variable compensation component in cash, such as the one presented above, is also consistent with the practices observed and recommendations received.

In accordance with the terms of Article L. 225-37-2 of the French Commercial Code, the payment of the variable component of the compensation owed with respect to the 2017 fiscal year, after determining its amount based on the achievement of the above-defined objectives, is subject to the prior approval of shareholders at the Ordinary Shareholders' Meeting of the Company to be held in 2018. The payment of the long term variable compensation is subject to shareholders' approval at the Ordinary Shareholders' Meeting of the Company to be held in 2020, corresponding to the year in which the allocation will be final and binding.

Other Components of the Compensation and benefits of any kind allocated in connection with the directorship

In addition, in his capacity as Director of the Company in 2017, the Chairman and Chief Executive Officer will receive a base attendance fee equal to half the amount paid to other directors, in other words a maximum gross amount of €12,500. It is hereby reminded that the individual base value of the attendance fee paid to directors is set at €25,000, and includes a fixed component equal to €8,500, and a variable component equal to €16,500 determined relative to director's attendance at Board meetings. In the event of absence, the corresponding part of the variable component is forfeited and cannot be reallocated.

The Chairman and Chief Executive Officer neither is nor has been the beneficiary of stock option plans, performance shares, or any other form of long term compensation. He is expressly excluded from the list of beneficiaries under the terms of the resolutions submitted to the Extraordinary Shareholders' Meeting dated 5 May 2017.

In addition, the Chairman and Chief Executive Officer does not benefit from any supplementary pension plan, and is not entitled to any severance compensation in the event of termination of his duties or to any compensation in connection with a non-compete obligation.

He is enrolled in the Company's mandatory supplemental collective pension scheme *(régime collectif obligatoire de retraite complémentaire)* (ARRCO and AGIRC) and its collective employment insurance scheme *(régime de prévoyance)*, available to all managers.

He will not receive any benefit of any kind for 2017.

Statutory changes to the appointment of directors representing employees

(31st resolution of the Ordinary Shareholders' Meeting dated 5 May 2017)

In the context of the adopting the 31st resolution, Article 14 of the Articles of Association, the title of Article 16 of the Articles of Association, and Paragraph I of Article 29 of the Articles of Association would be modified as follows:

Previous version	New version
Article 14 – Rules applicable to the Composition of the Board of Directors	*Article 14 – Rules applicable to the Composition of the Board of Directors*
The company is managed by a Board of Directors. Subject to the legal provisions applicable in the event of a merger with another joint-stock company, the Board of Directors is composed of at least three members and at most eighteen, appointed by the Ordinary Shareholders' Meeting.	*I. The company is managed by a Board of Directors. Subject to the legal provisions applicable in the event of a merger with another joint-stock company, the Board of Directors is composed of at least three members and at most eighteen, appointed by the Ordinary Shareholders' Meeting.*
Any legal entity may be appointed to the office of Director. Whenever a legal entity is appointed, it must in turn appoint a permanent representative for the duration of said entity's term of office as Director, so that said representative can take part in the deliberations of the Board of Directors and, generally speaking, so that he or she may exercise the duties of Director, subject to the same conditions and obligations and entrusted with the same responsibilities, both civil and criminal, as if said representative were exercising said duties on his or her own behalf.	*Any legal entity may be appointed to the office of Director. Whenever a legal entity is appointed, it must in turn appoint a permanent representative for the duration of said entity's term of office as Director, so that said representative can take part in the deliberations of the Board of Directors and, generally speaking, so that he or she may exercise the duties of Director, subject to the same conditions and obligations and entrusted with the same responsibilities, both civil and criminal, as if said representative were exercising said duties on his or her own behalf.*
In the event of the death, resignation or the removal from office of its permanent representative, the legal entity acting as Director must immediately notify the company via *registered letter with acknowledgement of receipt regarding said the termination of said representative's term in office, as well as the identity of its new permanent representative. The permanent representative's office must be confirmed every time the legal entity's term of office as Director is renewed.*	*In the event of the death, resignation or the removal from office of its permanent representative, the legal entity acting as Director must immediately notify the company* via *registered letter with acknowledgement of receipt regarding said the termination of said representative's term in office, as well as the identity of its new permanent representative. The permanent representative's office must be confirmed every time the legal entity's term of office as Director is renewed.*
Accepting and exercising the duties of Director implies, for every party concerned, that he or she is permanently in compliance with the conditions and obligations required under applicable law, particularly concerning the combination of multiple offices.	*Accepting and exercising the duties of Director implies, for every party concerned, that he or she is permanently in compliance with the conditions and obligations required under applicable law, particularly concerning the combination of multiple offices.*
	In accordance with the provisions of Article L. 225-27-1 of the French Commercial Code, the Board of Directors also includes one or two directors representing employees, the responsibilities of which are subject to applicable statutory provisions and to the terms of these Articles of Association.
	Whenever the number of Directors appointed by the Ordinary Shareholders' Meeting is lower than or equal to twelve, a Director representing employees is appointed by the labour organisation that received the most votes in the first round of the elections, referenced in Articles L. 2122-1 and L. 2122-4 of the French Labour Code, held at the company and its direct or indirect subsidiaries, the registered headquarters of which are located on French territory. Whenever the number of Directors appointed by the Ordinary Shareholders' Meeting is higher than twelve, two Directors representing employees must be appointed by each of the two labour organisations that received the most votes in the first round of elections.
	The number of Directors appointed by the Ordinary Shareholders' Meeting to be taken into account to determine the number of Directors representing employees is assessed on the date the employee representatives are appointed to the Board.
	The appointed Director must have been bound to the company or one of its direct or indirect subsidiaries with registered headquarters in France or abroad, through an employment contract for at least two years prior to his or her appointment

Previous version	New version
	Directors representing employees are appointed for three years. They take office once the office of departing directors representing employees expires. Their duties expire at the end of the General Shareholders' Meeting set to approve the financial statements of the past fiscal year and held in the year in which the directorship expires. Under the terms of said directorship, the renewal *of an appointment as Director or Director representing employees will be subject to complying with the conditions set forth in Article L. 225-27-1 of the French Commercial Code. Exceptionally, the first Director representing employees will take office at the first Board of Directors' meeting held following his or her appointment.* *In the event that the seat of a Director representing employees becomes vacant, the vacancy must be filled under the conditions set forth in Article L. 225-34 of the French Commercial Code. The directorship of the Director representing employees terminates ipso jure in the event of the termination of his or her employment contract or his or her removal from office in accordance with the terms of Article L. 225-32 of the French Commercial Code, or in the event of occurrence of a conflict ("cas d'incompatibilité") as described in Article L. 225-30 of the French Commercial Code.* *As an exception to the provisions of Article 15 of the Articles of Association, Directors representing employees are not required to hold a minimum number of shares.* *Subject to the provisions of this Article or the regulations in force, Directors representing employees share the same status, the same rights, and the same responsibilities as other Directors.*
Article 16 – Duration of Office – Age Limitations – Replacement *(...)*	*Article 16 – Duration of Office – Age Limitations – Replacement of Directors appointed by the Ordinary Shareholders' Meeting* *(...)*
Article 29 – Ordinary Shareholders' Meeting *I. The Ordinary Shareholders' Meeting meets every year to:* ▪ *approve, adjust or reject the annual financial statements and the consolidated financial statements, determines the allocation of profits by complying with the terms of Article 34 and may decide, under applicable legal conditions, to grant each shareholder the option to choose between a cash or share-based dividend payment with respect to all or part of the distributed dividend or advance on dividend,* ▪ *approve the agreements discussed in Article L. 225-38 of the French Commercial Code,* ▪ *appoint the Directors, confirm or reject the provisional appointments made by the Board and, as the case may be, remove Directors from office at its entire discretion,* ▪ *determine the allocation of attendance fees to the members of the Board of Directors and set the aggregate amount of said fees,* ▪ *appoint the Statutory Auditors,* ▪ *approve a transfer of registered headquarters within the same or neighbouring county (département), provided the Board of Directors decided on such transfer,* ▪ *and, generally speaking, rule on any issues that are not within the jurisdiction of the Extraordinary Shareholders' Meeting.* *(...)*	*Article 29 – Ordinary Shareholders' Meeting* *I. The Ordinary Shareholders' Meeting meets every year to:* ▪ *approve, adjust or reject the annual financial statements and the consolidated financial statements, determines the allocation of profits by complying with the terms of Article 34 and may decide, under applicable legal conditions, to grant each shareholder the option to choose between a cash or share-based dividend payment with respect to all or part of the distributed dividend or advance on dividend,* ▪ *approve the agreements discussed in Article L. 225-38 of the French Commercial Code,* ▪ *subject to the provisions of Paragraph II of Article 14 of the Articles of Association, appoint the Directors, confirm or reject the provisional appointments made by the Board and, as the case may be, remove Directors from office at its entire discretion,* ▪ *determine the allocation of attendance fees to the members of the Board of Directors and set the aggregate amount of said fees,* ▪ *appoint the Statutory Auditors,* ▪ *approve a transfer of registered headquarters within the same or neighbouring county (département), provided the Board of Directors decided on such transfer,* ▪ *and, generally speaking, rule on any issues that are not within the jurisdiction of the Extraordinary Shareholders' Meeting.* *(...)*

10.2. STATUTORY AUDITORS' SPECIAL REPORTS AT THE COMBINED SHAREHOLDERS' MEETING OF 5 MAY 2017

Statutory Auditors' special report on the issue of shares and various marketable securities with retention and/or cancellation of preferential subscription rights

17th, 18th, 19th, 20th, 21st, 23rd and 24th resolutions

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

To the Shareholders,

In our capacity as Statutory Auditors of your company (the "Company") and in accordance with the procedures set forth in Articles L. 228-92 and L. 225-135 *et seq.* of the French Commercial Code (*Code de commerce*), we hereby present to you our report on the proposed delegations of authority to the Board of Directors to carry out various issues of shares and/or marketable securities, transactions on which you are asked to vote.

Your Board of Directors proposes, based on its report:

- that you delegate to it, for a period of 26 months as from the date of this shareholders' meeting, with the option to sub-delegate under the conditions provided for by law, the authority to decide on the following transactions and set the final terms and conditions of these issues and proposes, where necessary, that you waive your preferential subscription rights:
  - issue, with retention of preferential subscription rights (17th resolution), of shares of the Company or any other marketable securities granting access to the Company's share capital, *via* the allocation, at the Company's option, of new or existing shares of the Company, or a combination of both, or existing shares of another company in which the Company has, directly or indirectly, an interest, bearing in mind that the marketable securities thus issued and conferring entitlement to the allocation of new or existing shares of the Company or existing shares of another company in which the Company has, directly or indirectly, an interest, may consist of debt securities or be linked to the issue of such securities, or permit the issue of such securities as intermediate instruments,
  - issue, with cancellation of preferential subscription rights through a public offering, with the option of instituting a priority subscription period (18th resolution), of shares of the Company or any other marketable securities granting access to the Company's share capital, *via* the allocation, at the Company's option, of new or existing shares of the Company, or a combination of both, or existing shares of another company in which the Company has, directly or indirectly, an interest, bearing in mind that the marketable securities thus issued and conferring entitlement to the allocation of new or existing shares of the Company or existing shares of another company in which the Company has, directly or indirectly, an interest, may consist of debt securities or be linked to the issue of such securities, or permit the issue of such securities as intermediate instruments,
  - issue, with cancellation of preferential subscription rights through offerings referred to in paragraph II of Article L. 411-2 of the French Monetary and Financial Code (19th resolution), of shares of the Company or any other marketable securities granting access to the Company's share capital, *via* the allocation, at the Company's option, of new or existing shares of the Company, or a combination of both, or existing shares of another company in which the Company has, directly or indirectly, an interest, bearing in mind that the marketable securities thus issued and conferring entitlement to the allocation of new or existing shares of the Company or existing shares of another company in which the Company has, directly or indirectly, an interest, may consist of debt securities or be linked to the issue of such securities, or permit the issue of such securities as intermediate instruments,
  - issue of shares of the Company and/or any other marketable securities granting access to the Company's share capital, in exchange for shares or marketable securities contributed to a mixed or alternative public exchange offering, initiated by the Company on the shares of another company registered on one of the regulated markets referred to in Article L. 225-148 of the French Commercial Code (23rd resolution);
- that you authorize it, pursuant to the 20th resolution and as part of the delegation of authority referred to in the 18th and 19th resolutions, to set the issue price up to the annual legal maximum of 10% of the share capital;
- that you delegate to it, for a period of 26 months as from the date of this shareholders' meeting, with the option to sub-delegate under the conditions provided for by law, the authority to proceed with an issue of shares or marketable securities granting access to the Company's share capital, in exchange for in-kind contributions made to the Company that are comprised of equity securities or marketable securities granting access to the share capital (24th resolution), for up to a maximum of 10% of the share capital as assessed by the Board on the date of its issue decision.

The total nominal amount of capital increases likely to be carried out, immediately or in the future, may not, under the 25th resolution, exceed €59 million pursuant to the 17th, 18th, 19th, 20th, 21st, 22nd, 23rd and 24th resolutions, it being specified that the total nominal amount of capital increases likely to be carried out, immediately or in the future, pursuant to the 18th, 19th, 20th, 21st, 23rd and 24th resolutions, may not, under the 25th resolution, exceed €16.9 million, this amount also being an individual limit for the 18th, 19th, 23rd and 24th resolutions.

The total nominal amount of debt securities likely to be issued may not, under the 25th resolution, exceed €2 billion pursuant to the 17th, 18th, 19th, 20th, 21st, 22nd, 23rd and 24th resolutions, this amount also being an individual limit for the 17th, 18th, 19th and 23rd resolutions.

These limits include the additional number of marketable securities to be created as part of the delegations of authority resulting from the 17th, 18th, 19th and 20th resolutions, under the conditions set forth in Article L. 225-135-1 of the French Commercial Code, should you adopt the 21st resolution.

It is the responsibility of the Board of Directors to prepare a report in accordance with Articles R. 225-113 *et seq.* of the French Commercial Code. Our role is to express an opinion on the fair presentation of the quantified information extracted from the accounts, on the proposed cancellation of preferential subscription rights and on certain other information concerning these transactions, contained in this report.

We conducted the procedures that we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement. These procedures consisted in verifying the content of the Board of Directors' report in respect of these transactions and the methods used to determine the issue price of equity securities to be issued.

Subject to a subsequent review of the conditions of the proposed issues, we have no comments on the methods used to determine the issue price of the securities to be issued presented in the Board of Directors' report under the 18th, 19th and 20th resolutions.

Furthermore, as the report does not specify the methods used to determine the issue price of the securities to be issued pursuant to the 17th, 23rd and 24th resolutions, we cannot express an opinion on the issue price calculation inputs.

As the final terms and conditions under which the issues would be carried out have not been determined, we do not express an opinion thereon and, as such, on the proposed cancellation of preferential subscription rights submitted for your approval in the 18th and 19th resolutions.

In accordance with Article R. 225-116 of the French Commercial Code, we will prepare an additional report, if required, should these delegations be exercised by your Board of Directors, in the event of issues of marketable securities representing equity securities granting access to other equity securities, in the event of issues of marketable securities granting access to equity securities to be issued and in the event of issues of shares with cancellation of preferential subscription rights.

Lyon and Neuilly-sur-Seine, April 5, 2017

The Statutory Auditors

Ernst & Young et Autres		Deloitte & Associés	
Yvon SALAÜN	Sylvain LAURIA	Frédéric MOULIN	Gérard BADIN

Statutory Auditors' report on the authorization to grant share purchase options

26th resolution

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

To the Shareholders,

In our capacity as Statutory Auditors of your Company and in accordance with the procedures provided for in Articles L. 225-177 and R. 225-144 of the French Commercial Code (*Code de commerce)*, we hereby present to you our report on the authorization to grant share purchase options to the employees of your Company and the employees and corporate officers of companies or groupings referred to in Article L. 225-180 of the French Commercial Code, it being specified that the corporate officers of your Company may not be granted share purchase options, a transaction on which you are being asked to vote.

The total number of share purchase options that may be granted under this authorization may not exceed 2% of the total number of shares representing your Company's share capital to date, taking into account the shares granted under the twenty-seventh and twenty-eighth resolutions of this shareholders' meeting.

Based on its report, your Board of Directors proposes that shareholders authorize it, for a period of 38 months as from the date of this shareholders' meeting, to grant share purchase options.

It is the responsibility of the Board of Directors to prepare a report on the reasons for the granting of share purchase options and the proposed terms and conditions for determining the purchase price. It is our responsibility to comment on the proposed terms and conditions for determining the share purchase price.

We conducted the procedures that we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement.

These procedures consisted in verifying that the proposed terms and conditions for determining the share purchase price are disclosed in the Board of Directors' report and that they comply with legal and regulatory requirements.

We have no comments to make on the proposed terms and conditions for determining the share purchase price.

Lyon and Neuilly-sur-Seine, April 5, 2017

The Statutory Auditors

Ernst & Young et Autres		Deloitte & Associés	
Yvon SALAÜN	Sylvain LAURIA	Frédéric MOULIN	Gérard BADIN

Statutory Auditors' report on the authorization to grant share subscription options

27th resolution

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

To the Shareholders,

In our capacity as Statutory Auditors of your Company and in accordance with the procedures provided for in Articles L. 225-177 and R. 225-144 of the French Commercial Code (*Code de commerce*), we hereby present to you our report on the authorization to grant share subscription options to the employees of your Company and the employees and corporate officers of companies or groupings referred to in Article L. 225-180 of the French Commercial Code, it being specified that the corporate officers of your Company may not be granted share purchase options, a transaction on which you are being asked to vote.

The total number of share subscription options that may be granted under this authorization may not confer entitlement to a number of shares exceeding 2% of the total number of shares representing your Company's share capital to date, taking into account the shares granted under the twenty-sixth and twenty-eighth resolutions of this shareholders' meeting.

Based on its report, your Board of Directors proposes that shareholders authorize it, for a period of 38 months as from the date of this shareholders' meeting, to grant share subscription options.

It is the responsibility of the Board of Directors to prepare a report on the reasons for the granting of share subscription options and the proposed terms and conditions for determining the subscription price. It is our responsibility to comment on the proposed terms and conditions for determining the share subscription price.

We conducted the procedures that we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement.

These procedures consisted in verifying that the proposed terms and conditions for determining the share subscription price are disclosed in the Board of Directors' report and that they comply with legal and regulatory requirements.

We have no comments to make on the proposed terms and conditions for determining the share subscription price.

Lyon and Neuilly-sur-Seine, April 5, 2017

The Statutory Auditors

Ernst & Young et Autres		Deloitte & Associés	
Yvon SALAÜN	Sylvain LAURIA	Frédéric MOULIN	Gérard BADIN

Statutory Auditors' report on the authorization to grant existing or future shares for no consideration

28th resolution

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

To the Shareholders,

In our capacity as Statutory Auditors of your Company and in accordance with the procedures provided for in Article L. 225-197-1 of the French Commercial Code (*Code de commerce*), we hereby present to you our report on the proposed authorization to grant for no consideration existing or future shares to employees of your Company or certain categories thereof, and employees of companies or economic interest groupings affiliated to the Company under the conditions set forth in Article L. 225-197-2 of the French Commercial Code, it being specified that the corporate officers of your Company may not be granted shares for no consideration, a transaction on which you are asked to vote.

The total number of shares that may be granted may not exceed 2% of the total number of shares representing your Company's share capital to date, taking into account the shares granted under the twenty-sixth and twenty-seventh resolutions of this shareholders' meeting.

Based on its report, your Board of Directors proposes that shareholders authorize it, for a period of 38 months as from the date of this shareholders' meeting, to grant existing or future shares for no consideration.

It is the role of the Board of Directors to prepare a report on the transaction it wishes to carry out. Our responsibility, when necessary, is to make comments on the information which is provided to you on the planned transaction.

We conducted the procedures that we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement.

These procedures consisted in verifying that the planned terms and conditions as described in the Board of Directors' report comply with legal provisions.

We have no comments to make on the information provided in the Board of Directors' report on the proposed authorization to grant shares for no consideration.

Lyon and Neuilly-sur-Seine, April 5, 2017

The Statutory Auditors

Ernst & Young et Autres		Deloitte & Associés	
Yvon SALAÜN	Sylvain LAURIA	Frédéric MOULIN	Gérard BADIN

Statutory Auditors' report on the issue of equity instruments or marketable securities granting access to share capital, reserved for members of a company savings plan

29th resolution

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

To the Shareholders,

In our capacity as Statutory Auditors of your Company and in accordance with the procedures provided for in Articles L. 228-92 and L. 225-135 *et seq.* of the French Commercial Code (*Code de commerce*), we hereby report to you on the proposed delegation of authority to the Board of Directors, with the option of sub-delegation, to decide on the issue of equity securities or marketable securities granting access to the Company's share capital, with cancellation of preferential subscription rights, reserved for members of a company savings plan of Casino, Guichard-Perrachon and its affiliated companies under the conditions referred to in Article L. 233-16 of the French Commercial Code, a transaction on which you are being asked to vote.

The total number of shares that may be issued may not exceed 2% of the total number of shares representing your Company's share capital on the date of this shareholders' meeting. This limit takes into account the additional number of marketable securities to be created under the conditions set forth in Article L. 225-135-1 of the French Commercial Code.

Shareholders are asked to approve this issue pursuant to Article L. 225-129-6 of the French Commercial Code and Article L. 3332-18 *et seq.* of the French Labor Code (*Code du travail*).

Based on its report, your Board of Directors proposes that shareholders delegate to it, for a period of 26 months as from the date of this shareholders' meeting, the authority to decide on an issue and cancel your preferential subscription rights to the equity securities and marketable securities to be issued. Where necessary, the Board will set the final issue terms and conditions of this transaction.

It is the responsibility of the Board of Directors to prepare a report in accordance with Articles R. 225-113 *et seq.* of the French Commercial Code. Our role is to express an opinion on the fair presentation of the quantified information extracted from the accounts, on the proposed cancellation of preferential subscription rights and on certain other information concerning the issue, contained in this report.

We conducted the procedures that we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement. These procedures consisted in verifying the content of the Board of Directors' report relating to this transaction and the methods used to determine the issue price of equity securities to be issued.

Subject to a subsequent review of the terms and conditions of the proposed issue, we have no comments to make on the methods used to determine the issue price of equity securities to be issued presented in the Board of Directors' report.

As the final terms and conditions of the issue have not been determined, we do not express an opinion thereon and, as such, on the proposed cancellation of preferential subscription rights submitted for your approval.

In accordance with Article R. 225-116 of the French Commercial Code, we will issue a supplementary report, if necessary, should this delegation be used by your Board of Directors in the event of issues of shares or marketable securities representing equity securities granting access to other equity securities and of marketable securities granting access to equity securities to be issued.

Lyon and Neuilly-sur-Seine, April 5, 2017

The Statutory Auditors

Ernst & Young et Autres		Deloitte & Associés	
Yvon SALAÜN	Sylvain LAURIA	Frédéric MOULIN	Gérard BADIN

Statutory Auditors' report on the capital decrease

30th resolution

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

To the Shareholders,

In our capacity as Statutory Auditors of your Company and in accordance with the procedures provided for in Article L. 225-209 of the French Commercial Code (*Code de commerce*) on the decrease in share capital by the cancellation of shares purchased, we hereby report to you on our assessment of the reasons for and the terms and conditions of the proposed decrease in share capital.

Shareholders are requested to confer all necessary powers on the Board of Directors, for a period of 26 months as from the date of this shareholders' meeting, to cancel, up to a maximum of 10% of its share capital, by 24-month periods, the shares purchased by the Company pursuant to the authorization to purchase its own shares as part of the provisions of the aforementioned article.

We conducted the procedures that we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement. These procedures consisted in verifying the fairness of the reasons for and the terms and conditions of the proposed decrease in share capital, which does not undermine shareholder equality.

We have no comments to make on the reasons for and the terms and conditions of the proposed decrease in share capital.

Lyon and Neuilly-sur-Seine, April 5, 2017

The Statutory Auditors

Ernst & Young et Autres		Deloitte & Associés	
Yvon SALAÜN	Sylvain LAURIA	Frédéric MOULIN	Gérard BADIN

Additional information

11.1. GENERAL INFORMATION

Company name, registered office and telephone number

Casino, Guichard-Perrachon

1, cours Antoine Guichard (formerly " Esplanade de France "), 42000 Saint-Étienne, France

Telephone +33 (0)4 77 45 31 31

Legal form

Société anonyme (joint-stock company) governed by Book II of the French Commercial Code (*Code de commerce*).

Governing law

French law.

Date of incorporation and expiry

The Company was incorporated on 3 August 1898 following the signature of its articles of association on 1 July 1898. Its term, which was extended by extraordinary resolution of the shareholders at the General Meeting of 31 October 1941, will expire on 31 July 2040 unless the Company is wound up before this date or its term is further extended.

Trade and Companies Registry

The Company is registered in the Saint-Étienne Trade and Companies Register under No. 554 501 171.

APE (business identifier) code: 6420 Z.

Access to legal documents

The articles of association, minutes of General Meetings, Statutory Auditors' reports and other legal documents are available for consultation at the Company's registered office.

Financial year

The Company's financial year runs from 1 January to 31 December.

Corporate purpose

(Article 3 of the articles of association)

The purpose of the Company is to:

- directly or indirectly create and exploit all types of retail stores selling any types items or poducts including, yet not limited to, food products;
- offer all types of services to said retail stores' customers and manufacture any and all goods that may be useful to their exploitation;
- wholesale all types of goods, either on its own behalf or on behalf of third parties including, in particular, as a commission-based service, and offer all types of services to these third parties;
- and, generally, execute any and all types of commercial, industrial, real estate, movable property, and financial transactions related to this purpose or that could potentially facilitate its successful fulfilment.

It can, in France and abroad, create, acquire, exploit or commission the exploitation of any trade mark, trade name, or service mark, and any industrial design rights, patents or manufacturing processes related to the above-mentioned purpose.

It can invest in or acquire any interests in any French or foreign businesses or companies, regardless of their purpose.

It can take action in any country, either directly or indirectly, alone or as an association, partnership, group, or company created with any other persons or companies, and complete, in any form whatsoever, the transactions related to its purpose.

11.1.1. Provisions of the Articles of association concerning the Board of Directors and senior management – Board of Directors' internal rules

Board of Directors

Membership of the Board of Directors *(excerpt from Article 14 of the articles of association)*

The company is managed by a Board of Directors. Subject to the legal provisions applicable in the event of a merger with another joint-stock company (*société anonyme*), the Board of Directors is composed of at least three members and at most eighteen, appointed by the Ordinary Shareholders' Meeting[1].

Directors' qualifying shares *(excerpt from Article 15 of the articles of association)*

Each director must own at least one hundred shares hold in registered form.

(1) Based on the Appointments and Compensation Committee's opinion, the Board of Directors asks the General Shareholders' Meeting to approve the modifications of articles 14, 16, and 29 of the Company's Articles of Association (see Chapter 10) in order to introduce the terms and conditions for appointing the director(s) representing employees on the Board of Directors, pursuant to the provisions of French Law No. 2013-504 dated 14 June 2013 on employment security, as amended by French Law No. 2015-994 on Labour and Employment dated 17 August 2015.

Term of office – age limit – replacement *(excerpt from Article 16 of the articles of association)*

I. Notwithstanding the impact of paragraphs II and III of this article, the duration of Directors' offices is three years expiring at the end of the Ordinary Shareholders' Meeting set to approve the financial statements of the past fiscal year and held in the year in which the office expires.

Once they have reached the end of their term, Directors are eligible for renewal.

Directors are appointed or their terms of office renewed pursuant to a decision taken by the Ordinary Shareholders' Meeting.

Directors' terms of office are up for renewal on a rolling basis, in order to ensure that a roughly equal amount of Directors' terms of office are renewed each year. In order to enable the system of rotation to operate, the Ordinary General Meeting can appoint a director for a period of one or two years, on an exceptional basis.

II. No person over the age of seventy (70) can be appointed as Director or permanent representative of a Director that is a legal entity, if such appointment would cause the number of Directors and permanent representatives of legal entities over said age to be more than one third of the total number of Directors serving on the Board. In the event that one third of all Directors is over the age of seventy, the oldest Director or permanent representative of a legal entity is deemed as having automatically resigned at the end of the Ordinary Shareholders' Meeting called to approve the financial statements of the fiscal year in which this age threshold was surpassed.

III. In the event that one or more seats become vacant as a result of the death or resignation of Directors, the Board of Directors can appoint temporary Directors to hold office until the next shareholders' meeting. These appointments must be approved at the next shareholders' meeting.

If a Director appointed by the Board of Directors temporarily as described above is not granted permanent status by the shareholders' meeting, said Director's actions and the Board's decisions during this temporary appointment remain valid nonetheless.

Should the number of Directors fall below three, the remaining members (or, in the event of a lack of members, a corporate officer appointed by the President of the Commercial Court at the request of any person concerned) must immediately call for an Ordinary Shareholders' Meeting in order to appoint one or more new Directors for the purpose of securing the required amount of members and resuming compliance with applicable legal thresholds.

A Director appointed to replace another Director remains in office for the remainder of his or her predecessor's term of office.

The appointment of a new Board member to be added to the permanent list of members in office can be decided only by the shareholders' meeting, which must set the term of office.

Organisation, meetings and decisions of the Board of Directors

Chairman – Office of the Board *(excerpts from Articles 17 and 20 of the articles of association)*

The Board of Directors appoints a Chairman from among the natural persons sitting on the Board. The Chairman's functions are defined by law and the Company's articles of association. The Chairman of the Board of Directors organises and manages the Board of Directors' work, and reports to the General Shareholders' Meeting regarding said work. He ensures the proper functioning of the corporate bodies of the company and, in particular, ensures that the Directors are able to exercise their duties.

The Chairman can be appointed for the duration of his or her directorship, subject to the Board of Directors' right to strip him or her of this title, at any time, and to the Chairman's right to resign before his or her term expires. The Chairman is eligible for reappointment. The Chairman's age cannot exceed seventy (70) years[2]. Exceptionally, in the event the Chairman reaches the aforementioned age while in office, he or she will remain Chairman until the end of his or her term of office.

In the event that the Chairman is temporarily unable to exercise his or her duties or dies, the Board of Directors may designate a Director to serve as Chairman. In the event that the Chairman is temporarily unable to exercise his or her duties, this delegation of powers is granted for a limited yet renewable amount of time. In the event that the Chairman dies, said delegation is valid until the election of the new Chairman.

Non-voting directors *(excerpt from Article 23 of the articles of association)*

The Ordinary Shareholders' Meeting can appoint Non-voting Directors who are either natural persons or legal entities from among the company's shareholders. The Board of Directors can appoint Non-voting Directors to serve on the Board at any time, provided their office is approved at the next Ordinary Shareholders' Meeting. No more than five Non-voting Directors can sit on the Board.

A Non-voting Director remains in office for three years. His or her duties expire at the end of the Ordinary Shareholders' Meeting set to approve the financial statements of the past fiscal year and held in the year in which the office expires. Non-voting Directors are eligible for reappointment indefinitely, and can be removed from office at any moment by decision of the Ordinary Shareholders' Meeting.

Non-voting Directors attend Board of Directors' meetings, and offer their opinions and observations and take part in the decision-making process in an advisory capacity.

They are eligible for compensation, the amount of which is set by the Ordinary Shareholders' Meeting and maintained until a decision to change it is taken at a future shareholders' meeting. This compensation is distributed, at the Board of Directors' discretion, among all Non-voting Directors.

Meetings of the Board of Directors *(excerpt from Article 18 of the articles of association)*

The Board meets as often as required in the company's interest and every time said Board deems it appropriate, at the location indicated in the meeting notification. Meeting notifications are prepared by the Chairman or by any person he or she appoints to do so on his or her behalf; if the Board has not met for more than two months, one third of the Directors in office can ask the Chairman to call for a meeting based on a predetermined agenda. The Chief Executive Officer can also ask the Chairman to call for a meeting based on a predetermined agenda.

In order for the Board's decisions to be considered fully valid and binding, the attendance of at least half of the Directors in office is necessary and sufficient. Directors can participate in the deliberations by videoconference or by means of telecommunication, under the conditions and according to the terms applicable pursuant to rules in force and the Board of Directors' Internal Rules.

Decisions are taken based on a majority vote of the members present and represented. In the event of tie, the Chairman's vote becomes the deciding vote. However, in the event that the Board is composed of less than five members, decisions can be taken by two Directors in attendance, provided they are in agreement.

(2) As proposed by the Appointments and Compensation Committee, the General Shareholders' meeting is asked to increase the age limit for exercising the functions of Chairman of the Board of Directors from 70 to 75 years and to make the corresponding changes to article 20 of the Articles of Association (see Chapter 10).

Powers of the Board of Directors *(excerpt from Article 19 of the articles of association)*

The Board of Directors sets the company's business strategy and oversees its implementation. Subject to powers expressly granted at general shareholders' meetings and within the limit of the company's corporate purpose, it handles any matters relating to the company's proper functioning and votes on the matters for which it is responsible. The Board of Directors carries out the controls and checks it deems appropriate.

The Board of Directors may, at its own discretion and at any time, change the senior management operation method, it being specified that this decision does not trigger a change in the Articles of Association.

The Board can create committees, of which it determines the composition and responsibilities, in order to assist it in the completion of its assignments. Said committees, each in their area of expertise, make suggestions, recommendations, and issue opinions, based on what is required.

The Board authorises, under applicable legal conditions, agreements other than those concerning standard transactions carried out under normal conditions, as discussed in Article L. 225-38 of the French Commercial Code. In accordance with Article L. 225-35 of the French Commercial Code, the commitment of any sureties, underwritings or guarantees granted on behalf of the company are subject to a Board of Directors' authorisation. However, the Board of Directors may authorise the Chief Executive Officer to grant sureties, underwritings or guarantees on behalf of the company, capped at an aggregate annual amount and, as the case may be, per commitment.

Subject to any applicable legal restriction, delegations of power, powers of attorney or duties limited to one or more predetermined transaction(s) or transaction category(ies) can be granted or assigned to any persons, be it Directors or any other persons.

The Board of Directors has included in its internal rules certain mechanisms to restrict the powers of the Chief Executive Officer (see "Corporate Governance").

Management structure

Combination of the functions of Chairman of the Board of Directors and Chief Executive Officer (excerpt from Article 21 of the articles of association).

Senior Management

The articles of association allow for the functions of Chairman of the Board of Directors and Chief Executive Officer to be separated or combined.

The Company chose the latter option on 21 March 2005.

The Chief Executive Officer remains in office for as long as specified by the Board of Directors. However, the term of office cannot exceed three (3) years. The Chief Executive Officer is eligible for reappointment.

The Chief Executive Officer is vested with the most extensive powers to act in all circumstances on behalf of the company. The Chief Executive Officer exercises his or her powers within the limits of the company's corporate purpose, subject to those powers the law expressly grants to shareholders meetings and to the Board of Directors.

However, as an internal measure, the Board of Directors may decide to limit the Chief Executive Officer's powers (see "Corporate Governance" for a description of the restrictions decided by the Board). He or she represents the company in its relations with third parties.

The Chief Executive Officer's age cannot exceed seventy (70) years(3). However, in the event that the Chief Executive Officer reaches this age while in office, he or she will remain in office until the expiration of his or her term of office.

The Board of Directors can remove the Chief Executive Officer from office at any time. If the removal from office is carried out without proper justification, it may result in damages, except when the Chief Executive Officer also exercises the duties of Chairman of the Board of Directors.

Deputy Chief Executive Officers

On the Chief Executive Officer's suggestion, the Board of Directors can appoint one or more natural persons in charge of assisting the Chief Executive Officer. Any said person is assigned the title of Deputy Chief Executive Officer. There cannot be more than five Deputy Chief Executive Officers.

Deputy Chief Executive Officers are appointed for a maximum three-year term and their appointment may be renewed. They have the same powers as the Chief Executive Officer in dealings with third parties.

The Deputy Chief Executive Officer's age cannot exceed 70 years. However, in the event that the Deputy Chief Executive Officer reaches this age while in office, he or she will remain in office until the expiration of his or her term of office.

The Board of Directors can remove a Deputy Chief Executive Officer from office at any time, on the Chief Executive Officer's recommendation.

The Chairman, provided he or she also exercises the duties of Chief Executive Officer, the Chief Executive Officer, or each of the Deputy Chief Executive Officers are authorised to grant sub-delegations or substitutions of powers relative to one or more predetermined transactions or categories of transactions.

Board of directors' internal rules

The Board of Directors has established the Board of Directors' internal rules describing its rules of procedure, which add to the related provisions of the law and the Company's articles of association.

The Board of Directors' internal rules describes the Board's organisation and procedures, the powers and duties of the Board and the Committees of the Board, and the procedures for overseeing and assessing its work (see the "Chairman's Report" for a description of the Committees of the Board, the restrictions on the Chief Executive Officer's powers and the procedures for overseeing and assessing the Board's work).

The Board of Directors' internal rules was last updated on 6 March 2017.

(3) As proposed by the Appointments and Compensation Committee, the General Shareholders' meeting is asked to increase the age limit for exercising the functions of Chief Executive Officer from 70 to 75 years and to make the corresponding changes to article 21 of the Articles of Association (see Chapter 10).

11.1.2. Appropriation of net profit *(excerpt from Article 33 of the articles of association)*

The income statement breaks down the revenues and charges of the fiscal year. After deducting amortization and provisions, it shows the profit or loss of the fiscal year.

From this profit, net of any losses carried forward, as the case may be, is first withheld any sums to be allocated to reserves as required by law, and in particular to the legal reserve.

The necessary sum is withheld from the profit calculated as described above, plus any retained earnings, in order to provide a first dividend pay-out of 5% interest per year on the amount paid for the shares, it being specified that, if in a given fiscal year profits are not high enough to make this payment, amounts cannot be withheld from profits expected in future fiscal years.

The surplus is available to the General Shareholders' Meeting for distribution to all shares.

However, the Annual General Meeting can decide, as suggested by the Board of Directors, provided the legal reserve is filled and the 5% interest on the nominal value of the shares has been paid out but before any other distributions, to withhold amounts it deems useful to allocate to any non-mandatory, ordinary or exceptional reserves, with or without a specific allocation.

Subject to a Board of Directors' proposal and a General Shareholders' Meeting decision, sums allocated to reserves can later be either distributed or capitalised.

11.1.3. General meetings

Notice of meeting, participation *(excerpt from Articles 25 and 27 of the articles of association)*

Annual General Meeting are summoned under the conditions required by law.

The right to participate in General Shareholders' Meetings is subject to the registration of the shares in a securities account held in the name of the shareholder or of the third party registered on the shareholder's behalf provided the latter resides outside France, within the time frame set forth under Article R. 225-85 of the French Commercial Code. This securities account registration is made either in the registered securities accounts managed by the company or its authorised agent, or in the bearer securities accounts managed by an authorised intermediary.

The registration of securities in the bearer securities accounts managed by an authorised intermediary is reported in a statement of equity delivered by the latter electronically, as the case may be, in the appendix to the form for voting by mail or by proxy, or for requesting an admission card, as applicable, filled out in the name of the shareholder or on behalf of the shareholder represented by the registered intermediary. A statement is also issued to shareholders who wish to attend the General Shareholders' Meeting in person and who have not received an admission card within the time frame specified under the terms of Article R. 225-85 of the French Commercial Code.

Meetings are held in the city in which the registered headquarters are established or at any other location in France, as specified specified in the notice of meeting.

The General Shareholders' Meeting regroups all shareholders, irrespective of the number of shares each of them holds.

Voting rights (double voting rights) *(excerpt from Article 28-III of the articles of association)*

Shareholders hold as many votes as the shares he or she holds or represents, without limitation, with the only exception of the cases provided for by law or in these Articles of Association.

However, a double voting right is assigned, under applicable legal conditions, to all fully paid-up shares effectively held in registered form in the name of the same shareholder for at least four years, as well as, in the event of a share capital increase *via* capitalization of reserves, profits, or issue premiums, to those registered shares granted free of charge to a shareholder in connection with old shares for which he or she is entitled to this right.

The double voting right is forfeited *ipso jure* for any share that was converted to bearer-form or that was subject to a transfer of ownership except, in the event of a transfer in which the shares remain in registered form, pursuant to the terms of Article L. 225-124 of the French Commercial Code.

The vote or proxy issued by an intermediary that has either not declared itself as an intermediary registered as a holder of securities on behalf of third parties not domiciled in France, or has not disclosed the identity of the owners of the shares for which it is a registered intermediary, in accordance with regulations in force, will not be counted.

The provisions of the articles of association concerning double voting rights were originally adopted by shareholders at the Extraordinary General Meeting of 30 November 1934 and were amended at the Extraordinary General Meeting of 21 May 1987, when the qualifying period was raised from two to four years.

11.1.4. Identifiable holders of bearer shares *(Article 11-I of the Articles of Association)*

The company may, under applicable regulatory conditions, ask the main custodian of financial instruments at any time for the name or, if it is a legal entity, the corporate name, the nationality and address of the holders of bearer shares granting immediate or future access to a voting right at shareholders' meetings, as well as the number of securities each of them holds and, as the case may be, the restrictions attached to these securities.

Furthermore, based on the aforementioned list, the company can also request, either *via* said custodian or directly, under the same conditions, to the persons on this list and whom the company believes may be registered on behalf of third parties, whether they hold these securities on their own behalf or on behalf of third parties and, in this latter case, to provide information useful in identifying this(ese) third party(ies). If the identity of the securities owner(s) cannot be uncovered, the vote or the power issued by the registered account intermediary will not be taken into account.

Lastly, the company has the right to ask any legal entity holding more than 2.5% of the share capital or voting rights to reveal the identity of the persons directly or indirectly holding more than one third of the share capital of said legal entity or of the voting rights cast at this entity's shareholders' meetings.

The securities' holders or holders of the solicited information's failure to disclose information under applicable legal conditions could lead to the suspension, or even the deprivation of one's right to vote and right to the payment of the dividend attached to shares or to the securities granting immediate or future access to the share capital and for which these persons have been registered in an account.

Statutory disclosure thresholds
(Article 11-II of the Articles of Association)

In addition to compliance with the legal obligation to disclose holding certain fractions of the share capital and any attached voting rights, any natural person or legal entity – including any intermediary registered as the holder of securities for persons not domiciled on the French territory – who, either alone or jointly with other natural persons or legal entities, come to hold to stop holding, in any way whatsoever, a fraction equal to 1% of the voting rights or share capital or a multiple of this fraction, must notify the company, by registered letter with acknowledgement of receipt sent within five trading days of effectively crossing one of these thresholds. It must declare not only the number of shares and number of voting rights it directly holds.

This person must, under the same conditions, provide the company with the number of securities it holds that grant future access to the share capital, as well as the number of voting rights attached to said securities.

These disclosure requirements will no longer apply in the event that a single or several shareholder(s) acting jointly hold more than 50% of the voting rights.

In the event of any failure to disclose information under these conditions, the portion of shares in excess of what should have been declared are deprived of the right to vote in shareholders' meetings provided, during a given shareholders' meeting, the failure to disclose is officially acknowledged and one or several shareholders jointly holding at least 5% of the share capital or voting rights make the request at said meeting. Under the same conditions, voting rights that have not been properly declared cannot be exercised. If deprived, a voting right cannot be exercised at any shareholders' meeting for two years as from the date on which the disclosure issues are remedied.

11.2. FACTORS LIABLE TO HAVE AN INFLUENCE IN THE EVENT OF A PUBLIC OFFER

Information on the Company's capital structure and significant direct or indirect interests in its share capital known by the Company by virtue of Articles L. 233-7 and L. 233-12 of the French Commercial Code is provided on pages 274 *et seq.*

The Articles of Association contain no restrictions on voting rights or the transfer of shares. There are no agreements known to the Company by virtue of Article L. 233-11 of the French Commercial Code that contain pre-emption rights with respect to the sale or purchase of the Company's shares.

There are no known shareholders' agreements that could result in restrictions on the transfer of shares and exercise of voting rights. The Company has not issued any securities conferring special control rights.

There are no employee share schemes where the voting rights are not exercised directly by the employees. The rules governing the appointment and replacement of Board members and amendment of the Articles of Association are described on pages 290 *et seq.*

The powers of the Board of Directors are described on pages 182 and 326. The Board's powers to issue and buy back shares are described on page 273 and page 269 respectively.

Agreements to which the Company is a party and which are altered or terminate upon a change of control of the Company are described on page 205 (Liquidity Risks).

There are no agreements between the Company and its directors or employees providing for compensation if they resign because of a takeover bid, or are made redundant without valid reason, or if their employment ceases because of a takeover bid.

11.3. HISTORY OF THE COMPANY

1898	Company founded by Geoffroy Guichard and first store opened.
1901	The first Casino-brand products are launched.
1914	Casino operates 460 stores and 195 concessions.
1929	Casino operates 20 plants, 9 warehouses, 998 stores and 505 concessions.
1939	On the eve of World War II, Casino has 1,670 stores and 839 concessions.
1948	First self-service store opens in Saint-Étienne.
1960	First supermarket opens in Grenoble.
1967	First cafeteria opens in Saint-Étienne.
1970	First hypermarket opens in Marseille. Casino acquires L'Épargne, a retailer operating in southwestern France.
1971	The Group operates 2,575 outlets.
1976	Casino enters the US market by launching a chain of cafeterias.
1980	Casino manages 2,022 convenience stores, 76 supermarkets, 16 hypermarkets, 251 affiliates, 54 cafeterias and 6 plants.
1984	In the US, the Group acquires the Smart & Final cash & carry chain (90 outlets).
1985	Casino acquires Cédis, a retailer operating in eastern France with annual sales of €1.14 billion.
1990	The Group acquires La Ruche Méridionale, a retailer operating in the south of France with annual sales of €1.2 billion. In the US, the Group acquires Port Stockton Food Distributors. The hypermarket and supermarket service station business is sold to Shell and Agip.
1991	The retail business is spun off into a subsidiary.
1992	Casino acquires Rallye's retailing business.
1994	The Company is converted into a société anonyme (joint stock company) with a Management Board and Supervisory Board.
1995	The Group signs a partnership agreement with Corsica-based Corse Distribution (acquisition of a 50% interest in Codim 2 and Médis).
1996	A partnership agreement is signed with Coopérateurs de Normandie-Picardie. A joint venture is set up with Dairy Farm International to develop hypermarkets in Taiwan. Spar France is set up. The Group buys back from Agip the service stations located on the sites of Casino hypermarkets and supermarkets. The first hypermarket is opened in Poland.
1997	Casino acquires the entire capital of Médis. Casino and Shell launch the Club Avantages loyalty card. Casino acquires the Franprix and Leader Price networks (€1.9 billion in sales) and a food wholesaler, Mariault (€152 million in sales). Casino takes a 21.4% stake in the capital of Monoprix/Prisunic.
1998	Casino acquires a 75% stake in Argentine company Libertad. The Centre Auto business is sold to Feu Vert in exchange for 38% of Feu Vert's capital. Casino takes a 50% stake in Uruguay's Disco group. The first hypermarket is opened in Taiwan.
1999	Casino acquires a 66% stake in Thailand's Big C group. A total of 75 convenience stores are acquired from Guyenne & Gascogne. The Opéra central purchasing agency is set up with Cora. The first Imagica one-hour digital film-processing store is opened. Casino acquires a 25% stake in Éxito (Colombia) and CBD (Brazil).
2000	Casino acquires a 50% stake in the capital of Cdiscount. The joint venture with Dairy Farm International in Taiwan is wound up and Casino signs an agreement with the Far Eastern group for the creation of Far Eastern Geant in Taiwan. The first Leader Price store opens in Poland. The Group acquires 475 convenience stores from Auchan. Casino takes part in the creation of WorldWide Retail Exchange (WWRE), a new B2B electronic marketplace. The Group raises its stake in Monoprix to 49.3%, alongside Galeries Lafayette which also holds 49.3%. Casino strengthens its presence in Latin America: in Uruguay, Disco acquires control of Devoto (21 outlets), and in Venezuela Casino acquires a 50.01% stake in Cativen (48 supermarkets and two hypermarkets).

2001	Casino joins forces with Cofinoga to set up Banque du Groupe Casino. A Géant hypermarket is opened in Bahrain (Persian Gulf) under an affiliation agreement with the Sana group. An agreement is signed with the Bourbon group providing for the acquisition by Casino of a 33.34% interest in Vindémia, a retail chain operating in Reunion, Madagascar, Mayotte, Mauritius and Vietnam.
2002	Cora terminates the agreement concerning the Opéra joint central purchasing agency. Casino Cafétéria enters the foodservice market. Casino and Galeries Lafayette launch a new-generation loyalty programme, S'Miles, which combines the Points Ciel (Galeries Lafayette) and Club Avantages (Casino/Shell) loyalty programmes. The first two Leader Price stores are opened in Thailand. Casino buys back from Shell the service stations located on the sites of Casino hypermarkets and supermarkets. Casino acquires 38% of Dutch retailer Laurus. A new central purchasing agency, EMC Distribution, is set up. Casino joins forces with Auchan to create International Retail and Trade Services (IRTS), offering services to multinational suppliers and/or SMEs.
2003	Casino and Galeries Lafayette agree to continue their partnership in Monoprix for at least three years, and make a joint public buyout offer for Monoprix shares to be followed by a squeeze out. Smart & Final Inc. sells its foodservice businesses in Florida and California. The Company changes its legal form to a société anonyme (joint stock company) with a Board of Directors.
2004	Casino and CNP Assurances announce a strategic agreement for the development and promotion of insurance products for customers of the Group's stores in France. Casino raises its interest in Franprix Holding to 95% and in Leader Price Holding to 75%.
2005	Casino acquires joint control of the CBD group, with 68.8% of the capital of CBD's holding company. Casino becomes the majority shareholder of Vindémia, with 70% of the capital. The Group's shopping mall properties in France are spun off into a subsidiary, Mercialys, which is floated on the stock exchange. The Group sells 13 warehouse properties to Mines de la Lucette.
2006	The equity swap between Deutsche Bank and Casino is unwound and the GMB/Cora shares are sold. Éxito takes control of the listed group, Carulla Vivero, the second leading retailer in Colombia. Casino sells its remaining 38% stake in Feu Vert. The Group joins forces with DunnHumby to create DunnHumby France. Casino sells its Polish operations. International Retail and Trade Services (IRTS), set up in partnership with Auchan, is dissolved.
2007	Casino sells its 55% interest in Smart & Final (US) to investment fund Apollo. Casino becomes the majority shareholder of Éxito after exercising its right of first refusal over the shares sold by the Toro family. Casino and Cencosud enter into a joint venture agreement to develop a DIY retail business in Colombia. Casino enters into an agreement with property investment fund Whitehall to develop shopping centres in Poland and other Eastern European countries. Casino owns 66.8% of Cdiscount after various share purchases and subscribing to a new share issue. Casino owns 100% of Vindémia (Indian Ocean), following Bourbon's exercise of its put option. Casino sells 225 convenience store and supermarket properties in France, as well as store and warehouse properties in Reunion, to two property mutual funds (OPCI).
2008	Casino raises its stake in Super de Boer to 57% of the capital and voting rights. Telemarket.fr signs an agreement with Casino to source its supplies from the Group's central purchasing agency. Casino reduces its interest in Mercialys from 61.48% to 59.76% to comply with "SIIC 4" regulations. The Casino Carbon Index is the first complete environmental labelling system. Emily 2, a new employee share ownership plan, is set up. The Group continues to pursue its policy of capturing the value of its assets by selling 42 convenience, Casino supermarket and Franprix/Leader Price store properties to two property partners, including AEW Immocommercial, a property mutual fund (OPCI). Casino and Galeries Lafayette sign an amendment to their 2003 strategic agreement, which suspends the exercise of their respective put and call options on Monoprix shares for three years. Philippe Houzé is reappointed Chairman of the Board of Monoprix until March 2012.

2009	All preferred non-voting shares are converted into ordinary shares. The Casino Group signs the United Nations Global Compact, strengthening its commitment to promoting and adopting sustainable and socially responsible policies. It sets up an action plan in the areas of human rights, labour, the environment and anti-corruption. Casino sells the assets and liabilities of its 57%-owned subsidiary Super de Boer to Jumbo. Casino creates GreenYellow, a subsidiary that develops photovoltaic systems on shopping centre store and car park roofs. Casino acquires the Baud family minority interests in Franprix and Leader Price. Casino signs a distribution agreement with the Sherpa network of convenience stores, under which Sherpa agrees to source its supplies from Casino's central purchasing agency. Casino creates a single division combining Géant Casino hypermarkets and Casino Supermarkets, as well as a single food and non-food purchasing department. GPA signs an agreement to create a joint venture between its subsidiary Globex Utilidades SA and Casas Bahia Comercial Ltda, Brazil's leading non-food retailer, thereby strengthening its leadership position in the Brazilian retail market.
2010	The Cactus group, Luxembourg's leading retailer, becomes a member of Casino's central purchasing agency. The Casino Foundation launches its first programme to prevent hospitalised children from becoming isolated, in partnership with the Docteur Souris association. Casino signs a long-term partnership with the Crédit Mutuel-CIC group for financial products and services in France through its specialised subsidiary Banque du Groupe Casino. Big C, Casino's Thai subsidiary, signs an agreement to acquire Carrefour's Thai operations comprising 42 stores and 37 shopping malls. Casino signs a partnership with the Bolivarian Republic of Venezuela, which acquires 80% of Cativen with Casino retaining 20% to provide its operational support to the new State-controlled entity. Casino gives new impetus to its value-label line by launching the "Tous les jours" range of high quality, low price basic products. The GPA/Casas Bahia merger in Brazil becomes effective in November. Casino joins the European central purchasing agency EMD as of 1 January 2011, improving its supply chain competitiveness.
2011	Casino raises its interest in Cdiscount to 99% by acquiring the interest owned by the Charles brothers, who give up their operating responsibilities at Cdiscount. Casino signs the first corporate Civic Service Promotion Charter with the French Secretary of State for Youth and Community Life. Casino's Convenience division signs an agreement with La Poste to set up convenience stores next to post offices. Casino strengthens its integration in Latin America by selling its interests in Uruguayan companies Disco and Devoto to its Colombian subsidiary Éxito with a view to developing synergies. The Casino Group increases its stake in GPA. At 31 December 2011, Casino holds 40.13% of GPA. The Group's subsidiary Banque du Groupe Casino launches a bank debit card available to the general public, in partnership with MasterCard. Cdiscount, the Group's E-commerce subsidiary, becomes the first E-commerce site to accept the MasterCard debit/credit card issued by Banque du Groupe Casino.
2012	Mercialys launches its new "Foncière commerçante" ("retail property investor") development model, enhancing its service offering. Casino strengthens its financial flexibility and begins the process of loss of control of Mercialys. Casino and Galeries Lafayette reach agreement over Monoprix – Jean-Charles Naouri is appointed Chairman and Chief Executive Officer of Monoprix. Casino acquires an interest in Monshowroom, an online fashion wear retailer. Casino becomes the controlling shareholder of GPA, the leading retailer in Brazil. GPA is fully consolidated in Casino's financial statements as of 2 July 2012. Casino wins the Washburne Award for its work in promoting equal opportunities. Casino invests in a brand-new delivery method in food retailing, using the Paris waterways to supply its Franprix stores. Casino is the world's first retailer to offer a new way to shop using innovative technology *via* an order wall with image recognition and NFC1.
2013	Casino gains exclusive control of the Monoprix group. Casino acquires 38 convenience stores in the southeast of France from the Norma group. Casino signs an agreement with Mutant Distribution, a subsidiary of Les Coopérateurs de Normandie-Picardie group, concerning Leader Price's acquisition of 47 stores, primarily in southwest France, and the establishment of an affiliation partnership with the Leader Price banner under a brand licensing and supply agreement covering nearly 90 stores in the Normandy-Picardy regions.

2014	Casino launches new Cdiscount sites in Thailand, Vietnam, Colombia, Senegal, Brazil and Cameroon. Casino opens its Cdiscount.com website to Internet users in Belgium. The Casino and Bolloré groups enter into a strategic partnership to develop an E-commerce platform in Africa by creating a joint venture between Cdiscount Afrique and Bolloré Africa Logistics. Casino joins forces with CBD, Via Varejo and Éxito to create a major global E-commerce division and forms a new entity, Cnova. Cnova NV launches an initial public offering on the US stock market and ordinary shares begin trading on NASDAQ Global Select (CNV). Éxito agrees to acquire and manage Colombian chain Super Inter's 50 stores (Super Inter is an independent chain located in the Cali and Café regions), acquiring 19 stores and entering into a management lease agreement for 31 stores with a purchase option exercisable in 2015. Casino enters into a commitment with Les Coopérateurs de Normandie-Picardie and Mutant Distribution to purchase 63 stores operated under the Mutant Express, Point Coop, C. Express and Le Mutant brands, in exchange for an exclusivity agreement. Casino and Intermarché agree to cooperate on an equal footing in the area of purchasing, as from the 2015 negotiations, exclusively in France. The agreement optimises the partners' purchasing activities and improves services to suppliers of national brand goods. A Géant hypermarket opens as a franchise in the new Yas Mall, Abu Dhabi's largest shopping destination and the second-largest in the United Arab Emirates, driven by agreements with local partners.
2015	Leader Price opens its 1,001st store and launches the new Leader *Price Express concept*. The Casino Group signs a unilateral purchase agreement with Gastronome (Terrena group) to acquire its Gastronome-Luché subsidiary (Luché-Pringé site in the Sarthe department in northwestern France), thereby giving Casino access to a sourcing channel for high-quality poultry products and allowing it to secure the entire supply chain. Géant Casino announces a storefront upgrade programme, introducing new concepts and developing synergies with other Group subsidiaries (including Cdiscount for multi-channel and Éxito for apparel and housewares). Starbucks Coffee Company and Casino Restauration (a subsidiary of the Casino Group) sign a license agreement providing for the opening of Starbucks cafés in Géant Casino hypermarkets and Casino Supermarkets throughout France. Casino combines all of its Latin American operations within the Colombian subsidiary Éxito to optimise the Group's future growth in Latin America. The Casino and Dia groups form a strategic international alliance covering purchasing and services, enabling them to coordinate purchasing negotiations with their private-label brand suppliers in Europe, with a view to growing volumes by around 50%. The Casino Group announces that it is strengthening its financial flexibility with a deleveraging plan of more than €2 billion in 2016, including the planned sale of the Group's businesses in Vietnam. The amount slated for deleveraging was increased to €4 billion with the announcement in February 2016 of the sale of Big C Thailand. The Board of Directors of Cnova NV hires outside consultants to assist in an investigation of suspected stock management irregularities and anomalies at its Brazilian subsidiary.

11.4. BOARD OF DIRECTORS' INTERNAL RULES

The Board of Directors has decided to compile and, where appropriate, clarify and supplement, the applicable legal, regulatory and statutory provisions governing its operations.

For this purpose, the Board has established the Board of Directors' internal rules (hereinafter the "Internal Rules"), which can also include all of the principles and recommendations provided by two resources it follows: the AFEP-MEDEF Corporate Governance Code[1] (hereinafter the AFEP-MEDEF Code) and the Application Guide published by the *Haut Comité de Gouvernement d'Entreprise*. The Board of Directors is also responsible for taking the necessary steps to enforce the Internal Rules.

As such, these Internal Rules describe, on the one hand, the Board's organisational method and functioning, the powers and duties of the Board and its Committees and, on the other hand, the code of conduct applicable to the Board's members.

I. Organisation and operation of the Board of Directors

Article 1. Election of Directors

Directors are elected, or their terms of office renewed, for three-year periods. They are eligible to stand for re-election at expiration of their mandate. Every year, some Board members are replaced.

Candidates for election are first reviewed by the Appointments and Compensation Committee (see sections below entitled «Committees of the Board – Shared Provisions» and «Appointments and Compensation Committee»).

Directors must be selected based on their ability, the diversity of their experience, their desire to help develop the Group, as well as the contribution they can make to the Board of Directors' efforts.

If, from one General Shareholders' Meeting to the next, one or more seats on the Board becomes vacant due to the death or resignation, the Board of Directors may elect temporary directors. Such appointments shall be subject to the shareholders' approval at the next General Shareholders' Meeting. A director appointed to replace an outgoing director stays in office for the remainder of his/her predecessor's term.

No person over the age of seventy (70) may be elected as director or permanent representative of a legal entity if such election would cause the number of directors and permanent representatives of legal entities over said age serving on the Board to grow to more than one third of all directors. Should this threshold be exceeded, the oldest director or permanent representative of a legal entity is considered as having resigned at the Ordinary Shareholders' Meeting held to approve the financial statements for the fiscal year in which the threshold was exceeded.

The Board of Directors seeks to apply the guiding principles of the AFEP-MEDEF Code to its composition and, in particular, to its gender mix and number of independent directors, in accordance with the terms and criteria suggested, in particular, in the AFEP-MEDEF Code.

The appointment of directors representing employees is carried out according to the terms and conditions set forth in the French Commercial Code and the Company's Articles of Association.

Article 2. Meetings and decisions of the Board of Directors

The Board of Directors meets as often as necessary to protect the interests of the Company and whenever it is deemed appropriate.

Meetings are summoned by the Chairman or in the Chairman's name by any person designated by him/her. If the Board has not met in more than two months, at least one third of the directors may ask the Chairman to summon a meeting to discuss a specific agenda. The Chief Executive Officer can also ask the Chairman to summon a Board meeting to discuss a specific agenda.

Meetings are held at the venue specified in the notice of meeting.

Directors may choose another director as their proxy to represent them at Board meetings. Said proxy can be granted by any means, insofar as there is a clear demonstration of the director's willingness to be represented. Each member can only be represented by one other member. However, a director attending the Board meeting via videoconference or telecommunication, under the conditions set out hereafter, may not act as a proxy for another director.

The above paragraph's provisions also apply to the permanent representatives of a legal entity.

A quorum of at least half the directors is required for the meeting to deliberate validly. Decisions are taken by majority vote of the directors present or represented. In the event of a tied vote, the Chairman of the meeting casts the deciding vote.

In accordance with legal and regulatory provisions, the Chairman of the Board may, on occasion, allow directors to participate in a meeting via videoconference or any other means of telecommunication, if so requested for valid reasons.

Said videoconference or means of telecommunication must, at least, transmit the participant's voice and meet the technical requirements to ensure identification of the director(s) in question to confirm their effective participation in the Board meeting through a continuous live broadcast. It must also be able to guarantee the confidentiality of the proceedings.

(1) *The AFEP-MEDEF Code is the corporate governance code of reference for publicly traded companies. It makes recommendations that promote transparency, responsibility, and oversight in corporate governance.*

As such, the videoconference tool must simultaneously transmit both image and voice and enable the person(s) attending the meeting via such means, as well as the persons physically present at the meeting, to recognize each other.

Telecommunication is the use of a telephone conference system that allows those persons physically present at the meeting and the person(s) attending via teleconference to recognize, beyond any doubt, the voice of each participant.

In case of doubt or poor reception, the Chairman of the meeting may decide to continue the meeting's proceedings without taking into account, in the calculation of the meeting's quorum and majority, a person whose voice can no longer be identified with sufficient security, provided the quorum is still met with the remaining directors present. The Chairman may also decide to remove said director's name of the meeting's attendance register if the videoconferencing or means of telecommunication experience a technical malfunction during the meeting and can no longer ensure the complete confidentiality of the proceedings.

If he/she decides to allow the use of videoconferencing or telecommunication, the Chairman of the Board must first ensure that all members invited to attend via one of these communication means are using the equipment necessary to take part in the meeting effectively and under the proper conditions.

In addition, the minutes of the meeting shall indicate the names of the director(s) attending the meeting via videoconferencing or telecommunication, and mention any technical disruption or incidents that occurred during the meeting.

Directors taking part in Board meetings via videoconferencing or telecommunication are deemed present for the purposes of calculating the quorum and majority, except for the approval of the annual financial statements, the consolidated financial statements, and the management report related thereto.

Furthermore, the Chairman may allow a director to take part in meetings via any other means of telecommunication. In this case, however, the director concerned shall not be deemed present for the purpose of calculating the quorum and majority.

The Board of Directors may also invite non-voting, non-members of the Board to attend its meetings, in a consultative capacity only, including via videoconferencing or telecommunication.

An attendance register is drawn up and signed by those directors attending the Board meeting.

By signing the attendance register, the Chairman of the meeting certifies the presence of the directors attending a meeting via videoconference or telecommunication.

Article 3. Board Meeting Minutes

Board resolutions are recorded in minutes signed by the Chairman of the meeting and at least one of the directors present. Minutes are approved at the next Board meeting and a draft copy is sent to all directors before said meeting.

The minutes shall indicate whether or not videoconference or means of telecommunication were used, and list those directors who participated by those means, and mention any technical incidents that may have occurred during the meeting.

The Chairman of the Board, the Chief Executive Officer, a Deputy Chief Executive Officer, the director temporarily acting as Chairman, the Secretary of the Board, or a duly empowered representative can validly certify copies or excerpts of meeting minutes.

Article 4. Compensation of the Board of Directors' Members

The Board of Directors can receive an aggregate amount of annual compensation, in the form of directors' fees, determined by shareholders at the General Shareholders' Meeting.

The total amount of directors' fees thus allocated by shareholders at the General Shareholders' Meeting pursuant to Article 22-I of the Articles of Association, is distributed by the Board of Directors, based on the proposal or recommendation of the Appointments and Compensation Committee, in accordance with the following terms and conditions:

- a fixed amount allocated to each director;
- a variable amount, which must be higher than the fixed amount, acquired based on effective attendance at Board meetings;
- any member of the Board of Directors can also receive additional directors' fees based on their specific experience or the specific tasks the Board assigns to him/her.

The Board of Directors sets, as the case may be, the amount of any other compensation payable to the Chairman and Vice-Chairman or Chairmen of the Board of Directors. It may also allocate exceptional compensation for special assignments or mandates entrusted to its members.

Members of the Board of Directors can be reimbursed for reasonable fees paid and expenses incurred while exercising their duties, insofar as they provide the corresponding receipts.

Each director, whether a natural person, legal entity or permanent representative, undertakes to hold a number of shares in the Company equivalent to the sum of at least one year's directors' fees, which can be used to buy shares. Shares acquired to meet this requirement must be held in registered form. These provisions do not apply to directors representing employees.

II. Authority and powers of the Board of Directors

Article 5. Duties and powers of the Board of Directors

Under the provisions of Article L. 225-35 of the French Commercial Code: *"The Board of Directors is responsible for determining the Company's strategic objectives and ensuring they are met.*

Save for those powers expressly granted to shareholders at the General Shareholders' Meeting, and provided it is consistent with its corporate purpose, the Board of Directors analyzes and decides on all matters related to the Company's business operations."

The Board of Directors also decides whether or not to combine the positions of Chairman of the Board and Chief Executive Officer. Where the positions are separate, the Chief Executive Officer must be a natural person, and need not be a director.

The Board of Directors exercises the powers vested in it by law and the Company's Articles of Association. To exercise these powers, it has the right to obtain and disclose information and can rely on the assistance of specialized Board Committees.

It ensures that shareholders and investors receive relevant, balanced, and educational information on the Company's strategy, development model, and the non-financial challenges it deems significant, as well as on its long-term prospects.

A - Powers vested in the Board of Directors

In particular, the Board of Directors reviews and approves the annual and interim financial statements of the Company and the Group, as well as the reports on the operations and results of the Company and its subsidiaries. It also approves budgets and forecasts. It deliberates annually on the Company's policy on professional and wage equality in the workplace.

It summons general shareholders' meetings and can, upon delegation, carry out securities issues.

B - Matters requiring the Board of Directors' prior authorization

In addition to the prior authorizations expressly required by law regarding securities, collateral, or guarantees in the name of the Company and the related-party agreements governed by Article L. 225-38 of the French Commercial Code, the Board of Directors has decided, as an internal rule, that its prior authorization must be obtained for certain management transactions due to their nature or value, as specified in the paragraph below entitled «Senior Management».

Accordingly, the Board's authorization is required for all transactions that could potentially affect the strategy of the Company and its subsidiaries, their financial structure or scope of business and, in particular, for the execution or termination of commercial agreements that could, potentially, significantly impact the Group's future development, or that individually exceed €500 million in value.

In this respect, the Board has also granted certain annual general delegations of authority, described in the paragraph below entitled «Senior Management».

Article 6. Right to obtain and disclose information

The Board of Directors carries out all the verifications and controls it deems necessary and at the times it deems appropriate. The Chairman or Chief Executive Officer is responsible for providing all directors with the documents and information they need to perform their duties.

Prior to each Board meeting, members of the Board of Directors receive all the information they require to study the items on the agenda before they are discussed at the meeting, provided such information is available and comprehensive enough.

The Board is kept regularly informed and can, at any time, review the evolution of the Group's business and results, its key risks, its financial position, its cash position, as well as any significant Company events and transactions. The Chief Executive Officer reports to the Board of Directors on the following at least once every quarter:

- operations of the Company and its main subsidiaries including, in particular, revenues and change in income;
- debt and the credit lines available to the Company and its main subsidiaries;
- headcount data for the Company and its main subsidiaries.

The Board of Directors also reviews the Group's off-balance sheet commitments once every six months.

Board members also receive information on changes in the market, the competitive environment, and key challenges, including information relative to the Company's corporate social responsibility.

Directors can request meetings with the Group's key executives, including in the absence of executive corporate officers, provided the latter received prior notification of said meetings.

Between Board meetings, directors are addressed all important information concerning the Company and, in particular, any document sent by the Company to its shareholders.

Article 7. Chairman of the Board of Directors

The Chairman of the Board organises and chairs Board meetings and reports to shareholders on the Board's work at the General Shareholders' Meeting. He/she is responsible for ensuring that the Company's corporate bodies function correctly and, in particular, that directors are able to perform their duties successfully.

In a report attached to the Annual Management Report, the Chairman discloses the composition, the conditions under which the Board's work is prepared and organised, as well as the internal control and risk management procedures implemented by the Company, particularly regarding procedures for the preparation and processing of accounting and financial information in the Company's annual and consolidated financial statements. This report also indicates any restrictions placed by the Board of Directors on the Chief Executive Officer's powers.

The report also indicates any AFEP-MEDEF Code provisions, which the Company uses as its corporate governance reference, that are not retained and the reasons why. It indicates where a copy of the Code may be obtained.

The report also describes any special conditions applicable to shareholder participation in General Shareholders' Meetings or references the specific sections in the Articles of Association where such conditions can be found.

The report sets out the principles and rules established by the Board of Directors to determine the compensation and benefits to be granted to corporate officers, and specifies the information disclosed pursuant to the terms of Article L. 225-100-3 of the French Commercial Code. The report, approved by the Board of Directors, is released to the public.

The Chairman is elected for a period that cannot exceed his/her term of office as Director. If, while in office, the Chairman reaches the age limit specified in the Articles of Association, he/she remains in office until the end of his/her current term.

In the event that the Chairman is temporarily unavailable or deceased, the Board of Directors may appoint another director as acting Chairman. In the event that he/she is temporarily unavailable, the acting Chairman is appointed for a set period, which may be renewed. In the case of death, the acting Chairman is appointed until such time as a new Chairman is elected.

Article 8. Senior Management

Pursuant to the terms of Article L. 225-56 of the French Commercial Code, the Chief Executive Officer has full powers to act in all circumstances in the name of the Company. He/she exercises said powers within the scope of the Company's corporate purpose, subject to the powers specifically vested, by law, in the General Shareholders' Meeting and the Board of Directors. The Chief Executive Officer represents the Company in its dealings with third parties.

However, the Board of Directors has decided, as an internal rule, that the Chief Executive Officer must obtain the Board's prior authorization for the following:

- transactions that could potentially affect the strategy of the Company and its controlled subsidiaries, their financial structure or scope of business, particularly the execution or termination of industrial and commercial agreements that could significantly impact the Group's future development;
- transactions valued individually at over five hundred million Euros (€500,000,000), including but not limited to:
  - investments in securities and immediate or deferred investments in any company or business venture,
  - contributions or exchanges of assets, with or without additional compensation, concerning goods, rights, or securities,
  - acquisitions of real property or real property rights,
  - purchases or sales of receivables, acquisitions or divestments of goodwill or other intangible assets,
  - issues of securities by directly or indirectly controlled companies,
  - granting or obtaining loans, borrowings, credit facilities or short-term advances,
  - transactions or compromises to settle legal disputes,
  - disposals of real property or real property rights,
  - full or partial divestments of equity interests,
  - constitution of collateral and guarantees.

As an exception to the above rules, the Chief Executive Officer may, on an exceptional basis and after obtaining the opinion of the Audit Committee, carry out any transaction valued at no more than 15% of consolidated equity as measured at the previous year-end. The Chief Executive Officer reports on any such transaction at the next Board meeting.

These provisions apply to transactions carried out directly by the Company and by all entities the Company directly or indirectly controls, except for intragroup transactions.

The Board of Directors may also grant the Chief Executive Officer authority to carry out the following transactions, up to a maximum aggregate limit set on an annual basis by the Board of Directors:

- Securities, collateral, and guarantees

  The Chief Executive Officer may issue securities, collateral, or guarantees to third parties in the Company's name, subject to a maximum annual limit of €1.5 billion and a maximum limit per commitment of €500 million.

- Loans, confirmed credit lines, short term advance facilities be consistent select on translation and all financing agreements

  The Chief Executive Officer may negotiate and/or renew or extend loans, confirmed credit lines and all syndicated and non-syndicated financing agreements subject to a maximum annual limit of €3.5 billion and a maximum limit per transaction of €500 million.

  To cover seasonal needs, he/she may also negotiate, implement, roll over and extend short-term advances up to a maximum amount of €1 billion.

- Issuance of bonds and other debt securities

  The Chief Executive Officer may issue bonds or any debt securities other than commercial paper, under the EMTN program or otherwise, subject to a ceiling of €3.5 billion, determine the terms and conditions of any such issue and carry out all related market transactions.

  He/she may also issue commercial paper subject to a ceiling of €2 billion.

- Guarantees given by Casino concerning all of Casino Finance's commitments

  The Chief Executive Officer may guarantee the commitments made by Casino Finance in the name of Casino, Guichard-Perrachon and third parties, by any means (securities, collateral, and guarantees, including first demand guarantees):

  - bond issues, including those as part of a Euro Medium Term Note (EMTN) programme currently subject to a maximum size of €9 billion, and/or commercial paper, and/or debt securities, as well loan, confirmed credit line, financing and short term advance facility agreements, within the limit of the same specific ceilings per transaction and per year as fixed above for annual authorizations of the aforementioned items;
  - amounts due in respect of foreign exchange transactions and derivative instruments associated with an ISDA or FBF Master Agreement entered into by Casino Finance, subject to a ceiling of €100 million per bank and within the limit of a total of €1.2 billion.

  This authorization is separate from the specific annual authorizations granted above and its use is not included in the per transaction and per year ceilings set for such authorizations.

The Chief Executive Officer may delegate all or some of these powers, except the power to issue bonds or other debt securities. He/she is required to report regularly to the Board of Directors on their use.

These authorizations apply to transactions involving the Company and all entities controlled directly or indirectly by the Company.

The Chief Executive Officer's term of office is set by the Board of Directors at its discretion, but may not exceed three years. If, while in office, the Chief Executive Officer reaches the age limit specified in the Articles of Association, he/she remains in office until the end of his/her current term.

In the event that the Chief Executive Officer is temporarily unavailable, the Board of Directors shall appoint an acting Chief Executive Officer until such time as the Chief Executive Officer is able to resume exercising his/her duties.

Based on the Chief Executive Officer's proposal, the Board of Directors may appoint one or more natural persons in charge of assisting the Chief Executive Officer. Such natural persons are assigned the title of Deputy Chief Executive Officer.

The Board of Directors cannot appoint more than five Deputy Chief Executive Officers.

In agreement with the Chief Executive Officer, the Board of Directors determines the scope and duration of the powers to be vested in the Deputy Chief Executive Officers. They have the same powers as the Chief Executive Officer in dealings with third parties.

The Chairman, provided he/she is also Chief Executive Officer, the Chief Executive Officer, or each of the Deputy Chief Executive Officers may delegate their powers to carry out one or several specific transactions or categories of transaction.

III. Committees

Article 9. Technical Committees of the Board – Shared Provisions

Under the terms of Article 19-III of the Company's Articles of Association, the Board of Directors may establish one or more specialized committees. It is responsible for appointing said committees' members and specifying their respective roles and responsibilities, which said members exercise under its authority. The Board of Directors may not delegate any powers to these Committees that are specifically vested in the Board of Directors either by law or under the Company's Articles of Association. Each committee reports on its work at the next Board meeting.

Each Committee has at least three members, who must be directors, permanent representatives of legal entities or non-voting directors, appointed by the Board. Members are appointed on an entirely personal basis and may not be represented by proxy.

The Board of Directors sets the terms of office of Committee members. Said terms of office can be renewed.

The Board of Directors appoints a Chairman within each Committee for a term of office not to exceed three years, save for any special circumstances.

Each Committee decides how often it will meet and may invite anyone it deems appropriate to attend meetings.

Minutes are prepared after each Committee meeting, unless specifically provided otherwise, under the authority of the Committee Chairman. Such minutes are sent to all Committee members. Once approved by the Committee, they are also available to all Board members. The Committee Chairman reports to the Board of Directors on the Committee's work.

The work carried out by each Committee is described in the Company's annual report and is further detailed in the Chairman's report.

The Committees are responsible for making proposals or recommendations and giving their opinion in their specific area of expertise. To this end, they may conduct or commission any research or studies likely to assist the Board of Directors in its decisions.

Committee members are paid specific fees allocated by the Board of Directors based on the recommendation of the Appointments and Compensation Committee.

The Board of Directors currently relies on three committees for assistance: the Audit Committee, the Appointments and Compensation Committee, and the Governance Committee.

Each Committee has its own organisational and operational charter, which is approved by the Board of Directors.

Article 10. Audit Committee

10.1. Composition – Organisation

The Audit Committee has at least three members, two-thirds of whom are independent within the meaning of the criteria set out in the AFEPMEDEF Code. The members are appointed by the Board of Directors from among those members with finance and management experience. Company executives may not be members of the Committee.

The Audit Committee meets at least three times a year at the initiative of its Chairman, who may also arrange any additional meetings as required. If a member of the Audit Commitment is unable to physically attend a meeting, he/she may participate via any means of telecommunication. The Chairman or any delegated member of the Committee draws up an agenda and sends it to each Committee member before the meeting.

The Audit Committee may meet with any person involved in the operational management of the Company and its subsidiaries and, in particular, when members of senior management are not present. It may call upon any outside consultant or expert it deems appropriate to assist in its duties. The Audit Committee may also organise, as often as needed, specific meetings with the Statutory Auditors and executives of the Company and its subsidiaries.

The Committee reports to the Board of Directors on its work, research and recommendations. The Board of Directors has absolute discretion to decide whether or not to act on such recommendations.

The Audit Committee has a charter, approved by the Board of Directors, describing its organisation, functioning, expertise and responsibilities.

10.2. Role and duties of the Audit Committee

In accordance with the provisions of Article L. 823-19 of the French Commercial Code and under the responsibility of the Board of Directors, the Audit Committee is in charge of monitoring issues that relate to the preparation and auditing of accounting and financial information. Company executives may not be members of the Audit Committee.

10.2.1. Review the accounts and the financial statements

The Audit Committee is responsible for assisting the Board of Directors in its mission of reviewing and approving the annual and interim financial statements.

As part of its monitoring of the process by which accounting and financial information is prepared, the Audit Committee reviews the Company and the Group's annual and interim financial statements, together with the accompanying reports, before they are approved by the Board of Directors. The Committee ensures that the financial statements are consistent with any other information available to it and assesses the appropriateness of the accounting policies used and their compliance with applicable accounting standards.

In the context of its monitoring of the preparation of financial information, it provides recommendations, as the case may be, to guarantee such information's integrity.

The Committee reviews the procedures for approving the financial statements and the nature, scope and outcome of the work undertaken by the Statutory Auditors for the Company and its subsidiaries.

As part of this process, the Audit Committee holds discussions with the Statutory Auditors, including, if it so wishes, in the absence of the Company's representatives, and reviews their audit reports and conclusions.

10.2.2. Statutory Auditors

The Audit Committee organises the process of selecting Statutory Auditors and receives information on the selection process implemented by the Group's subsidiaries. As such, the Committee reviews and provides its recommendation on the candidates to be presented for appointment or renewal by the General Shareholders' Meeting, which is sent to the Board of Directors and prepared in accordance with applicable regulations.

The Audit Committee ensures that the Statutory Auditors, with which it liaises on a regular basis, comply with the independence conditions defined under applicable regulations. In particular, it reviews the scope of relations between the Statutory Auditors and the Company and its subsidiaries and provides an opinion on their fees.

The Audit Committee approves outsourced services other than the certification of the financial statements, which can be provided by the Statutory Auditors or members or their network in accordance with applicable regulations. It defines the approval process in compliance with the conditions set forth by the relevant authorities, as the case may be.

It monitors the progress of the Statutory Auditors' assignment.

The Audit Committee keeps the Board of Directors regularly informed of the results of the financial statements certification assignment, the way in which this assignment contributed to improving the soundness of the financial information, and the role the Committee played throughout this process.

10.2.3. Monitoring of the effectiveness of internal control and risk management systems

The Audit Committee monitors the effectiveness of the internal control and risk management systems, as well as the effectiveness of internal auditing, if applicable, regarding procedures applicable to the preparation and processing accounting and financial information, while ensuring that its independence is not called into question.

The Audit Committee periodically reviews the internal control systems, and more generally the audit, accounting and management procedures of the Company and the Group, through discussions with the Chief Executive Officer, internal audit teams, and the Statutory Auditors.

The Committee also deals with any facts or events that may have a significant impact on the position of Casino, Guichard-Perrachon or its subsidiaries in terms of commitments and/or risks. It ensures that the Company and its subsidiaries have the internal audit, accounting and legal teams necessary to prevent risks and any anomalies in the management of the Group's business.

10.2.4. Prior review of related-party agreements

The Board of Directors of Casino, Guichard-Perrachon has introduced a specific internal procedure that calls for the Audit Committee's prior review of agreements and transactions between Casino, Guichard-Perrachon or any of its wholly-owned subsidiaries ("Subsidiary")[1] on the one hand, and a related-party on the other. The procedure is triggered whenever the maximum individual or aggregate amount of such agreements and/or transactions exceeds (i) €10 million per transaction and, beyond the aggregate €10 million threshold, (ii) in €1 million increments for all further transactions with the same related party during the fiscal year.

Related parties include:

(i) any company that is exclusively or jointly controlled, whether directly or indirectly, excluding Subsidiaries;

(ii) any company accounted for by the equity method in the consolidated financial statements;

(iii) any company that directly or indirectly controls Casino, Guichard-Perrachon.

However, the procedure does not apply to related-party agreements and transactions that concern, in particular, routine flows in the normal course of the Group's business (for example, purchases/sales of goods, leasing of commercial space and franchise or affiliation agreements) or the issue of a guarantee or a payment for a guarantee unless the remuneration is not compliant with standard operating procedure within the Group.

The procedure for the prior review of related-party agreements is governed by a specific charter that was prepared by the Audit Committee and approved by the Board of Directors.

The Committee also expresses its opinion on exceptions to the restrictions on the Chief Executive Officer's powers, as applicable, under exceptional circumstances, under the terms of Article 8 of the Board of Directors' Internal Rules. If an exception is granted, the Chief Executive Officer may, after the Audit Committee has rendered its opinion, carry out any transaction in an amount not to exceed 15% of consolidated equity as assessed at the previous year-end.

The Audit Committee may fulfill any other duties associated with its role at the request of the Board of Directors.

Article 11. Appointments and Compensation Committee

11.1. Composition – Organisation

The Appointments and Compensation Committee has at least three members, the majority of whom are independent within the meaning of the criteria set out in the AFEP-MEDEF Code. The Committee's members are appointed by the Board of Directors. Company executives may not be members of the Appointments and Compensation Committee. Nevertheless, the Chairman of the Board of Directors participates in the process of selecting new directors.

The Appointments and Compensation Committee meets at least twice a year at the initiative of its Chairman, who may also arrange additional meetings as required. If a member of the Committee is unable to physically attend a meeting, he/she may participate via any means of telecommunication. The Chairman or any delegated member of the Committee draws up an agenda and sends it to each Committee member before the meeting.

In association with the Chief Executive Officer, the Appointments and Compensation Committee works closely with the Group's Human Resources department, particularly whenever the Committee is informed on the compensation policy applicable to key executives who are not corporate officers.

The Committee may call upon any outside consultant or expert it deems appropriate to assist in its duties.

The Appointments and Compensation Committee reports to the Board of Directors on its work, research and recommendations. The Board of Directors has absolute discretion to decide whether or not to act on such recommendations.

(1) «Subsidiary» refers to any company in which Casino, Guichard-Perrachon owns 100% of the shares, minus the minimum number of shareholders required for certain types of companies and the number of shares held by Group executives and employees within a 5% limit.

11.2. Role and duties of the Appointments and Compensation Committee

11.2.1. Compensation

The Committee is responsible for:

- preparing discussions concerning the compensation of the Chief Executive Officer and, where applicable, the Deputy Chief Executive Officers, and proposing qualitative and quantitative criteria for determining any variable component to said compensation;
- assessing all other benefits or entitlements granted to the Chief Executive Officer and, where applicable, the Deputy Chief Executive Officers;
- submitting proposals and formulating opinions on attendance fees and any other compensation or benefits to be paid to the directors and nonvoting directors;
- reviewing proposals for stock option plans and/or free share plans to be offered to the Group's employees and executives in order to enable the Board of Directors to set the total and/or individual number of options or free shares to be granted as well as the terms and conditions of said grant;
- reviewing the workplace gender equality policy in preparation for the Board's annual discussions (as provided for under the terms of Article L. 225-37-1 of the French Commercial Code).

11.2.2. Appointment duties

The Committee is responsible for:

- reviewing the composition of the Board of Directors;
- carrying out the process of selecting new directors or renewing the terms of current directors, and reviewing potential candidates based on the criteria and guidelines set by the Governance Committee;
- suggesting names of candidates to be appointed as members of the Board's specialized Committees;
- reviewing potential candidates' applications for the position of Chief Executive Officer and, where applicable, Deputy Chief Executive Officer;
- obtaining all useful information concerning recruitment terms and conditions, compensation and status of senior executives of the Company and its subsidiaries;
- periodically assessing the independence of directors based on the criteria retained in the AFEP-MEDEF Code;
- reviewing the talent development and succession plans;
- stating its opinion on the appointment of the Lead Director, who is selected from among the Governance Committee members, based on the Chairman and Chief Executive Officer's proposal.

11.2.3. Corporate Social Responsibility

The Committee reviews the annual report submitted to the Board of Directors and presented to the shareholders.

Article 12. Governance Committee

12.1. Composition – Organisation

The Governance Committee has at least three members appointed by the Board of Directors from among its members, and at least two-thirds of whom are independent within the meaning of the criteria set out in the AFEP-MEDEF Code. Company executives may not be members of the Governance Committee.

The Committee meets at least twice a year at the initiative of its Chairman, who may also arrange any additional meetings as required. If a member of the Committee is unable to physically attend a meeting, they can participate via any means of telecommunication. The Chairman or any delegated member of the Committee draws up an agenda and sends it to each Committee member before the meeting.

The Committee may call upon any outside consultant or expert it deems appropriate to assist in its duties.

The Governance Committee reports to the Board of Directors on its work, research and recommendations. The Board of Directors has absolute discretion to decide whether or not to act on such recommendations.

12.2. Role and duties of the Governance Committee

12.2.1. Corporate governance

The Committee is responsible for:

- preparing and updating the Internal Rules of Board of Directors and the charters of its specialized Committees, the charter on related-party agreements, and any other charter in effect;
- reviewing changes in corporate governance guidelines (particularly within the framework of the AFEP-MEDEF Code) and identifying emerging practices and significant developments in corporate governance-related regulations and/or practices, both in France and abroad;
- leading discussions and formulating recommendations for the Board of Directors on best practices in the area of corporate governance and, where applicable, on actions to be taken;
- monitoring the corporate governance-related practices implemented by the Group's subsidiaries and ensuring that they are consistent with those in effect within the Company. When necessary, the Committee makes recommendations;
- preparing information for the Board of Directors' review of corporate governance-related issues;
- annually reviewing the Chairman of the Board of Directors' draft report on corporate governance and making any comments before it is submitted to the Board of Directors for approval.

12.2.2. Directors' conduct

The Governance Committee is called upon to:

- handle ethical issues relating to the directors. It discusses ethical issues that the Board of Directors or the Chairman of the Board of Directors submit for review or that it independently chooses to to discuss.
- The Governance Committee ensures the implementation of a Directors' Code of Conduct and updates it when necessary;
- ensure compliance with and the proper application of ethical rules, particularly those contained in the Directors' Code of Conduct.

12.2.3. Assessment of the Board of Directors

Within the framework of corporate governance principles, the Governance Committee is responsible for determining the terms and conditions of and conducting the assessment of the Board of Directors' organisation and functioning.

12.2.4. Composition of the Board of Directors and Committees of the Board

The Governance Committee periodically reviews the structure, size and membership of the Board of Directors and the Committees of the Board, and informs the Board of its recommendations regarding any proposed changes.

12.2.5. Corporate Social Responsibility (CSR)

The Governance Committee regularly reviews the Group's Corporate Social Responsibility (CSR) policy and may express any opinion or recommendation on the subject to the Board of Directors.

The Governance Committee fulfils these duties in liaison with the Appointments and Compensation Committee, which is called upon to review the annual CSR report submitted to the Board and presented to the shareholders.

12.2.6. Management of conflicts of interest

The Governance Committee may examine any exceptional issue that may trigger a conflict of interest within the Board of Directors and shares any opinion or recommendation it may have on the matter.

IV. Lead Director

Article 13. Lead Director

The Lead Director is appointed from among the independent members of the Governance Committee on the proposal of the Chairman and Chief Executive Officer and upon review by the Appointments and Compensation Committee.

The Lead Director ensures that combining the roles of Chairman and Chief Executive Officer does not have an adverse impact on the Board's functioning, such as information provided to directors, the inclusion of items on the agenda of Board meetings and the organisation of Board discussions and votes.

The Lead Director may, if necessary, consult with the Governance Committee at any time about any potentially problematic issues.

The Lead Director can attend Committee meetings of which he/she is not a member, and has access to their work and any information made available to their members.

Each year, the Lead Director presents a report to the Governance Committee on the conditions under which the respective roles of Chairman of the Board and Chief Executive Officer are exercised.

The Secretariat of the Board of Directors is available to assist the Lead Director in exercising his/her duties.

V. Non-voting directors

Article 14. Non-voting directors

The Ordinary Shareholders' Meeting may appoint non-voting directors, either natural persons or legal entities, from among the shareholders. The Board of Directors may elect a non-voting director subject to ratification at the next General Shareholders' Meeting.

The number of non-voting directors may not exceed five. They are elected for a term of three years and may be re-elected.

A non-voting director reaching the age of 80 while in office is required to stand down at the Ordinary Shareholders' Meeting held to approve the financial statements for the year in which this age limit was reached.

Non-voting directors attend Board meetings and participate in discussions in a consultative capacity only.

They may receive compensation, the total aggregate amount of which is determined by the Ordinary Shareholders' Meeting. This amount is maintained until a change is decided at a future shareholders' meeting. The Board of Directors allocates this compensation to the non-voting directors at its own discretion.

VI. Directors' Code of Conduct

Article 15. Principles

The Company's directors must be able to exercise their duties in compliance with the rules of independence, business ethics and integrity.

In line with good corporate governance practices, directors exercise their duties in good faith in the manner they consider most appropriate to promote the interests of the Company and with the care that would be expected of a normally prudent person under such circumstances.

The directors undertake to maintain their freedom of analysis, judgement, decision and action at all times, and to withstand any direct or indirect pressure that may be exerted on them.

Article 16. Duty of information

Before accepting office, directors must review the laws and regulatory requirements applicable to their position, the applicable Codes and proper corporate governance practices, as well as any provisions specific to the Company and specified in its Articles of Association and in these Internal Rules.

Directors must request the information they deem necessary for the successful completion of their assignment. To this end, they must request from the Chairman, within the appropriate time frame, all information necessary to ensure their informed participation in the discussions on the matters featured on the Board meeting's agenda.

If he/she deems it necessary, each Director can receive additional training to become better acquainted with the Group's specificities, its activities and business sectors, and with its accounting and financial characteristics. Directors representing employees receive training adapted to the exercise of their mandate.

Article 17. Protection of the Company's interests – Conflicts of interest

Even though he/she is a shareholder, each director acts as a representative for all shareholders and must act in all circumstances in the Company's corporate interests.

Each director must remain loyal to the Company. He/she shall take no action that could adversely affect the interests of the Company or the Group's companies.

Each director undertakes to ensure that the Company's decisions do not favor one particular class of shareholder over another.

Each director must alert the Board regarding any actual or potential conflict of interest in which they might be directly or indirectly involved. In this case, he/she must abstain from voting on the matters in question.

Each director must consult with the Chairman prior to undertaking any assignment or accepting any function or duties that could, even potentially, result in a conflict of interests for the director in question. The Chairman can consult with the Governance Committee or the Board of Directors regarding such matters.

Article 18. Control and assessment of the Board of Directors' functioning

Directors must pay careful attention to the powers and responsibilities respectively assigned to the Company's corporate bodies, as well as their exercise by said corporate bodies.

They must ensure that no person can exercise uncontrolled discretionary power over the Company, and that the Committees of the Board of Directors function effectively.

The Board of Directors discusses its functioning once per year.

The Board of Directors also routinely conducts an assessment of its own functioning. The Chairman of the Board of Directors calls upon the Governance Committee to conduct such assessment.

Independent directors meet at least once per year to discuss any matter in the absence of the Chairman of the Board of Directors and members of senior management. These meetings are chaired by the Lead Director.

Article 19. Presence of directors – Combination of multiple offices

Each director must comply with legal provisions in force governing the combination of multiple offices, as well as with the AFEP-MEDEF Code's recommendations.

Each director must disclose to the Company any and all offices he/she holds in other French or foreign companies. He/she informs the Company as soon as possible regarding any new office or professional function he/she accepts. Additionally, whenever he/she exercises executive duties for the Company, he/she must receive the Board of Directors' favorable opinion prior to accepting a new corporate office in a publicly traded company external to the Group.

Each director must devote the appropriate amount of time and attention to their duties. They must make every effort to attend all Board meetings, General Shareholders' Meetings, and the meetings of any Committees on which they serve.

Article 20. Confidentiality

Directors, and any other persons attending the Board of Directors' meetings, are subject to a general confidentiality requirement with regard to the deliberations of both the Board and its Committees.

Non-public information shared with a member of the Board of Directors in the context of his/her duties is shared on a strictly personal basis. He/she must personally protect the confidentiality of such information and must not disclosed it under any circumstances. This requirement also applies to representatives of legal entities serving on the Board, as well as to non-voting directors.

Article 21. Shareholding – Dealing in the Company's shares

All of the Company shares held by a director, his/her children (provided they are both minors and dependents), or his/her spouse (provided they are not separated), must be registered shares. Directors must also inform the Company regarding the number of Company securities they hold as of December 31 of every year and at the time of any financial transactions, or at any time at the Company's request.

Every member of the Board of Directors undertakes to comply with the provisions of the Insider Trading Policy he/she received, relative to securities transactions and to preventing the use of inside information, and with any applicable legal or regulatory provision.

In particular, pursuant to the terms of Article 19 of Regulation (EU) No. 589/2014 of 16 April 2014 on Market Abuse and of Article L. 621-18-2 of the French Monetary and Financial Code *(Code monétaire et financier)*, each Director is required to inform the AMF and the Company regarding the transactions he/she carried out involving the Company's financial instruments, under the conditions set forth in the Insider Trading Policy. This requirement also applies to persons closely related to the members of the Board of Directors. Directors must notify persons closely related to them regarding their reporting obligations and provide the Company with a regularly updated list of such persons.

Voting and non-voting directors should note that they are likely to be exposed to inside information and that they must, prior to undertaking any transaction dealing in companies' financial instruments, ensure they are not in violation of any insider trading provisions.

Therefore, as specified in the Insider Trading Policy, in the event that they hold inside information, directors are required, in particular, to refrain from completing, either directly or indirectly, or via an intermediary, any transaction dealing in the financial instruments to which this inside information relates, or in the instruments to which these financial instruments are related, or from sharing this information with third parties until it is effectively released to the public.

In addition, each director must also refrain from completing any transaction on his/her own behalf or on behalf of a third party, either directly or indirectly, that involves the financial instruments of the Company, during the 30 days preceding the publication date of the Company's annual and interim financial statements, and the 15 days preceding the publication date of the Company's quarterly revenue. This restriction also applies on the publication dates of said annual and interim financial statements and quaterly revenue.

VII. Adoption of the Board of Directors' internal rules

These Internal Rules were approved by the Board of Directors at its meeting dated 9 December 2003. Its most recent update was approved on 6 March, 2017.

11.5. STORE NETWORK

	Number of stores at 31 December			Sales area *(in thousands of sq.m.)*		
	2014	2015	**2016**	2014	2015	**2016**
Géant Casino hypermarkets	127	128	129	925	926	916
o/w						
French affiliates	7	7	7			
International affiliates	10	11	12			
Casino supermarkets	444	441	447	712	722	733
o/w						
French franchised affiliates	63	60	83			
International franchised affiliates	32	33	33			
Monoprix	632	698	745	716	698	711
o/w						
Franchises/affiliates	186	197	196			
Naturalia	90	126	141			
Naturalia franchises	2	3	5			
Franprix	860	867	858	371	364	356
o/w franchises	323	350	392			
Leader Price	801	810	796	648	661	664
o/w franchises	207	263	383			
Total supermarkets and discount	**2,737**	**2,816**	**2,846**	**2,447**	**2,445**	**2,464**
Convenience	6,825	6,916	6,065	858	866	783
Other businesses (Cafeterias, Drive, etc.)	598	621	630	NA	NA	NA
Indian Ocean	129	146	185	112	114	115
TOTAL FRANCE	**10,416**	**10,627**	**9,855**	**4,345**	**4,350**	**4,280**
Argentina	27	27	27	115	112	109
Libertad hypermarkets	15	15	15	113	111	107
Mini Libertad mini-supermarkets	12	12	12	2	2	2
Uruguay	54	65	79	80	83	85
Géant hypermarkets	2	2	2	16	16	16
Disco supermarkets	28	29	29	31	32	31
Devoto supermarkets	24	24	24	33	33	33
Devoto Express mini-supermarkets		10	24		2	4
Brazil	1,106	1,167	1,135	1,752	1,804	1,814
Extra hypermarkets	137	137	134	812	803	789
Pão de Açúcar supermarkets	181	185	185	233	237	237
Extra supermarkets	207	199	194	237	228	222
Assaí (discount)	84	95	107	317	373	421
Mini Mercado Extra mini-supermarkets	256	311	284	62	79	71
Drugstores	158	157	155	11	12	11
+ Service stations	83	83	76	81	73	62
Colombia	1,258	1,668	1,873	889	970	1,011
Éxito hypermarkets	82	85	86	460	472	475
Éxito and Carulla supermarkets	153	163	166	205	212	214
Super Inter supermarkets	46	58	67	54	58	61
Surtimax (discount)	874	1,248	1,445	151	206	240
o/w Aliados	*721*	*1,095*	*1,307*			
Éxito Express and Carulla Express	102	113	109	18	21	20
Other businesses	1	1	0	1	1	0
TOTAL INTERNATIONAL	**2,445**	**2,927**	**3,114**	**2,836**	**2,970**	**3,019**

11.6. PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT AND ANNUAL FINANCIAL REPORT

Person responsible for the Registration Document

Jean-Charles Naouri, Chairman and Chief Executive Officer

Statement by the person responsible for the Registration Document and annual financial report

"I hereby declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I hereby declare that, to the best of my knowledge and belief, the financial statements have been prepared in accordance with the applicable accounting standards and present accurately in all material respects the assets and liabilities, financial position and results of the Company and the consolidated group. I also declare that the information contained in the management report appearing on page 16 onwards gives a true and fair view of trends in the business operations, results and financial position of the Company and the consolidated group, as well as a description of the main risks and uncertainties facing those companies.

I obtained a statement from the Statutory Auditors at the end of their engagement affirming that they had read the whole of the Registration Document and examined the information about the financial position and the accounts contained therein."

6 April 2017

Jean-Charles Naouri
Chairman and Chief Executive Officer

11.7. DOCUMENTS INCORPORATED BY REFERENCE

In application of Article 28 of European Commission regulation No. 809/2004/EC, the following information is incorporated by reference in this Registration Document:

- for the year ended 31 December 2015:

  the management report, the consolidated financial statements, the parent company financial statements of the Company and the accompanying Statutory Auditors' reports are presented in the 2015 Registration Document, which was filed with *Autorité des Marchés Financiers* on 19 April 2016 under No. D.16-0367, on pages 2 to 31, 35 to 120, 123 to 146, 34, 122, and 147 to 149.

- for the year ended 31 December 2014:

  the management report, the consolidated financial statements, the parent company financial statements of the Company and the accompanying Statutory Auditors' reports are presented in the 2014 Registration Document, which was filed with *Autorité des Marchés Financiers* on 16 April 2015 under No. D.15-0355, on pages 2 to 26, 29 to 117, 121 to 144, 28, 120, and 145 to 147.

Other information contained in the Registration Documents for 2015 and 2014 has, where applicable, been replaced by or updated with the information contained in this Registration Document. The Registration Documents for 2015 and 2014 are available at the Company's registered office and online at www.groupe-casino.fr.

11.8. EUROPEAN REGULATION NO. 809/2004 OF 29 APRIL 2004 – CROSS-REFERENCE TABLE

To facilitate consultation of this Registration Document, the table below indicates the page references corresponding to the main headings required under Annex 1 of European Commission Regulation No. 809/2004/EC of 29 April 2004.

11.9. ANNUAL FINANCIAL REPORT – CROSS-REFERENCE TABLE

To facilitate consultation of this Registration Document, the table below indicates the page references corresponding to the information contained in the annual financial report which listed companies are required to publish in accordance with Articles L. 451-1-2 of the French Monetary and Financial Code and Article 222-3 of the General Regulations of the *Autorité des Marchés Financiers*.

11.10. BOARD OF DIRECTORS' MANAGEMENT REPORT – CROSS-REFERENCE TABLE

To facilitate consultation of this Registration Document, the table below indicates the page references corresponding to the information comprising the Board of Directors' management report as required by Articles L. 225-100 *et seq.* of the French Commercial Code.

11.11. CHAIRMAN'S REPORT – CROSS-REFERENCE TABLE

To facilitate consultation of this Registration Document, the table below indicates the page references corresponding to the information comprising the Chairman's report as required by Article L. 225-37 of the French Commercial Code.

11.12. CSR INFORMATION – CROSS-REFERENCE TABLE

To facilitate consultation of this Registration Document, the table below indicates the page references corresponding to the information comprising the CSR report as required by Articles L. 225-102-1 *et seq.* of the French Commercial Code.

HUMAN RESOURCES INFORMATION

ENVIRONMENTAL INFORMATION

Financial Communication and Investor Relations

Régine Gaggioli
Phone: +33 (0)1 53 65 64 17
rgaggioli@groupe-casino.fr

or

Phone: +33 (0)1 53 65 64 18
IR_casino@groupe-casino.fr

Shareholder Relations

Toll-free number: 0 800 16 18 20 (calls made from France only)
E-mail: actionnaires@groupe-casino.fr

To convert bearer shares to registered shares, contact:

BNP Paribas Securities Services – GCT

Shareholder Relations
Grands Moulins de Pantin
9, rue du Débarcadère
93761 Pantin Cedex, France
Phone: +33 (0)1 40 14 31 00

Casino, Guichard-Perrachon

Société anonyme with share capital of €169,825,403.88

Registered office

1, cours Antoine Guichard
CS 50306
F-42008 Saint-Étienne Cedex 1, France
Phone: +33 (0)4 77 45 31 31
Fax: +33 (0)4 77 45 38 38
The Company is registered in Saint-Étienne
under no. 554 501 171 RCS.

Paris office

148, rue de l'Université
75007 Paris, France
Phone: +33 (0)1 53 65 64 00

www.groupe-casino.fr/en/

Published by: Groupe Casino
Design and creation: Sequoia
Printed by: Deja Link
This document is printed on Multiart Silk PEFC-certified paper.

GROUPE Casino

NOURRIR UN MONDE DE DIVERSITÉ

GROUPE CASINO
1, cours Antoine Guichard, CS 50306 – F – 42008 Saint-Étienne Cedex 1, France
Phone: +33 (0)4 77 45 31 31 – Fax: +33 (0)4 77 45 38 38

groupe-casino.fr @Groupe_Casino