Registration Document

2014




GROUPE Casino

NOURRIR UN MONDE DE DIVERSITÉ

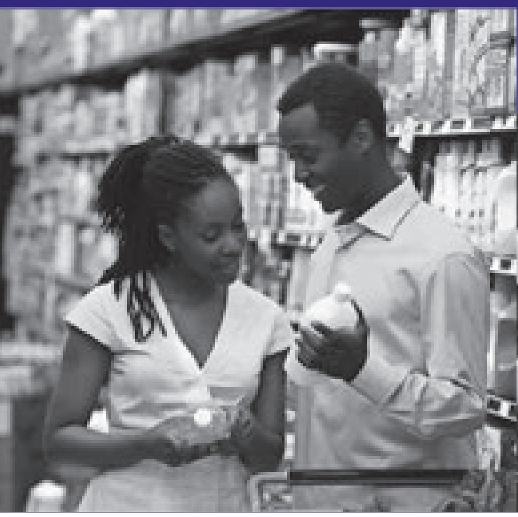
Summary

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

The original French version of this translated Registration Document was filed with the Autorité des Marchés Financiers (AMF) on April 16, 2015 under number D. 15-0355, 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 issue and its signatories assume responsibility for it.

Chapter 1

Presentation of the Casino Group



1.1. FINANCIAL HIGHLIGHTS

CONTINUING OPERATIONS

(€ millions)	2014	2013	2012	2014/2013 Change	2014/2013 Organic change
Net sales	48,493	48,645	41,971	-0.3%	+4.7%
EBITDA[1]	3,191	3,337	2,853	-4.4%	+4.1%
Trading profit (loss)	2,231	2,363	2,002	-5.6%	+5.6%
Profit (loss) from continuing operations attributable to owners of the parent	253	853	1,065	-70.3%	
Profit (loss) from discontinued operations attributable to owners of the parent	(2)	(2)	(2)		
Consolidated profit (loss) attributable to owners of the parent	251	851	1,062	-70.5%	
Underlying profit (loss)[2] attributable to owners of the parent	556	618	564		

(1) EBITDA = Trading profit (loss) + current net depreciation and amortisation expense.
(2) Underlying profit (loss) corresponds to profit (loss) from continuing operations adjusted for the impact of other operating income and expenses, non-recurring financial items and non-recurring income tax expense/benefits (see Section 2.1.4.).

CAPITAL EXPENDITURES

(€ millions)	2014	2013	2012
Capital expenditures	1,563	1,633	1,406
France	753	550	602
International	810	1,083	804
As a % of net sales	*3.2%*	*3.4%*	*3.3%*

DEBT AND EQUITY

(€ millions)	2014	2013	2012
Equity (before appropriation)	15,608	15,426	15,201
Net debt	5,822	5,416	5,451
Net debt to EBITDA ratio	1.8 x	1.62 x	1.91 x

1.2. SIGNIFICANT EVENTS OF THE YEAR

- **On 15 January 2014,** the Group announced the launch of three new Cdiscount sites in Thailand, Vietnam and Colombia. They complement existing sites at its international subsidiaries and ultimately will enable Casino to build a strong position in markets where e-commerce is just starting to grow.
- **On 10 February 2014,** Éxito, a Casino subsidiary, announced the signing of a contract to purchase and manage the 50 stores of the Colombian chain Super Inter. Éxito bought 19 stores in 2014 and signed a management lease agreement for the 31 remaining stores, for which it has a purchase option exercisable in 2015.

Super Inter is an independent chain located in the Cali and the Coffee regions. This transaction consolidates Éxito's position as the leading retail group in Colombia. It also further accelerates Éxito's development in the high-growth discount format through an additional banner that complements Surtimax.

The deal was financed in cash by Éxito and will have a positive impact on profit as from the first year. The transaction received the approval of the Colombian competition authority in September 2014 (subject to the sale of four stores to a competitor).

- **On 28 February 2014,** Casino announced the success of its bond tender offer launched on 21 February 2014, which allowed the Company to redeem €214 million of bonds maturing in April 2016 and €336 million maturing in February 2017. This redemption, together with the new €900 million 10-year bond issue launched on 21 February 2014, extends the average maturity of Casino's bond debt from 4.8 years as at the end of December 2013 to 5.4 years as at the date of the transaction.
- **On 28 February 2014,** Casino also announced the signing of a €1.2 billion five-year confirmed credit facility with a group of 18 banks. This transaction strengthens the Group's liquidity and extends the average maturity of Casino's confirmed credit lines from 2.6 years as at the end of December 2013 to 4.3 years as at the date of the transaction.
- **On 4 April 2014,** Casino acquired 8,907,123 preference shares of GPA after exercising a call option purchased in July 2012. After completion of this deal, Casino's interest in GPA rose from 38% to 41.4%, without any change in the total economic exposure of 46.5% (which takes other derivative instruments into account).
- **On 6 May 2014,** the Casino Group announced a project to create an e-commerce platform combining the Cdiscount sites in France, Colombia and Asia, as well as the Nova sites in Brazil (a joint venture between GPA and Via Varejo). This transaction created a global e-commerce pure player, with total business volumes of USD 4.1 billion in 2013.
- **On 4 June 2014,** the Casino and Bolloré groups announced a strategic partnership to develop an e-commerce platform in Africa. Cdiscount Afrique and Bolloré Africa Logistics will create a joint venture benefiting from their respective strengths: the expertise of France's leading e-commerce company and the skills of Africa's leader in logistics.

  An initial Cdiscount branded site will be launched in Côte d'Ivoire.
- **On 4 June 2014,** the Boards of Directors of Casino, CBD, Via Varejo and Éxito approved the main terms for creating a major global e-commerce division and the formation of a new entity, Cnova. A registration statement was filed in relation to a potential initial public offering in the U.S. market.
- **On 30 June 2014,** the Casino Group signed a commitment with 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 exclusivity. This transaction was finalised in October 2014.
- **On 30 July 2014,** Casino successfully placed a €900 million 12-year bond issue. It was the first 12-year Eurobond completed by an issuer rated BBB-. This new bond will pay a coupon of 2.798%. The transaction strengthens the Group's liquidity and extends the average maturity of Casino's bond debt from 5.5 to 6.3 years.
- **On 3 September 2014,** Cnova N.V. (the Casino Group's e-commerce division) announced the opening of its Cdiscount.com website to Internet users in Belgium. Cdiscount.com will now be able to deliver in Belgium and meet the increasing demand from Belgian customers.
- Pursuing its expansion in Africa, **on 24 September 2014** Cnova launched Cdiscount in Senegal, Cdiscount.sn.
- **On 8 October 2014,** the Casino Group and Intermarché announced a purchasing cooperation agreement, starting with negotiations for 2015. This peer-to-peer partnership applies only to France and aims to optimise the partners' purchasing activities and improve services to suppliers of national-brand goods.

  Intermarché and the Casino Group will continue to manage and develop their own marketing strategies and outlets, thereby maintaining their differentiation.
- **On 23 October 2014,** Cnova launched Cdiscount in Brazil. Cdiscount.com.br complements the online shopping experience that Cnova Brazil offers today, through extra.com.br, pontofrio.com and casasbahia.com.br.
- **On 31 October 2014,** Cnova announced the launch of its U.S. initial public offering of 26,800,000 ordinary shares. All the shares are being offered by Cnova. In addition, Cnova granted the underwriters an option to purchase up to 4,020,000 additional ordinary shares to cover any oversubscriptions. This option was exercised for 2,357,327 shares on 19 December 2014, with payment and delivery on 24 December 2014.
- **On 20 November 2014,** Cnova announced the pricing of its initial public offering of 26,800,000 ordinary shares at USD 7.00 per share, resulting in gross proceeds of USD 188 million. The ordinary shares began trading that same day on the NASDAQ Global Select Market under the ticker symbol "CNV".
- **On 1 December 2014,** Cnova announced the launch of Cdiscount in Cameroon (Cdiscount.cm), continuing its international expansion.
- **On 2 December 2014,** Casino successfully placed a new €650 million bond issue with maturity over 10 years. The new bond will pay a coupon of 2.33%, the lowest coupon ever for the Group. This transaction strengthens the Group's liquidity and extends the average maturity of Casino's bond debt from 5.9 to 6.3 years.
- **On 23 December 2014,** Casino announced the opening of a new Géant hypermarket in the new Yas Mall, Abu Dhabi's largest shopping destination and the second-largest in the United Arab Emirates. The franchise's fast-paced growth is driven by agreements with local partners.

1.3. BUSINESS AND STRATEGY

1.3.1. KEY MILESTONES IN THE GROUP'S HISTORY

Casino Group's origins date back to 1898 when Geoffroy Guichard created Société des Magasins du Casino and opened the first branch in Veauche, in the Loire region. Barely three years after the Group's creation in 1901, the first Casino brand products were launched, and with them the concept of private label products.

Before the Second World War, the Group grew rapidly, with over 500 points of sale opened within ten years. Its network, which first developed in the Saint-Étienne and Clermont-Ferrand region, extended in the 1930s to the Côte d'Azur. In 1939, the Group managed a total of 9 warehouses, 20 products manufacturing plants and nearly 2,500 points of sale.

From 1950 onwards, the Group embarked on a policy to diversify its formats and activities. Then began the openings of the first self-service store (1948), of the first Casino supermarket (1960), of the first Géant hypermarket (1970) and the creation of Casino cafeterias (1967).

At the end of the 1970s, Casino laid down the first cornerstones of a development strategy outside France by settling in the United States where it launched a chain of cafeterias before purchasing 90 "Cash & Carry" shops under the banner of Smart & Final (1984).

The mid-80s marked a turning point in the Group's development policy. The redeployment policy then adopted sought to reach the critical mass that would allow it to resist an increasingly competitive environment in the retail sector.

It then began a significant programme of strengthening its presence in France and refocusing on its core business as retailer. Accordingly, between 1985 and 1996, it acquired the controlling interests in two retail companies in the east and south of France, Cédis and La Ruche Méridionale; it signed partnership agreements with the Corse Distribution Group and the Coopérateurs de Normandie-Picardie and took over the retailing activities of Rallye – hypermarkets, supermarkets and cafeterias – (1992).

Furthermore, to reposition its image and the image of its stores, the Group embarked on a programme to renovate its hypermarkets and modernise its convenience store network. In 1996 Spar France was created and the following year the Group acquired an interest in Monoprix-Prisunic. The takeover, in 1997, of the Franprix and Leader Price banners made Casino the number-one retailer in Paris.

Through these strategic decisions, Casino ranked among the leading retailers in France at the dawn of 2000.

Strengthened by this position, the Group was ready to develop its presence abroad: from 1998 onwards it launched an active international expansion policy.

Between 1998 and 2002, it acquired many retail companies based in Latin America (Libertad in Argentina, Disco in Uruguay, Éxito in Colombia, GPA in Brazil, Cativen in Venezuela), in Asia (Big C in Thailand and Big C in Vietnam), in the Netherlands (Laurus, now Super de Boer) and in the Indian Ocean region (Vindémia in Réunion, Madagascar, Mayotte and Mauritius).

It settled in Poland and in Taiwan where it opened new stores: opening of the first Polish hypermarket in Warsaw in 1996, then a Leader Price store in 2000; opening of the first hypermarket in Taiwan in 1998.

From 2000 onwards, the Group strengthened its presence in France on buoyant formats and focused on high-growth international markets.

In France, to support market development, Casino upgraded its asset portfolio.

It asserted its positioning on convenience and discount formats by entering into major acquisitions. In 2000, the Group acquired a stake in Cdiscount, an online sale company, and raised its interest in Monoprix to 50%. The strategic agreement with Galeries Lafayette, renewed in 2003 and 2008, resulted in July 2012 in the signature of a memorandum concerning the acquisition by Casino of the 50% interest held by Galeries Lafayette in Monoprix. The acquisition will occur at the end of the authorisation process before the competition authority in France. In addition, the Casino Group has been the full owner of Franprix Holding and Leader Price Holding since 2009.

Furthermore, it develops additional business lines alongside retailing such as financial and retail property development services. Since 2001, the Group has partnered with LaSer Cofinoga to create the Casino Group's bank. In July 2010, a partnership in financial products and services was signed with the Crédit Mutuel-CIC Group which would lead to the acquisition by the latter of a 50% stake in Banque Casino, with Casino holding the outstanding 50%. In 2005, the Group's shopping centres became subsidiaries through the creation and initial public offering of the property development company Mercialys, accounted for under the equity method in Casino's consolidated financial statements since 21 June 2013, date on which Casino Group's loss of control was recognised.

Internationally, Casino has refocused its activities on two priority geographic areas, Latin America and Southeast Asia, capitalising on the strong growth potential in these regions. Between 2005 and 2007, it acquired the joint control of the GPA Group in Brazil and became the majority shareholder of Éxito (in Colombia) and Vindémia (in the Indian Ocean region). In 2010, the signature of a partnership between GPA and Casas Bahia, leading non-food retailer in Brazil and the acquisition of the business activities of Carrefour Thailand (42 stores) by Big C allowed the Group to significantly grow in size in these two regions, pillars of its international development.

Furthermore, in 2006, Casino sold its 50% interest in the Thai subsidiary Far Eastern Géant and its business activities in Poland. In 2007, it sold its stake in the American banner Smart & Final. In 2009, the Group sold its 57% interest in the Dutch company, Super de Boer.

In 2010, the Venezuelan authorities ordered the nationalisation of Éxito hypermarkets operated in Venezuela. Casino therefore solid 80% of its Cativen subsidiary to the Bolivarian Republic of Venezuela and retained 20% through an operational partnership.

In 2012, Casino took over GPA, leading retailer in Brazil and the country's largest private employer, by becoming the sole controlling shareholder.

In 2013, Casino gained exclusive control over the Monoprix Group. This takeover marked the apex of a development strategy focused on convenience outlets and launched in 1996.

In 2014, the Group created a new entity, Cnova, which centralised all e-commerce activities. The new company launched an initial public offering on NASDAQ Global Select under the ticker symbol "CNV" in November 2014. Furthermore, Casino and Intermarché signed a purchasing cooperation agreement effective from 2015.

1.3.2. BUSINESS AND STRATEGY

A. Group profile in 2014

Today, Casino is a major food retailer in France and abroad. As a multi-format, multi-channel group, it had a total of 14,572 stores under management as at 31 December 2014.

The Group now communicates around five segments:

- France Retail: the Casino, Monoprix, Franprix-Leader Price and Vindémia banners;
- Latam Retail: food banners of the GPA Group, the Éxito Group and the Libertad Group;
- Latam Electronics: household electrical appliances banners of the Viavarejo Group (Casas Bahia and Ponto Frio);
- Asia: banners of the Big C Thailand Group and the Big C Vietnam Group;
- E-commerce: Cdiscount and Nova Pontocom.

The France Retail segment accounts for 39% of net sales and 18% of trading profit. Casino operates 117 hypermarkets[1], 923 supermarkets[1], 632 quality stores, 801 discount stores, 6,825 convenience stores and 129 stores in the Indian Ocean region (Vindémia).

The International Retail segment[6] accounts for 54% of net sales and 82% of trading profit. The Group is present in six countries[3] and operates 4,158 stores in all formats in Brazil, Colombia, Thailand, Argentina, Uruguay and Vietnam. In Latin America and Asia, the Group holds leadership or co-leadership positions.

Lastly, the E-commerce segment (Cnova) accounts for 18% of Group net sales and Cnova is now the sixth listed global player operating 22 websites in 11 countries.

At 31 December 2014, the Group recorded consolidated net sales of €48.5 billion, up 4.7% in organic terms[2] over 2013 and underlying net profit attributable to owners of the parent of €556 million.

B. Overview of business and strategy – France Retail

Casino is a leading food retailer in France with a market share[4] of 11.5%. The Group stands out in the French retail world for the multi-format structure of its assets portfolio and the high percentage of convenience and discount banners. The Group also pursues a differentiation strategy for its banners to meet new customer expectations.

France Retail's net sales amounted to €18,848 million in 2014, while trading profit was €396 million.

The French retailing market is gradually evolving, driven by new socio-demographic trends and the changing consumer lifestyles. Ageing population, fewer people per household, family members leading separate lives, and individualised lifestyles are all trends that have led to a larger variety of retail formats and concepts, a broader and more segmented product offering and more tailored customer relationships.

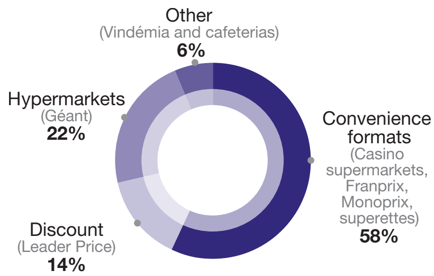
In this context, the Group's multi-format portfolio structure and high percentage of convenience and discount formats represent a definitive competitive advantage.

At year-end 2014, the Group had a total of 10,414 stores under management covering all food retailing formats.

Number of stores by format (at 31 December 2014)[5]

Format/ positioning	Number of stores
HYPERMARKETS	127
URBAN AND RURAL SUPERMARKETS	444
CITY-CENTRE SUPERMARKETS	632
CONVENIENCE/NATIONAL (SUPERETTES)	6,825
CONVENIENCE/PARIS REGION	860
DISCOUNT	801
OTHER BUSINESS (Food services, Drive-in, etc.)	598
INDIAN OCEAN REGION	129

Breakdown of France Retail's revenue by format, excluding petrol (at 31 December 2014)



Casino has chosen to develop a "precision" retailing approach to provide a tailored response to the expectations of different consumer groups. This differentiation strategy is reflected in a targeted positioning for each banner, sustained development of private label goods and personalised marketing approach.

(1) Excluding international affiliates.
(2) Excluding petrol and calendar effects.
(3) Vindémia is now included in the France Retail segment.
(4) Source: Independent panellists.
(5) Including international affiliates (of which Géant Casino hypermarkets: 10, Casino Supermarkets: 32, Monoprix: 92).
(6) The International Retail segment includes the Latam Retail and Latam Electronics sub-segments.

Sustained development in private label goods

The Casino Group was a pioneer in private label products, launching its "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 introduced "sell by" dates on its products, well before it became a legal obligation and proposed in 1984 double money-back guarantee on its products (satisfied or reimbursed twice over).

Since 2005, Casino has stepped up the development of its own label by expanding the offer and launching theme-specific ranges, focused on product taste and nutritional quality as well as continuous innovation.

The brand's strength now lies in its competitive pricing, broad product range and the ability to constantly renew its product offering. Casino brand products were sold in more than 8,000 stores in France, with private label and value products accounting for 46% of total volumes sold (on all formats in consumer goods and products).

The Casino brand portfolio covers broad product lines designed to meet each consumer's specific needs. The lines include Casino Délices for gourmet food lovers, Casino Bio for consumers seeking organic products, Casino Bien Pour Vous for consumers with special dietary needs, such as gluten-free products for example. 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 product label offering a range of daily food and non-food basics.

In 2013, the portfolio expanded to include Les Doodingues de Casino, a new label for children. The launch was supported by the development of two free game apps for smartphones, staging a Doodingues universe.

The Group's private label policy also stands out for its commitment to promote sustainable development. Casino was the first retailer to sign the French government-sponsored voluntary code of commitment to nutritional progress in 2008. It was one of the first to measure the environmental impacts of its products, introducing the Carbon Index in 2008 followed by the Environmental Index in 2011. In 2010, Casino began to eliminate palm oil from its private label goods, another example of its ability to meet consumer concerns about controversial ingredients. At year-end 2014, 81% of Casino products no longer contained any palm oil. This initiative is shared by all the Group's banners in France.

A targeted positioning for each banner

Each banner has a distinctive sales strategy, which gives it a unique positioning, much appreciated by consumers.

HYPERMARKETS

Géant Casino is a supermarket banner whose positioning is based on the notion of the pleasure and convenience of buying in a medium-sized space (approximate average size of 7,000 sq.m. compared to the market standard of approximately 9,000 sq.m.). Géant is a popular banner with a highly competitive offering.

As at end 2014, there were 127 hypermarkets, of which 7 affiliates in France and 10 affiliates internationally.

The banner continued cutting its prices in 2014 in line with its price repositioning strategy. According to panellists, at year-end 2014, Géant had become co-leader in prices in the hypermarket segment in France.

In the non-food sector, the banner continued to reposition its offering on the most promising categories (Textile, Home, Entertainment). This programme is backed by initiatives to reallocate and reduce commercial surface areas, in an effort to improve the profitability of invested capital.

Lastly, the banner's differentiation entails the Alcudia programme to develop shopping centres launched in 2008 by Mercialys, a property development company dedicated to the operation of shopping centres *(for more details on Mercialys, see Section 1.4.).*

Géant Casino reported net sales of €4,740 million in 2014.

CASINO SUPERMARKETS

A total of 444 Casino supermarkets operate in city centres and in rural areas. Casino supermarkets are mostly located in three regions in France – the Côte d'Azur and Languedoc region, the Rhone Valley and Greater Paris – which account for more than 80% of total stores.

Casino supermarkets have an average retail area of 1,728 sq.m. offering mainly food products, with Casino brand products accounting for 36% of the sales volume. The banner's repositioning is based on a triple commitment: fair prices, guaranteed quality and convenience.

16 Casino supermarkets were opened in France in 2014. The banner's total sales amounted to €3,326 million, down 3.9%, mainly due to continued price cuts.

MONOPRIX

Monoprix is the leading city-centre retailer. At year-end 2014, there were a total of 540 points of sale in France.

The banner's expertise in city-centre retailing is primarily reflected in its stores. The Monoprix banner, with an average retail surface area of 1,800 sq.m, is designed to appeal to an active urban, mostly female, clientele. It stands out for its very broad (up to 68,000 items) and innovative offering of both food and non-food products, with a wide range of private label products.

Monoprix has also developed new formats:

- monop' is an ultra-convenience concept. With a retail area of 150 to 600 sq.m, these highly practical and welcoming stores provide a varied offering of products to meet daily needs as well as pleasure purchases. Monop' operates in densely-populated urban areas and alongside motorways. Its 95 stores cater to the busy lifestyle of an active, urban clientele;
- monop'beauty is a cosmetics store that exclusively sells beauty and everyday hygiene products. Aimed at both men and women, monop'beauty offers a broad selection of top general brands, designer brands and alternative brands that are usually sold in pharmacies;
- monop'daily combines fast food with ultra-freshness. With an average retail area of 50 to 100 sq.m., the banner offers a broad range of snacks, ready-to-eat meals, dairy products, beverages, fruits and deserts allowing customers to assemble a different menu every day;

- monop'station appeared at year-end 2011 in railway stations. This new convenience concept for travellers combines the essence of monop' and monop'daily tailored to the world of railway stations and the specific needs of travellers.
- Naturalia is the leading specialist retailer of organic and natural products in Greater Paris, with 92 shops offering more than 6,000 items.

In 2014, Monoprix continued an active expansion policy on all its formats with the opening of 67 stores.

Monoprix's e-commerce activity continued to grow, with an 18% surge in Monoprix.fr net sales in 2014.

In 2014, Monoprix's consolidated net sales jumped 13.3% to €4,035 million.

FRANPRIX

Franprix is based mainly in Paris since 1958 and more recently in the centre of large French cities in the Rhone Valley and the Mediterranean basin. An urban ultra convenience format, Franprix proposes, over an average retail area of 420 sq.m, a full range of basic food products with a balanced mix between major national brands and the competitively-priced Franprix and Leader Price labels.

Franprix has established itself as a powerful, differentiated concept on the Parisian convenience market.

Franprix stores are easy to access and their flexible opening hours also contribute to the banner's popularity. The banner introduced a loyalty card in 2014.

At year end 2014, the banner had a total of 860 stores, of which 323 were franchised.

CONVENIENCE STORES

The convenience stores are grouped together under five banners: Petit Casino, Leader Price Express, Casino Shop, Vival and Spar.

Petit Casino is the Group's historic convenience store. It projects a friendly image of retailing 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, which used to be the activity hub in villages and now present in urban commercial areas is also perceived as a friendly, welcoming banner. Alongside a food offering based on Casino brand products, Vival also offers numerous other practical day-to-day offerings. Spar operates in urban and suburban areas, offering a range of convenience food products as well as services such as photo development, bus tickets, etc.

A key strength of the economic model of these convenience stores is their recognised expertise in franchising. The network comprises more than 5,100 franchised stores, mainly under the Spar and Vival banners.

In 2011, the Group launched the Casino Shop (and its derivative Casino Shopping) banner with curved displays and closed refrigerated display units to save energy. These stores with their extensive range of services have become very popular with customers and will become increasingly common in urban areas. At year-end 2014, the Group had 317 Casino Shop outlets and 11 Casino Shopping outlets.

In 2014, the banner continued to open franchised stores, convert some Petit Casino stores into Casino Shop stores and renovate the remaining Petit Casino stores under a modernised concept.

The convenience format also includes Leader Price Express, a new concept launched in 2014 which combines both convenience and discount prices. At year-end 2014, the banner had 240 stores.

In 2014, the Group also confirmed its leadership in food supply to service station shops and has supplied more than 1,100 Total service station shops since April 2013.

The Group now operates 6,825 points of sale and continues to expand its network while actively managing its portfolio of stores.

The convenience & other[1] segment posted consolidated net sales of €2,519 million in 2014.

LEADER PRICE

Leader Price is positioned as the leading low-cost food retailer in France, relying on two pillars: lowest prices on the market and high-quality products.

The banner targets price sensitive consumers and offers a full food range (4,000 items), including fresh and frozen products and some core regional products. Leader Price is now the least expensive banner on the market according to all consumer surveys.

The unique concept of Leader Price is based on its extensive product range comprised of more than 80% of private label products, 10% Le Prix Gagnant value products and 10% national brands.

Leader Price intends to ensure the best quality for its customers through internal or external tasting panels, analysis of customer suggestions and ambassador networks and guidance from Jean-Pierre Coffe in the selection of products and recipes.

Leader Price stores can be found throughout France, in both urban and suburban areas.

Leader Price posted consolidated net sales of €2,484 million in 2014.

THE INDIAN OCEAN REGION

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

Vindémia holds a strong market position in Reunion, which accounts for 80% of its sales, but is also present in Madagascar, Mayotte and Mauritius.

It has a multi-format positioning through its different banners including hypermarkets (Jumbo), supermarkets (Score), discount stores (Cash), convenience stores (Spar) and franchised stores (Vival). The company operates a total of 129 stores (including 72 franchised outlets).

OTHER BUSINESS

The Group developed additional business lines that are complementary to retailing:

Property development

The Group's property development and related business is described in detail in Section 1.4.

(1) Includes cafeterias, real estate, other and Indian Ocean activities.

Casino Restauration

Historically, Casino Restauration is positioned on a fast food segment, through its chain of cafeterias (Casino cafeterias).

In the past few years the company has been striving to reposition this segment through the development of innovative concepts such as family restaurants (À la Bonne Heure), theme restaurants (Villa Plancha), takeout food (Coeur de Blé), corporate restaurants (R2C: Restauration Collective Casino) and events catering (Saveurs d'Événements).

Banque Casino

Created in 2001, Banque Casino provides consumer finance and insurance (including personal risk insurance) products to customers in Géant hypermarkets and Casino and Cdiscount supermarkets. It has nearly one million customers.

In October 2011, Banque Casino launched a bank 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. Overview of business and strategy – International Retail

International business now accounts for the majority of the Group's sales and earnings. The Group operates in six countries[1] through 4,158 stores. International Retail segment net sales amounted to €26,180 million or 54% of total net sales in 2014. Trading profit for 2014 totalled €1,827 million, or 80% of the total Group trading profit. The International Retail segment can be broken down into three sub-segments:

- Latam Retail: food banners of the GPA Group, the Éxito Group and the Libertad Group;
- Latam Electronics: banners of the Viavarejo Group (Casas Bahia and Ponto Frio);
- Asia: banners of the Big C Thailand Group and the Big C Vietnam Group.

As a result of a thorough restructuring of its assets portfolio, Casino now operates in countries with high-growth potential characterised by a large youthful population, fast-growing economies with little or no organised retailing system.

Casino has made Latin America and South-East Asia its two priority international regions. Its subsidiaries hold leadership positions thanks to their historic presence and close relationships with their customers. The momentum is reflected in the sustained performance of the two regions which posted organic sales growth[2] of 8.8% in the Latam Retail segment, 4.0% for Latam Electronics and 4.2% in Asia.

LATAM RETAIL

Casino operates in Brazil, Colombia, Argentina and Uruguay and has leadership positions on each of these markets. In 2014, Latam Retail represented 59% of the net sales and 49% of the trading profit for the International Retail business.

Food retailing net sales in Latin America amounted to €15,422 million and the trading margin was 5.8% in 2014.

Brazil (food banners)[3]

Casino has been operating in Brazil since 1999 through its subsidiary Grupo Pão de Açucar. GPA is a historic player in the Brazilian food retail market and over the past few years has adapted its positioning in food retailing to address consumer needs. Although hypermarkets and supermarkets still dominate, GPA now has a multi-format, multi-banner portfolio that caters to Brazilian customers from all walks of life. The company has also developed innovative private label products much appreciated by consumers such as Qualità, an umbrella food brand, and Taeq, a health and well-being product line.

In 2009, GPA acquired Globex, Brazil's second-largest retailer of consumer electronics and household appliances, through its Ponto Frio banner. The takeover in 2010 by GPA of Casas Bahia, the largest non-food retailer in Brazil allowed GPA to become the unrivalled leader in consumer electronics and household appliances with a market share of more than 20%.

With these major strategic initiatives, GPA has consolidated its position as Brazil's leading retailer both in the food and consumer durables segments.

In 2012, Casino became the single key shareholder of GPA and therefore fully consolidates the Brazilian entity since 2 July 2012. At year-end 2013, Casino had a 38.1% stake in GPA.

In April 2014, Casino's interest in GPA rose from 38% to 41.3%, without any change in the total economic exposure of 46.5% (which takes other derivative instruments into account).

At year-end 2014, GPA operated a total of 2,143 stores and had powerful market positions in the two most dynamic Brazilian states, São Paulo and Rio de Janeiro.

In 2014, net sales of GPA's food banners in Casino's consolidated financial statements totalled €11,131 million.

GPA has been listed on the São Paulo stock exchange since 1995 and on the New York stock exchange since 1997.

Hypermarkets

› Extra hypermarkets: 137 stores

Extra hypermarkets offer an extensive assortment of food products, completed by personal and home equipment to meet the demands of the largest number of consumers possible at the lowest price.

Supermarkets

› Pão de Açúcar: 181 stores

A convenience format banner, Pão de Açúcar offers a large variety of top-quality products. Always at the cutting-edge of technology, the banner also offers a range of services designed to meet the specific requirements of an affluent clientele.

(1) Vindémia is now included in the France Retail segment.
(2) Excluding petrol and calendar effects.
(3) Information about the company is available at www.gpari.com.br

› Extra supermarkets: 207 stores

Extra supermarkets are large supermarkets designed on a human scale. They provide an extensive food offering as well as a broad non-food range in a modern, pleasant environment.

Convenience stores

› Minimercado Extra: 240 stores

Minimercado Extra superettes are simple and pleasant local convenience stores that offer all the basic products and services required every day, with good value for money.

› Minuto Pão de Açúcar: 16 stores

Launched in June 2014, Minuto Pão de Açúcar is a premium convenience format targeting A/B consumers. The store offers a retail area of 400 sq.m. on average with an assortment of products differentiated in an environment that combines the convenience, quality and reliability of the Pão de Açúcar brand. The banner relies on sustainable development initiatives as well as on customised service.

Drugstores: 158

The Extra format also includes pharmacies and drugstores under the Dograria Extra banner. These pharmacies are mainly located in Extra shopping centres near hypermarkets. The banner offers a complete range of healthcare and well-being products for the entire family at competitive prices. This product offering is complemented by specialists who guide and facilitate the customers' shopping experience.

Cash and carry

› Assaí: 84 stores

Assaí is an "Atacarejo" store, a booming sector in Brazil. The term "Atacarejo" is a combination of "Atacado" (wholesaler) and Varejo (retailer). This self-service wholesaler is aimed at restaurant operators and low-income families. It offers a large range of food products and a small selection of non-food products.

Colombia[1]

Casino has been operating in Colombia since 1999 through its subsidiary Éxito, Colombia's leading food retailer. At 31 December 2014, Éxito had 1,258 points of sale in 160 cities throughout Brazil. The company's portfolio is geared towards hypermarket and supermarket formats but also covers the convenience and discount segments. Grupe Éxito is characterised by its multi-channel model through the development of online sales with the Éxito.com and Carulla.com websites.

Éxito seeks to consolidate its presence in large cities, enter small and mid-sized urban markets and develop convenience formats. In terms of positioning, the company continues to expand on the discount format through its 721 Surtimax stores, of which 506 Surtimax Aliados stores were opened in 2014. Éxito is also developing its online sales through the Éxito.com and Carulla.com websites which are fully in line with the multi-format strategy adopted by the Group.

Éxito has been fully consolidated since 1 May 2007, with Casino holding a 54.8% stake in its share capital as at 31 December 2014.

Éxito has been listed on the Bogotá stock exchange since 1994.

Hypermarkets

› Éxito: 82 stores

Éxito is a hypermarket banner with operations in 55 Brazilian cities. Its retail offering, comprised of food and non-food products, is tailored to the needs of each category of the Colombian population. Éxito stands out for the quality of its textile offering, with a brand that has an excellent reputation with customers. Lastly, the banner offers a variety of services, including in particular the "Points Éxito" loyalty programme, travel offers and financial services (insurance).

Supermarkets: 153 stores
(excluding Super Inter, acquired in October 2014)

› Éxito super and Vecino: 82 stores

The Éxito brand also includes two types of supermarkets, 36 Éxito Super stores in 13 cities with an assortment of primarily food products and 46 Éxito Vecino stores in 28 cities with a larger assortment of non-food products. These supermarkets are boosted by the sales action plan of the Éxito brand.

› Carulla: 71 stores

Carulla is a leading supermarket banner mostly renowned for its top-quality offering. These stores target affluent customers and propose an offering with a distinctive gourmet range. Their network operates mainly in Colombia's two largest cities, Bogota and Medellin, and proposes a loyalty programme known as "Supercliente Carulla".

Convenience format: 102 stores

› Éxito Express

The new "minimarket" convenience format offers fast moving consumer products and fresh produce, as well as a few household cleaning and textile products.

› Carulla Express

The other "minimarket" offering of the Éxito Group; this format also proposes take-out products such as sandwiches, fresh fruit and pastries.

Discount format: 874 stores

› Surtimax: 153 proprietary stores

Surtimax stores are convenience stores located in suburban areas that allow customers to save money by offering them a comprehensive range of basic products at competitive prices, with the Surtimax private label as the core offer. The stores mainly carry food and some non-food items. Customers can find a selection of home linen articles as well as cleaning products.

In 2014, Éxito continued to expand its network of independent franchised outlets "Aliados".

› Super Inter: 50 operated stores

Éxito bought 19 stores in 2014 and signed a management lease agreement for the 31 remaining stores, for which it has a purchase option exercisable in 2015. Super Inter is an independent chain located in the Cali and the Coffee regions.

(1) Information about the company is available at www.grupoexito.com.co

Uruguay

A market leader since 2000, the Group has three well-known banners in Uruguay: Disco, Devoto and Géant. These banners became Éxito subsidiaries in 2011.

Casino had a total of 54 stores under operation at 31 December 2014.

Supermarkets

- **Disco: 28 stores**

Originally a chain of family supermarkets, Disco has strong recognition in the country and is known for its competitive pricing. The convenient geographical locations of Disco stores are much appreciated by their customers. Its two key strengths are reflected in Disco's slogan: *"With you every day"*.

- **Devoto: 24 stores**

Devoto was originally a family company and has continued to develop by opening large modern stores, some of which offer an extensive non-food range. With its slogan "Price and quality, always", Devoto clearly stresses its strong positioning focussed on accessibility, but also on the quality of the products and services delivered to the customer.

Hypermarkets

- **Géant: 2 stores**

With the slogan "The lowest price", Géant hypermarkets strive to offer a large variety of products at the lowest price in the country.

Argentina

Casino has been present in Argentina since the acquisition of Libertad in 1998. The Group has developed the banner's hypermarket network.

Libertad also operates a convenience format (Mini Libertad) and a fast food chain (Apetito Fast Food).

In 2014, the company managed a total of 27 stores.

Hypermarkets

- **Libertad: 15 stores**

Libertad is the leading hypermarket chain outside the capital operating mainly in large inland cities and is typically the anchor store in shopping centres.

- **Convenience format: 15 stores**
- **Mini Libertad: 12 stores**

With store areas of approximately 160 sq.m, Mini Libertad stands out as the food convenience format on large cities such as Cordoba.

LATAM ELECTRONICS

The Latam Electronics segment includes the banners of the Viavarejo Group (Casas Bahia and Ponto Frio).

Viavarejo is the Brazilian leader in consumer electronics and furniture retailing.

In December 2013, GPA launched an initial public offering for the shares of Viavarejo, its non-food retailing subsidiary. GPA's interest in Viavarejo, which fell from 52.4% to 43.3% without change of control, had no impact on consolidated revenue, with GPA retaining the majority of voting rights.

Viavarejo's net sales in Casino's consolidated financial statements amounted to €7,245 million and its trading margin was 9.3%.

Ponto Frio: 374 stores

Banner intended for home furnishing, Ponto Frio offers the middle classes a large array of home appliances and furniture while providing advice and service.

Casas Bahia: 663 stores

Casas Bahia is Brazil's leading non-food retailer and the reference for low-income families in home furnishing. The chain's high appeal is based on its extensive assortment of low-cost furniture, home appliances and consumer electronics. Its broad geographical presence (in 19 states) and the quality of its customer service also contribute to its appeal.

ASIA

The Group has been operating in Asia since 1999 where its activities are concentrated in Thailand and Vietnam.

In 2014, consolidated net sales in Asia totalled €3,513 million for a trading margin of 7.2%.

This region accounted for 13% of net sales and 14% of trading profit for the International Retail business.

Thailand[1]

Casino's presence in Thailand dates back to 1999 when the Group first acquired a stake in Big C, number two in food retailing on large formats.

Big C is known as a powerful, cheap, local banner close to the Thai people.

At year-end 2014, the banner had 636 stores including 123 hypermarkets. Big C is also present on the convenience segment with its 324 Mini Big C stores, versus 278 at year-end 2013.

Big C's strategy involves the operation of as many shopping centres as hypermarkets. It illustrates the Casino Group's policy to extend the "Retail and Property Development" dual model from France to its key countries.

Big C has been listed on the Bangkok stock exchange since 1994.

At 31 December 2014, the Group had a majority stake of 58.6% in Big C.

Hypermarkets: 123 stores

The positioning of Big C hypermarkets entails continuously proposing promotional offers with the best value for money. It also strives to stand out from the competition by making shopping a pleasant and fun experience (in-store events, etc.) which consumers want to repeat.

Supermarkets: 37 stores

The Big C Market banner was launched in 2010 and has an average retail area of 1,200 sq.m.

(1) Information about the company is available at www.bigc.co.th

Convenience format: 324 stores

Big C operates on the convenience segment through the Mini Big C banner; this format was developed to attract an urban clientele concerned about optimising their shopping time.

Other

- **Pure: 152 stores**

Launched in 2008, the Pure banner is a new store concept which proposes a range of 3,000 items in pharmacies and drug stores, with health, beauty and care products.

Vietnam

Vindémia, Casino Group subsidiary, began operating in Vietnam in 1998 when it opened the first French-style hypermarket under the Big C banner. Vietnam is a buoyant market given its large, youthful population, vibrant economy and a considerable potential for developing modern retailing.

At year-end 2014, Big C operated a total of 30 hypermarkets; all located inside a shopping centre, in line with the so-called dual development strategy.

Big C Vietnam stores stand out for their top-quality service, assortment of fresh produce and the price image (Nielsen ratings). The Big C Vietnam brand is known as one of the preferred brands of Vietnamese consumers.

The portfolio includes 10 predominately food-oriented convenience stores offering a large number of fresh and ready-to-eat products.

E-COMMERCE (CNOVA)

On 6 May 2014, Casino announced plans to create an e-commerce platform combining the Cdiscount activities in France, Colombia and Asia with those of Cnova Brasil in Brazil.

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

Cnova combines the Group's e-commerce activities with leadership and co-leadership positions in France (Cdiscount), in Brazil (Cnova Brasil) and in Colombia, Thailand and Vietnam. New sites were opened in 2014 and early 2015 in Senegal, Cameroon, Côte d'Ivoire, Panama, Brazil, Ecuador and Belgium.

The Group also opened several specialist sites during the year: Comptoir Santé, Mon Corner Déco, Mon Corner Baby and Mon Corner Brico.

Cnova is leveraged by both the highly robust sales of the Cdiscount and Nova sites and by the accelerated development of marketplaces in France and in Brazil with nearly 7,500 sellers offering more than 13.8 million products in 2014 (x2 compared to 2013).

In 2014, net sales from the e-commerce business jumped 19.4% to €3,465 million.

Cnova has 17,500 pick-up points throughout France and 100 pick-up points in Brazil through Extra's Click & Collect stores thanks to the Group's worldwide store network.

At 31 December 2014, Cnova was 43.28% owned by the Casino Group.

1.4. PROPERTY PORTFOLIO

1.4.1. ROLLING OUT THE DUAL MODEL IN FRANCE AND ABROAD

Both in France and abroad, the Group's development is built on a model that combines retailing and retail property development: driven by the food store "engine", the Group develops and operates shopping centres in order to offer consumers a pleasant environment and a customer experience that meets specific local expectations.

The successful deployment of this dual "property development and retailing" strategy is due to the dedication of integrated teams in each subsidiary, backed by the requisite expert skills: research, land acquisition, property development, property letting, property management, net asset value enhancement and asset management.

In France, L'Immobilière Groupe Casino (IGC), the Group's wholly-owned subsidiary, is primarily the owner of the store properties. Mercialys, a leading French property development company specialised in retail property in which Casino has a 40.2% interest, operates and increases the value of more than 59 shopping centres totalling over 730,000 sq.m.

1.4.2. ENHANCING THE VALUE OF ASSETS

The Group's profitable growth strategy is based on the dual model which seeks to strengthen the appeal of sites to meet two goals: spur the development of the Retailing business and create net asset value.

The Group has various drivers that rely on the know-how of local teams: day-to-day management of assets, the restructuring and optimisation of shopping areas, sustained expansion through the contribution to the launch of new business models and strong partnerships.

In France, the Casino Group has forged since 2005 a partnership with Mercialys aimed at offering as a priority the possibility of having access to any kind of property development programme or acquisition of retail property assets led by the Casino Group. In 2014, this partnership led to the delivery of some ten or more projects on major sites for Mercialys including in particular the extensions of the shopping centres of Besançon Chateaufarine (16 additional shops), Clermont-Ferrand Nacarat (13 additional shops) which opened in November and Espace Anjou in December (21 additional shops and 3 medium-sized outlets).

The Casino Group has also strengthened the appeal of its sites by creating an unrivalled, complementary commercial offer on car parks (food, bakeries and snacks).

The Group will continue expanding its sites in 2015 with especially, in Toulouse Fenouillet, the delivery of the Retail Park (23,000 sq.m.) and the launch of extension works and the refurbishment of the Shopping Arcade (23,000 sq.m. of additional space). Furthermore, the Group will continue to roll out the services offering through Villages.Services® launched in 2014 and plans to deliver the first three Villages (Niort, Clermont-Ferrand and Sainte-Marie Duparc in Reunion). In 2013, Cdiscount and Mercialys launched a partnership to promote interactions between brick-and-mortar outlets and online retailing.

Internationally, in addition to steady expansion, the Group also enhances the value of its existing assets by developing sq.m. of additional shopping centre surface to convert under-optimised areas or take advantage of extension potentials.

CASINO Group property assets at 31 December 2014 in economic interests[1]

(€ billions)	2014	2013
France	5.3	5.2
International	2.8	2.5
TOTAL GROUP ASSETS	**8.1**	**7.7**
including store properties	5.7	5.1
including shopping centres	2.4	2.1

1.4.3. OPTIMISING “NON-FLOOR” SPACE

In 2009, Casino decided to leverage its expertise in the property sector (development, construction, operation) and the prime geographic location of its sites, mostly in very sunny regions, by launching a new photovoltaic energy business through the creation of a special subsidiary: GreenYellow.

GreenYellow is a leading French player in rooftop solar photovoltaic systems with a current installed base of 44 photovoltaic plants representing 65 MWc. These plants represent an area of around 330 000 sq.m. of shopping centre and solar canopy rooftops and help to save 5,250 tonnes of CO_2 a year, corresponding to the annual energy requirement of 30,000 households. In 2014, GreenYellow installed an additional 30 MWc of photovoltaic systems.

In 2012, GreenYellow also launched a vast programme to sustainably reduce energy use in Casino Group stores by 25%. At the end of 2013, all Géant supermarkets were equipped with energy efficiency solutions and their deployment is continuing in the supermarkets and international stores.

1.5. STOCK MARKET VALUE OF LISTED COMPANIES

At 31 December 2014, Casino’s interests in its listed companies had an aggregate value of €10.3 billion.

Listed companies	Share price at 31 Dec. 2014	Market capitalisation *(100%, € millions)*	% interest	Casino’s share *(€ million)*
GPA (Brazil)	BRL 98.63	7,954	41.30%	3,285
Grupo Éxito (Colombia & Uruguay)	COP 26,200	4,005	54.77%	2,194
Big C (Thailand)	THB 237	4,878	58.56%	2,856
Cnova (United States)	USD 7.91	2,856	43.28%	1,236
TOTAL				**9,571**
Mercialys	EUR 18.44	1,696	40.16%	681
TOTAL				**10,252**

(1) The value of the Group’s assets is shown as a % of interest and 100% for controlled subsidiaries. For shopping centres, the value was determined on the basis of third-party appraisals or appraisal updates modelled on customary valuation methods (discounted cash flows, capitalisation rate) with the assumptions specific to each country and according to the specific characteristics of the assets concerned.

1.6. SIMPLIFIED ORGANISATION CHART (AT 31 DECEMBER 2014)

Casino, Guichard-Perrachon

% of control / *% of interest*

EUROPE

Country	Company	% of control / *% of interest*
France	Retailing Casino France	100% / *100%*
France	Franprix Leader Price Holding	100% / *100%*
France	Codim 2	100% / *100%*
France	Casino Carburants	100% / *100%*
France	Floréal	100% / *100%*
France	Olenydis (Casino Express)	100% / *100%*
France	Monoprix	100% / *100%*
France	Naturalia France	100% / *100%*
France	Cdiscount	100% /*58.2%*
France	E-Trend (Mon Showroom)	100% / *58.0%*
France	Casino Restauration	100% / *100%*
France	Restauration Collective Casino	100% / *100%*
France	L'immobilière Groupe Casino	100% / *100%*
France	Sudéco	100% / *100%*
France	GreenYellow	97.5% / *97.5%*
France	Plouescadis	100% / *100%*
France	Banque du Groupe Casino	50% / *50%*
France	Geimex	50% / *50%*
France	Mercialys	40.2% / *40.2%*
Poland	Mayland Real Estate	100% / *100%*
Luxembourg	Casino Re	100% / *100%*
Netherlands	Cnova	93.4% / *58.1%*

LATIN AND CENTRAL AMERICA

Country	Company	% of control / *% of interest*
Argentina	Libertad SA	100% / *100%*
Brazil	Compania Brasileira de Distribuiçao	99.9% / *41.3%*
Brazil	Via Varejo	62% / *17.9%*
Brazil	Cnova Comercio Electronico	100% / *58.1%*
Brazil	GreenYellow do Brasil Energia e Servicios	100% / *97.5%*
Colombia	Almacenes Éxito S.A.	54.8% / *54.8%*
Colombia	Cdiscount Colombia	100% / *56.4%*
Colombia	GreenYellow Energia de Colombia	100% / *97.5%*
Uruguay	Devoto Hermanos SA	96.8% / *53.0%*
Uruguay	Grupo Disco del Uruguay	62.5% / *34.2%*

ASIA

Country	Company	% of control / *% of interest*
Thailand	Big C Supercenter PLC	58.6% / *58.6%*
Thailand	C Distribution	100% / *58.3%*
Thailand	GreenYellow Thailand	100% / *97.5%*
Vietnam	Espace Bourbon Than Long	100% / *65%*
Vietnam	EB Tan Phu	100% / *100%*
Vietnam	EB Binh Duong	100% / *100%*
Vietnam	EB Can Tho	100% / *100%*
Vietnam	EB Vinh Ltd	100% / *100%*
Vietnam	EB Vinh Phuc	100% / *100%*
Vietnam	EB Hai Duong	100% / *100%*
Vietnam	EB Thanh Hoa	100% / *100%*
Vietnam	EB Phu Thanh	100% / *100%*
Vietnam	EB Nam Dinh	100% / *100%*
Vietnam	Espace Big C Hai Phong	100% / *100%*
Vietnam	Espace Big C Dong Nai	100% / *65%*
Vietnam	Espace Big C An Lac	100% / *80%*
Vietnam	Espace Business Hue	100% / *100%*
Vietnam	Viet Nhat Real Estate	100% / *100%*
Vietnam	Cdiscount Vietnam	100% / *66.6%*

INDIAN OCEAN

Country	Company	% of control / *% of interest*
Réunion	Vindémia	100% / *100%*
Mauritius	Sodimar	100% / *100%*
Mayotte	B.D.M.	100% / *70%*
Madagascar	S.2.M.	100% / *100%*

Listed companies

Chapter 2
Business report

FINANCIAL HIGHLIGHTS

Financial highlights of 2014 were as follows:

Continuing operations *(€ millions)*	**2013 restated[1]**	**2014**	**Change** *(%)*	**Organic change[2]**
Consolidated net sales	47,870	48,493	+1.3%	+4.7%[3]
Gross profit	12,222	12,092	-1.1%	
EBITDA[4]	3,284	3,191	-2.8%	+3.5%
Net depreciation and amortisation expense	(958)	(960)	+0.3%	
Trading profit	2,326	2,231	-4.1%	+4.9%
Other operating income and expenses	266	(494)		
Net financial expense, of which:	(720)	(678)	+5.9%	
Net finance costs	*(636)*	*(640)*	*-0.6%*	
Other financial income and expenses	*(84)*	*(38)*	*+54.9%*	
Profit before tax	1,872	1,059	-43.4%	
Income tax expense	(390)	(310)	+20.4%	
Share of profit of equity-accounted entities	43	77	+78.4%	
Profit from continuing operations	1,525	826	-45.9%	
attributable to owners of the parent	*856*	*253*	*-70.5%*	
attributable to non-controlling interests	*669*	*573*	*-14.4%*	
Consolidated profit	1,524	824	-45.9%	
attributable to owners of the parent	*855*	*251*	*-70.6%*	
attributable to non-controlling interests	*669*	*573*	*-14.4%*	
UNDERLYING PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT[5]	**619**	**556**	**-10.3%**	

(1) The comments on the Group businesses are based on a comparison of the 2014 and restated 2013 figures. Financial statements previously published have been restated subsequent to the retrospective application of IFRS 11 and IFRIC 21 and to changes primarily concerning the determination of the fair value of acquired Monoprix assets and liabilities.
(2) At constant scope and exchange rates and excluding the impact of property disposals (to OPCIs, regulated French property investment vehicles).
(3) Excluding petrol and calendar effects.
(4) EBITDA = Trading profit (loss) + current net depreciation and amortisation expense.
(5) Underlying profit (loss) corresponds to profit (loss) from continuing operations adjusted for the impact of other operating income and expenses, non-recurring financial items and non-recurring income tax expense/benefits (see the Notes to the consolidated financial statements).

2.1. THE CASINO GROUP

The comments on the Group businesses are based on a comparison of the 2014 and restated 2013 figures. Financial statements previously published have been restated subsequent to the retrospective application of IFRS 11 and IFRIC 21 and to changes primarily concerning determination of the fair value of acquired Monoprix assets and liabilities.

Organic and same-store changes exclude petrol and calendar effects.

Main changes in Group structure and their impact

- Accounting of the interest in Mercialys using the equity method since 21 June 2013.
- Full consolidation of Monoprix since 5 April 2013.
- Acquisition of Le Mutant (46 stores, of which 40 operated) from March 2014.
- Integration of Super Inter since October 2014.
- Accounting of the interests in Distridyn, Geimex and Disco using the equity method in 2014, with retroactive effect from 1 January 2013.

Exchange rates

In 2014, the currencies of the countries in which the Group operates fell significantly against the euro compared with 2013. Average depreciation was -8.0% for the Brazilian real, -6.4% for the Colombian peso and -5.4% for the Thai baht. At a constant exchange rate, the main items of the consolidated income statement would have been as follows:

Continuing operations *(€ millions)*	2013 restated[1]	2013 published[2]	2014	2014 at CER[3]
Net sales	47,870	48,582	48,493	50,903
EBITDA	3,284	3,262	3,191	3,389
Trading profit (loss)	2,326	2,288	2,231	2,390
Underlying profit (loss) attributable to owners of the parent	619	618	556	594

(1) Including Mercialys.
(2) Net sales, EBITDA and trading profit (loss) excluding Mercialys, accounted for using the equity method as of the first half of 2013.
(3) At constant exchange rates.

The year 2014 was characterised in France by the end of the repositioning cycle of the discount banners (Géant and Leader Price) and the satisfactory development of premium and convenience store banners. In addition, all of the international subsidiaries and the e-commerce business posted strong performances over the year.

- In France, Géant and Leader Price were repositioned among the market's least expensive[4] banners as a result of price cuts. The year was also marked by the robust operating performance of the Casino banners and solid profitability at Monoprix and Franprix.
- Internationally, the year was characterised by strong growth in profitability as a result of the operational efficiency plans.
- Lastly, the e-commerce business posted a very strong performance in 2014.

- The Group's consolidated net sales rose by +1.3%, benefiting from an improved sales trend in France, which was confirmed in the fourth quarter, and solid performance by our international subsidiaries. Changes in the scope of consolidation made a positive contribution of +0.6% (excluding petrol). Exchange rate variations had a negative impact of -5.0%, primarily due to the depreciation of the Brazilian real.
- Excluding petrol and calendar effects, organic sales growth was +4.7%:
  - in France, food retailing posted negative organic growth of -2,3%. Géant volumes rose as a result of sharp price cuts. Traffic was positive and volumes were stable at Leader Price in the fourth quarter;
  - the Group's international businesses (excluding e-commerce) achieved high growth (+6.8%), driven by strong same-store performance and GPA's expansion in Brazil;
  - e-commerce showed very strong organic growth over the year (+25.4%).
- Trading profit rose by +4.9% on an organic basis over 2014 (-4.1% total). International businesses (excluding e-commerce) accounted for 81.9% of trading profit (compared with 72.3% in 2013, including Mercialys).
  - Trading profit for the France Retail segment was down compared with 2013, due to sharp price cuts, particularly at Leader Price. Operational efficiency plans were implemented at the Casino banners to offset the price cut programme. Monoprix and Franprix maintained satisfactory profitability levels.
  - Trading profit for the Latam Retail segment grew by +11.9% on an organic basis (+2.7% total), thanks to strong performance of the GPA Group's banners.
  - Trading profit for the Latam Electronics segment rose sharply, by +35.7% on an organic basis (+24% total), thanks to cost controls and implementation of operating synergies.
  - Trading profit for the Asia segment increased by +1.5% on an organic basis (-3.5% total) in an unfavourable political and macroeconomic environment in Thailand.
  - Trading profit for the e-commerce segment was virtually stable compared with 2013, excluding the impact of the launch of the new international websites during the year.

(4) Independent panellists.

- Trading margin fell slightly to 4.6% (-26 bp total), but improved by +4 bp on an organic basis. Comparison with 2013 restated figures:
  - trading margin of the France Retail segment fell to 2.1%;
  - trading margin of the Latam Retail segment improved to 5.8%;
  - trading margin of the Latam Electronics segment rose sharply to 9.3%;
  - trading margin of the Asia segment dropped slightly to 7.2%;
  - trading margin of the e-commerce segment was 0.2%.

2.1.1. FRANCE RETAIL

(€ millions)	2013 restated	2014	Organic change *(%)*
Net sales	18,308	18,848	-2.3%
Trading profit (loss)	544	396	-31.6%
Trading margin	*3.0%*	*2.1%*	

Food retailing net sales in France totalled €18,848 million in 2014, compared with €18,308 million in 2013, up +2.9%. Excluding petrol and calendar effects, organic sales decreased -2.3%, with positive traffic and volumes since the fourth quarter.

The following format-specific information should be noted for the year:

- **Franprix-Leader Price** sales fell slightly by -1.4% to €4,227 million (versus €4,288 million in 2013).

  Leader Price total sales rose, thanks to the expansion and acquisition of the Le Mutant and Norma stores. Customer traffic and volumes have improved since the start of the fourth quarter. The banner's market share remained stable. The Leader Price Express concept, combining convenience and discount, was also launched in 2014.

  Franprix continued to deploy the banner's new concept. Volumes of own-brand sales increased over the year. The banner's market share remained stable in 2014.
- **Monoprix** posted organic sales, excluding petrol and calendar effects, down -0.7% despite the 9.00 p.m. closing of some stores and the sale of stores required by the Competition Authority in France. Food sales performed well, with volumes increasing over the entire year. Expansion was sustained, with 67 store openings in 2014 (excluding Naturalia).
- At **Géant,** organic net sales excluding petrol and calendar effects fell by -1.4% in 2014. The banner is now co-leader in low prices on the hypermarkets segment[1] with food sales up since the fourth quarter. Traffic is positive and volumes are improving significantly, with good performance at year-end. In addition, the banner implemented many innovative sales initiatives (including Rounded Prices, synergies with Cdiscount and pallet displays).
- **Casino supermarkets** posted a -2.9% drop in organic net sales, excluding petrol and calendar effects, negatively impacted by price cuts. Sales recovered gradually over the year, with stable traffic in the fourth quarter.
- The **Convenience business** posted a decline in sales over the year. Same-store sales recovered starting in the fourth quarter and this trend strengthened in the first quarter of 2015. Franchise expansion remained buoyant. The banner benefited from the initial success of the transformation of integrated stores into the new Petit Casino and Casino Shop concepts.

The France Retail trading profit totalled €396 million, down compared with 2013 as a result of sharp price cuts, particularly at Leader Price. Operational efficiency plans were implemented at the Casino chain stores to offset the price investments. Monoprix and Franprix maintained satisfactory profitability levels.

The 2014 trading margin for food retailing in France was 2.1%.

2.1.2. LATAM RETAIL

(€ millions)	2013 restated	2014	Organic change *(%)*
Net sales	15,477	15,422	+8.8%
Trading profit (loss)	872	895	+11.9%
Trading margin	*5.6%*	*5.8%*	

Latam Retail segment net sales totalled €15,422 million in 2014 versus €15,477 million in 2013, a slight decline of -0.4%. Excluding petrol and calendar effects, organic sales grew by +8.8%, driven by sales in Brazil.

Latam Retail's organic trading profit rose +11.9% on an organic basis (+2.7% total), thanks to the strong performance of the Assai and Pao de Açúcar banners in Brazil, whose profitability improved. The banner continued its active expansion, with the net opening of 108 stores in 2014 (including 9 Assai stores and 92 convenience stores).

(1) Independent panellists.

Éxito's margin was stable in Colombia and profitability remained high in Uruguay. Overall, the Éxito Group experienced robust expansion in 2014, particularly in the discount formats *via* the affiliate networks. Lastly, Super Inter was consolidated starting in the fourth quarter and did not have a significant impact on the results of the period.

2.1.3. LATAM ELECTRONICS

(€ millions)	2013 restated	2014	Organic change *(%)*
Net sales	7,576	7,245	+4.0%
Trading profit (loss)	546	677	+35.7%
Trading margin	*7.2%*	*9.3%*	

Latam Electronics segment net sales totalled €7,245 million in 2014 versus €7,576 million in 2013, down -4.4%. Excluding the calendar effect, sales grew by +4% on an organic basis, with the fourth quarter improving significantly compared with the third.

Latam Electronics' trading profit increased significantly, offsetting the negative impact of exchange rates. Via Varejo posted strong activity in 2014, despite the economic slowdown in Brazil in the second half of the year. The banner continues to benefit from the success of the operational excellence plans and to achieve commercial and logistics synergies among its networks.

The rate of expansion was sustained over the year, with the gross opening of 88 stores.

2.1.4. ASIA

(€ millions)	2013 restated	2014	Organic change *(%)*
Net sales	3,561	3,513	+4.2%
Trading profit (loss)	264	255	+1.5%
Trading margin	*7.4%*	*7.2%*	

Net sales in the Asia segment totalled €3,513 million in 2014, versus €3,561 million in 2013, down slightly by -1.3%. Excluding petrol and calendar effects, organic sales rose by +4.2%.

Thailand's operating performance remained quite satisfactory in an unfavourable local environment and same-store sales were again positive in the fourth quarter. Organic sales growth continued at Big C in Vietnam, despite the challenging macroeconomic environment.

Asia's trading profit rose by +1.5% on an organic basis in 2014. Big C Thailand maintained a high level of profitability, particularly in food formats and thanks to the significant contribution of the country's shopping centres.

Lastly, expansion was buyant in 2014, with the opening of four hypermarkets, seven Big C Markets and 19,000 sq.m. of shopping centre space in Thailand. In addition, in Vietnam, five hypermarkets opened in cities with strong potential and several shopping centres were built (27 shopping centres were operating in the country at the end of 2014).

2.1.5. E-COMMERCE (CNOVA)

(€ millions)	2013 restated	2014	Organic change *(%)*
Net sales	2,884	3,465	+25.4%
Trading profit (loss)	31	7	-64.9%
Trading margin	*1.1%*	*0.2%*	

This segment includes the activity of Cdiscount in France, its international subsidiaries launched during the year, and Cnova Brazil.

E-commerce net sales increased sharply in 2014 to €3,465 million, compared with €2,884 million in 2013. Organic sales rose by +25.4%, driven by strong own sales on the Cdiscount and Nova sites and the accelerated marketplace development in France and Brazil.

E-commerce trading profit was virtually stable compared with 2013, excluding the impact of the launch of new international sites in 2014.

Cnova also generated net cash of €203 million[1] in 2014, a sharp increase of 3.6x over 2013.

(1) Data published by Cnova, excluding IPO proceeds.

2.1.6. 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 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 as at 31 December 2014.

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

The significant accounting policies set out below have been applied consistently to all periods shown in the consolidated financial statements, after taking account of or with the exception of the new standards and interpretations described in Note 1 to the consolidated financial statements.

Net sales

2014 consolidated net sales totalled €48,493 million, compared with €47,870 million in 2013, up +1.3%.

The impact of changes in scope on sales was positive at 0.6%, specifically as a result of the full consolidation of Monoprix as from the second quarter of 2013.

The exchange rates had an unfavourable impact of -5.0%.

A detailed review of the change in net sales was provided above in the comments on the activity of each of the Group's five segments.

Trading profit

Trading profit for 2014 was €2,231 million, down -4.1% compared with 2013.

Changes in Group structure had a negative impact of -2.1%, while exchange rates had a negative impact of -6.9%.

Restated for all of these impacts, organic trading profit rose by +4.9%.

A detailed review of the change in trading profit was provided above in the comments on the activity of each of the Group's five segments.

Operating profit

Other operating income and expenses show a net expense of €494 million in 2014, compared with net income of €266 million in 2013.

The €494 million net expense in 2014 involves primarily:

- restructuring provisions and expenses of €197 million, including €34 million at GPA in Brazil; the other companies concerned are Casino, Franprix-Leader Price and Casino Restauration;
- provisions and expenses for taxes, risks and litigation, totalling €97 million, primarily concerning GPA in Brazil (€84 million);
- net expenses of €136 million, related to changes in scope, including €31 million for the GPA Group in Brazil, €47 million for the French companies, and €26 million in IPO costs.

The €266 million net income in 2013 includes primarily:

- gains on disposals of non-current assets for €61 million;
- net income related to changes in scope for €551 million (primarily the revaluation of the interest previously held in Mercialys and Monoprix);
- net asset impairment losses for -€79 million;
- restructuring provisions and expenses for -€147 million;
- provisions and expenses for litigation and risks plus other expenses for -€85 million.

After other operating income and expenses, **operating profit** was €1,736 million in 2014, versus €2,592 million in 2013.

Profit before tax

Net financial expense for the year shows a net expense of €678 million (compared with a net expense of €720 million in 2013) and is composed of:

- net finance costs of €640 million, stable compared with 2013 (€636 million);
- other financial income and expenses for a net expense of €38 million (compared with €84 million in 2013).

Profit before tax totalled €1,059 million in 2014 (versus €1,872 million in 2013).

Profit attributable to owners of the parent

Income tax expense amounted to €310 million, accounting for 29.3% of profit before tax (versus €390 million in 2013). After the restatement of non-recurring items, the standard tax rate was 29.0% in 2014, versus 28.7% in 2013.

The **share of profit of equity-accounted entities** amounted to €77 million (versus €43 million in 2013).

Non-controlling interests totalled €573 million in 2014, compared with €669 million in 2013. In 2014, after non-recurring items, underlying profit attributable to non-controlling interests was €665 million, compared with €633 million in 2013.

In light of these factors, **profit from continuing operations attributable to owners of the parent** amounted to €253 million in 2014 (compared with €856 million in 2013), primarily because of movements in other operating income and expenses.

Consolidated profit attributable to owners of the parent was €251 million (versus €855 million in 2013).

Underlying profit from continuing operations attributable to owners of the parent declined by -10.3% to €556 million in 2014 from €619 million in 2013. Restatements of reported profit used to determine the underlying profit are included in the notes to the consolidated financial statements.

Cash flows

In 2014, the Group posted improved **cash flows**, up +1.2% to €2,015 million versus €1,990 million in 2013.

The **change in working capital** was positive at €343 million, compared with €461 million in 2013, with strong generation of operating working capital and negative impact of non-operating working capital.

In 2014, the Group incurred **net capital expenditure** of €1,511 million (versus €1,403 million in 2013). The Group focused on controlling its capital expenditures, specifically by reducing costs per sq.m.

The Group's **free cash flow** (cash flows change in working capital – net capital expenditure) amounted to €846 million in 2014.

Financial position

At 31 December 2014, the Group's **net debt** stood at €5,822 million, compared with €5,502 million at 31 December 2013. The Group paid out €502 million in dividends in 2014. It also made financial investments totalling €411 million, primarily due to the increase of its stoke in GPA and to the acquisition of the Le Mutant and Super Inter banners, as well as to operations linked to the Cnova IPO. Debt at 31 December 2014 was also affected by foreign currency translation adjustments.

Group **equity** amounted to €15,608 million at 31 December 2014, compared with €15,476 million at 31 December 2013 and €15,803 million at 30 June 2014.

As a result of the changes described above, the financial net debt to equity ratio rose slightly to 37.3% at 31 December 2014 (versus 35.6% at 31 December 2013).

The Group's debt profile improved significantly as a result of the December 2014 bond issue. With this issue, the average maturity of the Group's bond debt was extended to 6.3 years at the end of December 2014 (versus 5.4 years at the end of June 2014).

2.1.7. APPENDIX: RECONCILIATION OF REPORTED PROFIT WITH UNDERLYING PROFIT[1]

(€ millions)	2013 restated	Adjustments	2013 underlying	2014 reported	Adjustments	2014 underlying
TRADING PROFIT (LOSS)	**2,326**	**0**	**2,326**	**2,231**	**0**	**2,231**
Other operating income and expenses	266	(266)	0	(494)	494	0
OPERATING PROFIT (LOSS)	**2,592**	**(266)**	**2,326**	**1,736**	**494**	**2,231**
Net finance costs	(636)	0	(636)	(640)	0	(640)
Other financial income and expenses[1]	(84)	88	5	(38)	58	20
Income tax expense[2]	(390)	(96)	(486)	(310)	(157)	(467)
Share of profit (loss) of equity-accounted entities	43	0	43	77	0	77
PROFIT (LOSS) FROM CONTINUING OPERATIONS	**1,525**	**(273)**	**1,253**	**826**	**395**	**1,221**
attributable to non-controlling interests[3]	*669*	*(36)*	*633*	*573*	*93*	*665*
attributable to owners of the parent	**856**	**(237)**	**619**	**253**	**303**	**556**

(1) The following are deducted from "Other financial income and expenses": the impact of monetary discounting of tax liabilities in Brazil (-€25 million in 2013 and -€25 million in 2014), as well as changes in the fair value of the Total Return Swaps on GPA and Big C shares, and GPA forwards and calls (-€63 million in 2013 and -€31 million in 2014), and other changes (-€1.0 million in 2014) (fair value of Green Yellow warrants and GPA *call at Cofidol, SAR).*
(2) The following are deducted from income tax expense: tax items corresponding to the items deducted above, as well as non-recurring income tax expense/benefit.
(3) The following are deducted from non-controlling interests: the amount related to the items deducted above.

(1) Underlying profit corresponds to 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 through profit or loss whose market value may be highly volatile. For example, fair value adjustments to financial instruments that do not qualify for hedge accounting and embedded derivatives indexed to the Casino share price are excluded from underlying profit or loss.
Non-recurring income tax expense/benefits correspond to tax effects related directly to the above adjustments and to direct non-recurring tax effects. In other words, the tax on underlying profit before tax is calculated at the standard average tax rate paid by the Group.
Underlying profit is a measure of the Group's recurring profitability.

2.2. THE PARENT COMPANY – CASINO, GUICHARD-PERRACHON

2.2.1. BUSINESS OVERVIEW

Casino, Guichard-Perrachon, parent of the Casino Group, is a holding company. In this respect, it defines and implements the Group's development strategy and handles, in collaboration with executives from subsidiaries, the coordination of the different activities. Furthermore, it manages and tracks the portfolio of brands, designs and models used by the subsidiaries and covered by operating licences. Furthermore, it is responsible for the Group's central cash management in France and ensures the application by subsidiaries of the Group's legal and accounting policies.

In 2014, the Company reported net sales of €137 million, compared with €133 million in 2013. This amount essentially corresponds to the royalties paid by subsidiaries for using the brands and banners, and Group fees invoiced to subsidiaries.

The Company has no particular research and development activities.

2.2.2. OVERVIEW OF THE PARENT COMPANY FINANCIAL STATEMENTS

Guichard-Perrachon's annual financial statements are prepared in accordance with the 2014 French General Chart of Accounts, approved by the decree of 8 September 2014, and all the French Accounting Standards Authority (ANC) regulations supplementing it.

The accounting policies applied to the preparation of the 2014 annual financial statements are consistent with those used for the previous year.

The Notes to the financial statements set out the significant accounting policies used by the Company and provide disclosures on the main statement of financial position and income statement items and their change over the year.

At 31 December 2014, the Company had total assets of €20,033 million and equity of €7,951 million.

At that date, non-current assets totalled €17,482 (of which €16,282 million as investments).

Total liabilities amounted to €10,581 million at 31 December 2014 (€9,302 million at 31 December 2013) and net debt to €9,900 million (€7,201 million in 2013). Details of the financial liabilities are provided in Note 13 to the Guichard-Perrachon's financial statements. No debt is guaranteed by collateral. At 31 December 2014, the Company had undrawn confirmed bank credit lines for a total of €3,074 million.

Pursuant to the provisions of Article L. 441-6-1 of the French Commercial Code, the breakdown of outstanding trade payables by due date was as follows at the reporting date:

	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 due date		Past due		Total	
(€ millions)	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Trade payables											**56.86**	**44.02**
Invoices payable – trade	26.67	9.62	0.29	0.08		0.03			0.39	0.76	27.35	10.50
Notes payable – trade	1.20	1.17	0.10	0.20							1.31	1.37
Accruals – trade											28.20	32.15
Amounts due to suppliers of non-current assets											**0.19**	**0.20**
Invoices payable – non-current assets	0.07	0.06	0.06								0.14	0.06
Notes payable – non-current assets	0.02	0.05	0.01	0.04							0.04	0.09
Accruals – non-current assets											0.02	0.05

Operating profit was €6 million for the year ended 31 December 2014, compared with €4 million in 2013.

Net financial income amounted to €142 million compared with €453 million the previous year. This net financial income mainly reflects:

- income from investments in the amount of €429 million, compared with €618 million in 2013;
- payment of a balance of €33 million resulting from the unwinding of the BAML forward TRS and the cashing of a balance of €85 million, resulting from the transfer in the form of novation of 19 interest rate swaps to the Casino Finance subsidiary for a nominal amount of €1,506 million;
- a loss on the sale of treasury shares for €10 million;
- amortisation expense for bond discounts for €20 million;
- net reversal for losses on the TRSs and forward relating to GPA shares for €28 million.

Accordingly, profit before tax amounted to €147 million in 2014, compared with €457 million the previous year.

Non-recurring loss was €54 million in 2014, compared with €111 million in 2013. It mainly consists of costs linked to the reorganisation of the Legal department and the preparation of the initial public offering of Cnova (€33 million), and restructuring costs (€10 million).

Accounting profit before tax stood at €94 million in 2014, compared with €347 million in 2013.

Casino, Guichard-Perrachon is the head company of the tax consolidation group and recorded in 2014 an income tax benefit of €277 million, corresponding to the tax savings from the deduction of the losses of Casino, Guichard-Perrachon and its subsidiaries from the consolidated group's profits, such that the accounting profit after tax for the year amounted to €370 million. 2013 income tax benefit was €432 million.

2.2.3. LUXURY AND OTHER NON-TAX DEDUCTIBLE EXPENSES

In accordance with the provisions of Articles 223 *quater*, *quinquies*, 39-4 and 39-5 of the French Tax Code, no non-tax deductible expenses were incurred and reported in the financial statements for the year ended 31 December 2014.

2.3. SUBSIDIARIES AND OTHER EQUITY INVESTMENTS

The business performance of the Company's main subsidiaries and controlled companies is described on pages 4 to 21.

The list of consolidated companies is provided on pages 111 to 113.

The table of subsidiaries and other equity investments on pages 142 to 144 provides you with information on subsidiaries, associates and other long-term investments held by Casino, Guichard-Perrachon.

2.3.1. INVESTMENTS MADE IN 2014

In 2014, Group entities directly purchased investments and directly or indirectly acquired controlling interests through total transfers of assets and liabilities (mergers, dissolution without liquidation), acquisitions or creations of companies with their registered office in France as follows:

Casino, Guichard-Perrachon

Proxipierre (28.57%) and Casino Carburants (26.58%);

Distribution Casino France Group

Bréal (99.9%);

Franprix-Leader Price Holding subgroup

Ardis (100%), Badis (100%), Bilkin (100%), Breadis (100%), Carbudis (100%), Cedimont (100%), Choisydis (100%), Clidis (80%), Cydis (100%), Eldis (100%), Goussaindis (60%), Jofradis (100%), Kerabau (100%), Lomdis (100%), Mantes Distribution (100%), Mini LP 1 (100%), Mini LP 2 (100%), Mini LP 3 (100%), Mini LP 4 (100%), Mini LP 5 (100%), Mini LP 6 (100%), Mini LP 7 (100%), Mini LP 8 (100%), Mini LP 9 (100%), Mini LP 10 (100%), Mini LP 11 (100%), Mini LP 12 (100%), Mini LP 13 (100%), Mini LP 14 (100%), Mini LP 15 (100%), Mini LP 16 (100%), Mini LP 17 (100%), Mini LP 18 (100%), Mini LP 19 (100%), Mini LP 20 (100%), Mini LP 21 (100%), Mini LP 22 (100%), Mini LP 23 (100%), Mini LP 24 (100%), Mini LP 25 (100%), Mini LP 26 (100%), Mini LP 27 (100%), Mini LP 28 (100%), Mini LP 29 (100%), Mini LP 30 (100%), Mini LP 31 (100%), Mini LP 32 (100%), Mini LP 33 (100%), Mini LP 34 (100%), Mini LP 35 (100%), Mini LP 36 (100%), Mini LP 37 (100%), Mini LP 38 (100%), Mini LP 39 (100%), Mini LP 40 (100%), Mini LP 41 (100%), Mini LP 42 (100%), Mini LP 43 (100%), Mini LP 44 (100%), Mini LP 45 (100%), Mini LP 46 (100%), Mini LP 47 (100%), Mini LP 48 (100%), Mini LP 49 (100%), Mini LP 50 (100%), Mini LP 51 (100%), Mini LP 52 (100%), Mini LP 53 (100%), Mini LP 54 (100%), Mini LP 55 (100%), Mini LP 56 (100%), Mini LP 57 (100%), Mini LP 58 (100%), Mini LP 59 (100%), Mini LP 60 (100%), Mini LP 61 (100%), Mini LP 62 (100%), Mini LP 63 (100%), Mini LP 64 (100%), Mini LP 65 (100%), Mini LP 66 (100%), Mini LP 67 (100%), Mini LP 68 (100%), Mini LP 69 (100%), Mini LP 70 (100%), Morandis (100%), Nano Boutique 2 (100%), Nano Boutique 3 (100%), Nano Boutique 4 (100%), Nano Holding d'Antin (100%), Nano Boutique SF5 (100%), Nano Holding Saint Ferdinand (100%), Newfpmag 1 (100%), Newfpmag 2 (100%), Newfpmag 3 (100%), Newfpmag 4 (100%), Newfpmag 5 (100%), Newfpmag 6 (100%), Newfpmag 7 (100%), Newfpmag 8 (100%), Newfpmag 9 (100%), Newfpmag 10 (100%), Newfpmag 11 (100%), Newfpmag 12 (100%), Newfpmag 13 (100%), Newfpmag 14 (100%), Newfpmag 15 (100%), Newfpmag 16 (100%), Newfpmag 17 (100%), Newfpmag 18 (100%), Newfpmag 19 (100%), Newfpmag 20 (100%), Newfpmag 21 (100%), Newfpmag 22 (100%), Newfpmag 23 (100%), Newfpmag 24 (100%), Newfpmag 25 (100%), Newfpmag 26 (100%), Newfpmag 27 (100%), Newfpmag 28 (100%), Newfpmag 29 (100%), Newfpmag 30 (100%), Nidis (100%), Pedis (100%), Puidis (100%), Saudis (100%), Revidis (100%), Spathe (100%), Theridion (100%), Vailland Dis (100%), Vandis (100%) et Villejuif Distribution (100%);

Monoprix Group

Républidis (100%) and Sparnadis (100%).

2.3.2. SHAREHOLDERS' AGREEMENTS

The Company is party to several shareholders' agreements. The main agreements are presented below:

Franprix-Leader Price

Call and/or put options agreements have been signed for the shares held by other parties in a number of companies in which Casino has interests. These options, associated or not with shareholders' agreements, with expiration dates up to 2032, have prices depending on the operating profits of the entities concerned (see Note 3.4 to the consolidated financial statements).

Almacenes Éxito (Colombia)

Casino became the majority shareholder of Almacenes Éxito S.A. in 2007 and has been a party to a shareholders' agreement since 17 December 2007. The agreement sets out voting rules for appointing directors and for certain other decisions, as well as rules on selling shares and other customary clauses.

On 29 June 2011, Almacenes Éxito S.A. acquired joint control over the Uruguayan operations under the Disco and Devoto banners and accordingly, obtained a seat on their management bodies. Furthermore, in December 2011, Almacenes Éxito S.A. and Casino exchanged call and put options on the non-controlling 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, expiring on 21 June 2021 (see below).

Disco Uruguay Group (Uruguay)

Casino signed a shareholders' agreement with the founding families when it acquired a stake in Grupo Disco Del Uruguay in September 1998. The agreement expired in September 2008. However, the family shareholders continue to benefit from put options granted by Casino, which can be exercised until 21 June 2021. These options are described in Note 16 to the parent company financial statements and in Note 34.2 to the consolidated financial statements.

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

2.3.4. PLEDGED ASSETS

Assets pledged by the Company or Group companies do not represent a material percentage of the Group's assets (€271 million corresponding to 0.9% of non-current assets).

2.3.5. RELATED-PARTY TRANSACTIONS

The Company has relations with all its subsidiaries in its day-to-day management of the Group. These relations are described on page 22.

As a result of the Group's legal and operational organisational structure, some of the Group's subsidiaries may have business relations with each other or provide services to each other.

The Company also receives strategic help from Euris, the ultimate holding company, chaired by Jean-Charles Naouri, the majority shareholder. Euris provides these strategy and development consultancy services under an agreement signed in 2003. In 2014, the Company paid fees amounting to €350,000 excluding VAT for these services.

The Statutory Auditors' special report on regulated agreements signed between the Company and (i) the Chairman and Chief Executive Officer, (ii) a director or (iii) a shareholder holding more than 10% of the Company's voting rights, or in the case of a corporate shareholder, the company controlling said shareholder, and which were not entered into on arm's length terms, is presented on page 145.

Pursuant to the new provisions of Article L. 225-40-1 of the French Commercial Code (from order no. 2014-863 of 31 July 2014), the Board of Directors has reviewed the agreements entered into and authorised in previous years which remained valid during the last financial year, and concluded that they required no particular observations. The Board of Directors noted that the agreement on loans and current account advances granted by the Company to Monoprix no longer qualified as a regulated agreement with respect to the new provisions of Article L. 225-39 of the French Commercial Code since the Company directly or indirectly wholly owns Monoprix.

No agreements were made, 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 3.3.7 and 14 to the consolidated financial statements.

To strengthen the Company's good governance specifically concerning related-party agreements, at its 16 February 2015 meeting the Board of Directors decided to implement a formal internal review procedure by the Audit Committee or by a special-purpose committee of certain agreements and transactions between the Company or one of its wholly owned subsidiaries on one hand and a related party on the other hand. Its implementation should guarantee balanced related-party transactions and consequently, protect non-controlling interests. More details are provided in the Section titled "Implementation of a prior review procedure by the Audit Committee of related-party transactions", on page 156.

2.4. OUTLOOK AND CONCLUSIONS

The Group **will continue to implement its five strategic priorities**:

- after their price repositioning, develop the discount banners in France and accelerate their international expansion;
- strengthen leadership in premium formats;
- boost expansion in convenience formats;
- maintain strong growth and cash generation at Cnova;
- continue to improve operational efficiency: optimise purchases and costs.

The Group **has set the following objectives** for 2015:

- in France[1]:
  - achieve organic growth of annual net sales,
  - increase annual trading profit over the prior year;
- Internationally[1]:
  - sustain strong organic growth of the business,
  - achieve higher growth in trading profit than in net sales;
- overall, further increase organic growth of trading profit;
- improve net debt to EBITDA ratio of about 0.2x.

(1) Excluding e-commerce.

Chapter 3

Consolidated financial statements Year ended 31 December 2014

3.1. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended on 31 December 2014, on:

- the audit of the accompanying consolidated financial statements of the Casino Group.
- 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 by management, 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 Casino Group as of 31 December 2014, and of the results of its operations for the year then ended in accordance with IFRS as adopted by the European Union.

Without calling into question the opinion expressed above, we direct your attention to Note 1.3 to the consolidated financial statements regarding changes in accounting policies resulting from the application of IFRS 11 regarding joint arrangements and IFRIC Interpretation 21 regarding the recognition of levies.

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 matters:

The Group is required to make estimates and assumptions as regards impairment tests of goodwill and other non-current assets (see Note 10.5 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.

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

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

Neuilly-sur-Seine and Lyon, 17 February 2015.

The Statutory Auditors

Deloitte & Associés		Ernst & Young et Autres
Gérard Badin	Antoine de Riedmatten	Daniel Mary-Dauphin

3.2. FINANCIAL STATEMENTS

3.2.1. CONSOLIDATED INCOME STATEMENT

For the years ended 31 December 2014 and 2013

(€ millions)	Notes	2014	2013[1]
CONTINUING OPERATIONS			
Net sales	6.1	48,493	47,870
Cost of goods sold	6.2	(36,401)	(35,648)
Gross profit		**12,092**	**12,222**
Other income	6.1	568	325
Selling expenses	6.3	(8,857)	(8,529)
General and administrative expenses	6.3	(1,573)	(1,692)
Trading profit	**5.1**	**2,231**	**2,326**
as a % of net sales		*4.6%*	*4.9%*
Other operating income	6.5	244	999
Other operating expenses	6.5	(738)	(732)
Operating profit		**1,736**	**2,592**
as a % of net sales		*3.6%*	*5.4%*
Income from cash and cash equivalents		204	178
Finance costs		(844)	(814)
Net finance costs	**11.4.1**	**(640)**	**(636)**
Other financial income	11.4.2	152	164
Other financial expenses	11.4.2	(190)	(247)
Profit before tax		**1,059**	**1,872**
as a % of net sales		*2.2%*	*3.9%*
Income tax expense	9.1	(310)	(390)
Share of profit of equity-accounted entities	3.3.4	77	43
Net profit from continuing operations		**826**	**1,525**
as a % of net sales		*1.7%*	*3.2%*
attributable to owners of the parent		253	856
attributable to non-controlling interests		573	669
DISCONTINUED OPERATIONS			
Net profit (loss) from discontinued operations		**(2)**	**(2)**
attributable to owners of the parent		(2)	(2)
attributable to non-controlling interests		-	-
CONTINUED AND DISCONTINUED OPERATIONS			
Consolidated net profit		**824**	**1,524**
attributable to owners of the parent		251	855
attributable to non-controlling interests	12.8	573	669

Earnings per share

(in €)	Notes	2014	2013[1]
From continuing operations attributable to owners of the parent	12.10.3		
• Basic earnings per share		2.04	7.44
• Diluted earnings per share[2]		1.68	7.43
From continuing and discontinued operations attributable to owners of the parent	12.10.3		
• Basic earnings per share		2.04	7.42
• Diluted earnings per share[2]		1.67	7.41

(1) The financial statements previously published were restated after the retrospective application of IFRS 11 and IFRIC 21 (see Note 1.3.6) and the changes relating primarily to the determination of the fair value of Monoprix assets and liabilities acquired (see Note 3.2.1).

(2) In accordance with IAS 33, the calculation of diluted EPS takes account of the maximum dilutive effect of the Monoprix bonds redeemable in shares (ORA) issued on 27 December 2013. The Group holds a call option on these ORA. The maximum dilution, equivalent to €0.37 per share at end-December 2014, would be reduced to zero if the option were exercised.

3.2.2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€ millions)	2014	2013[1]
NET PROFIT FOR THE YEAR	824	1,524
Items that may subsequently be reclassified to profit or loss	**33**	**(2,197)**
Cash flow hedges	32	(5)
Foreign currency translation[2]	19	(2,176)
Available-for-sale financial assets	(12)	3
Share of items that may subsequently be reclassified to profit or loss attributable to associates and joint ventures	-	(19)
Income tax	(7)	-
Items that will never be reclassified to profit or loss	**(1)**	**8**
Actuarial gains and losses	(2)	13
Income tax	1	(4)
Other comprehensive income (loss) for the year, net of tax	**31**	**(2,188)**
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR, NET OF TAX	**856**	**(665)**
Attributable to owners of the parent	*261*	*16*
Attributable to non-controlling interests	*595*	*(681)*

(1) The financial statements previously published were restated after the retrospective application of IFRS 11 and IFRIC 21 (see Note 1.3.6) and the changes relating primarily to the determination of the fair value of Monoprix assets and liabilities acquired (see Note 3.2.1).

(2) The €19 million positive change in 2014 arose primarily from the depreciation of the Colombian currency (-€236 million) offset by the appreciation of the Thai and Brazilian currencies (€144 million and €69 million, respectively). In 2013, the €2,176 million negative change arose mainly from the depreciation of the Brazilian, Columbian and Thai currencies (€1,641 million, €349 million and €120 million, respectively).

Movements in each period are shown in Note 12.7.2.

3.2.3. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2014, 31 December 2013 and 1 January 2013

Assets

(€ millions)	Notes	2014	2013[1]	1 January 2013[1]
Goodwill	10.1	11,009	10,728	9,918
Intangible assets	10.2	4,289	4,208	3,815
Property, plant and equipment	10.3	9,643	9,295	8,031
Investment property	10.4	667	555	535
Investments in associates and joint ventures	3.3	897	941	1,468
Other non-current assets	6.9	2,244	1,588	1,982
Deferred tax assets	9.2.1	366	392	834
Total non-current assets		**29,115**	**27,709**	**26,583**
Inventories	6.6	5,311	4,640	4,506
Trade receivables	6.7	1,513	1,493	1,687
Other current assets	6.8	1,786	1,646	1,639
Current tax assets		161	75	43
Cash and cash equivalents	11.1	7,359	5,300	6,135
Non-current assets held for sale	3.5	36	92	1,461
Total current assets		**16,165**	**13,246**	**15,471**
TOTAL ASSETS		**45,280**	**40,955**	**42,054**

Equity and liabilities

(€ millions)	Notes	2014	2013[1]	1 January 2013[1]
Share capital		173	173	172
Share premium, treasury shares, retained earnings and accumulated other comprehensive income		7,534	7,553	7,383
Equity attributable to owners of the parent		**7,707**	**7,726**	**7,556**
Non-controlling interests		**7,901**	**7,750**	**7,693**
Total equity	**12**	**15,608**	**15,476**	**15,249**
Non-current provisions	13.1	1,011	963	938
Non-current financial liabilities	11.2	9,223	8,515	9,393
Other non-current liabilities	11.3	745	603	896
Deferred tax liabilities	9.2.2	1,423	1,402	1,289
Total non-current liabilities		**12,402**	**11,483**	**12,515**
Current provisions	13.1	169	214	272
Trade payables		8,324	6,982	6,343
Current financial liabilities	11.2	4,525	2,577	2,476
Current tax liabilities		106	145	113
Other current liabilities	11.3	4,147	4,077	3,991
Liabilities associated with non-current assets held for sale	3.5	-	-	1,095
Total current liabilities		**17,270**	**13,995**	**14,290**
TOTAL EQUITY AND LIABILITIES		**45,280**	**40,955**	**42,054**

(1) The financial statements previously published were restated after the retrospective application of IFRS 11 and IFRIC 21 (see Note 1.3.6) and the changes relating primarily to the determination of the fair value of Monoprix assets and liabilities acquired (see Note 3.2.1).

3.2.4. CONSOLIDATED STATEMENT OF CASH FLOWS

For the years ended 31 December 2014 and 2013

(€ millions)	2014	2013[1]
Consolidated net profit	**824**	**1,524**
Depreciation, amortisation and provisions	1,011	1,044
Unrealised (gains)/losses arising from changes in fair value	56	142
(Income)/expenses on share-based payment plans	25	19
Other non-cash items	41	(7)
(Gains)/losses on disposal of non-current assets	77	(24)
(Gains)/losses due to changes in percentage ownership of subsidiaries resulting in the gain/loss of control or of non-controlling interests	(6)	(719)
Share of (profit)/loss of equity-accounted entities	(77)	(43)
Dividends from associates and joint ventures	64	56
Cash flows from operating activities before change in working capital, net finance costs and income tax	**2,015**	**1,990**
Net finance costs (excluding changes in fair value)	631	647
Current and deferred tax expenses	310	390
Income tax paid	(424)	(357)
Change in working capital (see Note 4.1)	343	461
Net cash from operating activities	**2,874**	**3,132**
Cash outflows related to acquisitions:		
• property, plant and equipment, intangible assets and investment property	(1,529)	(1,559)
• non-current financial assets	(15)	(32)
Cash inflows related to disposals:		
• property, plant and equipment, intangible assets and investment property	64	206
• non-current financial assets	3	8
Effect of changes in scope of consolidation resulting in the gain or loss of control (see Note 4.2)	(101)	(2,115)
Effect of changes in scope of consolidation related to joint ventures and associates	(34)	-
Change in loans and advances granted	1	38
Net cash used in investing activities	**(1,611)**	**(3,454)**
Dividends paid:		
• to owners of the parent (see Note 12.9)	(353)	(338)
• to owners of non-controlling interests	(122)	(197)
• to holders of deeply-subordinated perpetual bonds (TSSDI)	(27)	(17)
Increase/(decrease) in the parent's share capital	4	14
Transactions between the Group and owners of non-controlling interests (see Note 4.3)	(259)	163
(Purchases)/sales of treasury shares	(11)	(3)
Issues of equity instruments	-	1,237
Additions to debt	3,616	1,703
Repayments of debt	(1,348)	(1,905)
Interest paid, net	(639)	(648)
Net cash from financing activities	**861**	**10**
Effect of changes in foreign currency translation adjustments	**(37)**	**(679)**
CHANGE IN CASH AND CASH EQUIVALENTS	**2,087**	**(992)**
Cash and cash equivalents at beginning of period	5,110	6,102
• Cash and cash equivalents from operations held for sale	-	(204)
Reported cash and cash equivalents at beginning of period (see Note 11.1)	**5,110**	**5,898**
Cash and cash equivalents at end of period	7,197	5,110
• Cash and cash equivalents from operations held for sale	-	-
REPORTED CASH AND CASH EQUIVALENTS AT END OF PERIOD (SEE NOTE 11.1)	**7,197**	**5,110**

(1) The financial statements previously published were restated after the retrospective application of IFRS 11 and IFRIC 21 (see Note 1.3.6) and the changes relating primarily to the determination of the fair value of Monoprix assets and liabilities acquired (see Note 3.2.1).

3.2.5. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(€ millions before appropriation of profit)	Share capital	Share premium[1]	Treasury shares	Perpetual deeply subordinated bonds	Retained earnings and profit for the year
AT 1 JANUARY 2013, AS REPORTED	**172**	**4,075**	**(4)**	**600**	**2,647**
Impact of changes in accounting policies (see Note 1.3.6)	-	-	-	-	48
AT 1 JANUARY 2013*	**172**	**4,075**	**(4)**	**600**	**2,696**
Other comprehensive income (loss) for the year	-	-	-	-	-
Net profit (loss) for the year	-	-	-	-	855
Consolidated comprehensive income (loss) for the year	**-**	**-**	**-**	**-**	**855**
Issue of share capital	1	13	-	-	-
Purchases and sales of treasury shares	-	-	4	-	(5)
Issues of equity instruments[3]	-	-	-	750	(9)
Dividends paid[4]	-	-	-	-	(346)
Dividends payable to perpetual deeply subordinated bond holders and owners of non-controlling interests in GPA[5]	-	-	-	-	(10)
Share-based payments	-	-	-	-	4
Changes in percentage interest not resulting in the gain or loss of control of subsidiaries[6]	-	-	-	-	(248)
Changes in percentage interest resulting in the gain or loss of control of subsidiaries[7]	-	-	-	-	-
Other movements	-	-	-	-	(2)
AT 31 DECEMBER 2013*	**173**	**4,088**	**(1)**	**1,350**	**2,937**
Other comprehensive income (loss) for the year	-	-	-	-	-
Net profit (loss) for the year	-	-	-	-	251
Consolidated comprehensive income (loss) for the year	**-**	**-**	**-**	**-**	**251**
Issue of share capital	-	4	-	-	-
Purchases and sales of treasury shares	-	-	(1)	-	(7)
Dividends paid[4]	-	-	-	-	(371)
Dividends payable to perpetual deeply subordinated bond holders and owners of non-controlling interests in GPA[5]	-	-	-	-	(6)
Share-based payments	-	-	-	-	4
Cnova initial public offering (see Note 2)	-	-	-	-	213
Exercise of the call option for 3.4% of GPA shares (see Note 3.1.1)	-	-	-	-	(16)
Changes in percentage interest not resulting in the gain or loss of control of subsidiaries	-	-	-	-	(21)
Changes in percentage interest resulting in the gain or loss of control of subsidiaries	-	-	-	-	-
Other movements	-	-	-	-	2
AT 31 DECEMBER 2014	**173**	**4,092**	**(2)**	**1,350**	**2,987**

** The financial statements previously published were restated after the retrospective application of IFRS 11 and IFRIC 21 (see Note 1.3.6) and the changes relating primarily to the determination of the fair value of Monoprix assets and liabilities acquired (see Note 3.2.1).*
(1) Share premium: 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 12.5 for the perpetual deeply subordinated bonds issued by Casino, Guichard Perrachon and Note 12.6 for the bonds redeemable in shares issued by the Monoprix subsidiary (impact of -€4 million and €420 million attributable to owners of the parent and to non-controlling interests, respectively).
(4) Of which, respectively, €353 million and €18 million in dividends paid by Casino, Guichard-Perrachon on ordinary shares (see Note 12.9) and deeply subordinated perpetual bonds in 2014 (in 2013: respectively, €338 million and €8 million). See Note 12.8 regarding the impact on non-controlling interests.
(5) In 2014 and 2013, negative impacts of, respectively, €76 million and €30 million corresponding to the minimum dividends to be paid to CBD and Via Varejo shareholders, in accordance with Brazilian law.
(6) The positive impact of €590 million arose mainly from (i) the share exchange transaction with Mr. Abilio Diniz (net impact of €384 million – see Note 3.2.4), (ii) GPA's dilution in the subsidiary Via Varejo (impact of €210 million – see Note 3.2.6) and (iii) the buybacks of non-controlling interests related to Franprix-Leader Price master franchises (-€24 million).
(7) Includes €350 million from the removal of non-controlling interests following the loss of control of Mercialys.

Cash flow hedges	Net investment hedges	Foreign currency translation adjustments	Actuarial gains and losses	Available-for-sale financial assets	Equity attributable to owners of the parent[2]	Non-controlling interests	Total equity
(2)	**(31)**	**71**	**(39)**	**17**	**7,507**	**7,694**	**15,201**
-	-	-	-	-	48	(1)	48
(2)	**(31)**	**71**	**(39)**	**17**	**7,556**	**7,693**	**15,249**
(4)	-	(844)	8	2	(838)	(1,350)	(2,188)
-	-	-	-	-	855	669	1,524
(4)	**-**	**(844)**	**8**	**2**	**16**	**(681)**	**(665)**
-	-	-	-	-	14	-	14
-	-	-	-	-	(1)	-	(1)
-	-	-	-	-	741	420	1,161
-	-	-	-	-	(346)	(147)	(493)
-	-	-	-	-	(10)	(30)	(39)
-	-	-	-	-	4	14	18
-	-	-	-	-	(248)	838	590
-	-	-	-	-	-	(359)	(359)
-	-	-	-	-	(2)	3	(1)
(6)	**(31)**	**(773)**	**(30)**	**19**	**7,726**	**7,750**	**15,476**
21	-	(3)	(1)	(8)	9	22	31
-	-	-	-	-	251	573	824
21	**-**	**(3)**	**(1)**	**(8)**	**261**	**595**	**856**
-	-	-	-	-	4	-	4
-	-	-	-	-	(8)	-	(8)
-	-	-	-	-	(371)	(88)	(459)
-	-	-	-	-	(6)	(76)	(82)
-	-	-	-	-	4	21	25
-	-	(29)	-	-	184	(71)	113
-	-	(55)	-	-	(71)	(244)	(315)
-	-	3	-	-	(18)	13	(5)
-	-	-	-	-	-	2	2
-	-	-	-	-	2	-	2
15	**(31)**	**(858)**	**(31)**	**11**	**7,707**	**7,901**	**15,608**

3.3. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The presentation of the Notes to the consolidated financial statements for the year ended 31 December 2014 was changed to enable users of the financial statements to more easily read and understand the Group's financial position and performance, in accordance with the AMF recommendations. The Notes are now organised into main Notes, while most of the accounting policies, other than general accounting policies, are now presented together with the related Notes.

A cross-reference table between the presentation used for the consolidated financial statements for the year ended 31 December 2014 and the presentation for the year ended 31 December 2013 may be found at the end of the section on financial statements in Note 19.

REPORTING ENTITY

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

The consolidated financial statements for the year ended 31 December 2014 reflect the accounting situation of the Company and its subsidiaries, as well as the Group's interests in associates and jointly-controlled companies.

The 2014 consolidated financial statements of Casino, Guichard-Perrachon were approved for publication by the Board of Directors on 16 February 2015.

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

1.1. Accounting standards

In accordance with European 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 as at 31 December 2014.

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

The significant accounting policies set out below have been applied consistently to all periods presented, after taking account of or with the exception of the new standards and interpretations listed below.

Standards, amendments to standards, and interpretations applicable to financial years beginning on or after 1 January 2014

The Group has applied the following standards, amendments to standards, and interpretations:

- IFRS 10 – Consolidated Financial Statements and revised IAS 27 – Separate Financial Statements;
- IFRS 11 – Joint Arrangements and revised IAS 28 – Investments in Associates and Joint Ventures;
- IFRS 12 – Disclosure of Interests in Other Entities;
- Amendments to IFRS 10, 11 and 12 – Transition Guidance;
- Amendment to IAS 32 – Offsetting Financial Assets and Financial Liabilities;
- Amendment to IAS 36 – Non-recoverable Amount Disclosures for Non-financial Assets;
- Amendment to IAS 39 – Novation of Derivatives and Continuation of Hedge Accounting;
- IFRIC 21 – Levies.

With the exception of IFRS 11 and IFRIC 21, whose impacts are explained in Note 1.3.6, these new texts have not had a material impact on the Group's financial performance or position.

1.2. Basis of preparation and presentation

1.2.1. Accounting convention

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

- assets and liabilities remeasured at fair value pursuant to a business combination, in accordance with the principles set out in 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 the 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 may not correspond exactly to the sum of the reported amounts.

1.2.2. Use of estimates

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

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

- the accounting treatment of the bond exchange (see Note 11.2.1);
- provisions for risks, primarily tax and social security, as well as the recoverable amount of the tax credits or taxes (VAT and similar) (see Note 13);
- determination of the fair value of investment property (see Note 10.4);
- the fair value measurement of the identifiable assets and liabilities associated with the acquisition in 2013 of Monoprix (see Note 3.2.1);
- impairment of non-current assets and goodwill (see Note 10.5);
- recoverable amounts of deferred tax assets (see Note 9);
- the fair value measurement of the derivative instruments (see Note 11.5).

Notes 10.5.2, 10.5.3, 3.3.5, and 8.2.2 show the sensitivity of measurements concerning goodwill, brands, equity-accounted entities and pension provisions.

1.3. Accounting changes and restatement of the comparative information

1.3.1. Application of IFRS 10 "Consolidated Financial Statements"

IFRS 10 replaces IAS 27 – Consolidated and Separate Financial Statements and SIC 12 – Consolidation – Special Purpose Entities. This standard introduces a new definition of control based on power, exposure (and rights) to variable returns and the ability to exercise this power in order to influence returns.

The first-time adoption of this standard did not result in a material impact.

1.3.2. Application of IFRS 11 "Joint Arrangements"

IFRS 11 replaces IAS 31 – Investments in Joint Ventures and SIC I13 – Jointly-controlled Entities – Non-Monetary Contributions by Venturers.

This standard defines the treatment of a joint arrangement through which at least two parties exercise joint control.

The definition of joint control is based on the existence of a contractual agreement and unanimous consent of the parties sharing the control. These standards mainly provide for two distinct accounting treatments since IFRS 11 eliminates the proportionate consolidation method applicable to jointly controlled entities:

- joint arrangements classified as **joint operations** because they confer rights to assets and obligations for liabilities, shall be recognised in the portion of assets, liabilities, revenues and expenses in accordance with the degree of Group control as per the contractual agreement. A joint operation may be undertaken through a simple contract or a jointly controlled legal entity;
- joint arrangements classified as **joint ventures,** because they give control only on the net assets, shall be accounted for using the equity method;

Changes made to the forms of joint arrangements and the accounting methods resulting therefrom have led to the classification of the Group's jointly controlled ventures as joint ventures within the meaning of IFRS 11, which has led to the accounting using the equity method of all companies previously consolidated by the proportionate method. The main companies concerned are Monoprix (impact only on the first quarter of 2013, as on 5 April 2013 the Group acquired full control of the company), Geimex, Grupo Disco Uruguay and Distridyn.

The impacts on the consolidated financial statements at 1 January 2013 and 31 December 2013 are set out in Note 1.3.6.

1.3.3. Application of IFRS 12 "Disclosure of Interests in Other Entities"

This standard brings together all disclosures where an entity has shareholdings in subsidiaries, joint arrangements, associates and unconsolidated structured entities, irrespective of the level of control or influence exercised over the entity.

First-time adoption of this standard involves an extension of the notes to the financial statements.

1.3.4. Application of IFRIC 21 "Levies"

The Group opted for the early application of this interpretation, which involves recognising tax-related liabilities on the date of the taxable event laid down by the legislature.

The impacts on the consolidated financial statements at 1 January 2013 and 31 December 2013 are set out in Note 1.3.6.

1.3.5. Changes in the fair value of the assets and liabilities related to the 2013 acquisitions of control

During 2014, the Group completed the fair value measurement of the identifiable assets and liabilities related to the various acquisitions in 2013 (Monoprix was the main acquisition (see Note 3.2.1)), which resulted in the restatement of the financial statements for the year ended 31 December 2013 (see Note 1.3.6).

1.3.6. Impacts on the consolidated financial statements

The tables below summarise the impacts on the consolidated income statement, the consolidated balance sheet and the consolidated statement of cash flows resulting from:

- the change in method related to the first-time adoption of IFRS 11 and IFRIC 21;
- changes in the purchase price allocation (PPA) of the acquisitions of control in 2013; and
- the other following adjustments:
  - the availability of certain additional operating data at Cdiscount and Nova Pontocom led to the -€18 million downward adjustment of the sales figure for the year ended 31 December 2013 (the impact on the margin is not material),
  - rental income from the GPA shopping centres were reclassified from "Selling expenses" to "Net sales" for €43 million for the year ended 31 December 2013.

Impact on the main items of the consolidated income statement

(€ millions)	31 December 2013 reported	First-time adoption of IFRS 11	First-time adoption of IFRIC 21	Other	31 December 2013 restated
Net sales	48,645	(800)	-	25	47,870
Trading profit (loss)	2,363	(46)	10	-	2,326
Operating profit (loss)	2,625	(42)	10	-	2,592
Profit (loss) before tax	1,905	(43)	10	-	1,872
Share of profit (loss) of associates and joint ventures	21	27	(4)	-	43
NET CONSOLIDATED PROFIT (LOSS)	**1,523**	**-**	**1**	**-**	**1,524**
Attributable to owners of the parent	851	-	4	-	855
Attributable to non-controlling interests	672	-	(2)	-	669

Impact on the main items of the consolidated balance sheet

(€ millions)	31 December 2013 reported	First-time adoption of IFRS 11	First-time adoption of IFRIC 21	Adjustments associated with PPA[1]	Other	31 December 2013 restated
Total non-current assets	27,704	35	(28)	(2)	-	27,709
Total current assets	13,464	(226)	-	(3)	11	13,246
TOTAL ASSETS	**41,168**	**(191)**	**(28)**	**(5)**	**11**	**40,955**
Equity	15,426	(1)	51	-	-	15,476
Non-current liabilities	11,492	(3)	-	(5)	-	11,483
Current liabilities	14,250	(187)	(79)	-	11	13,995
TOTAL EQUITY AND LIABILITIES	**41,168**	**(191)**	**(28)**	**(5)**	**11**	**40,955**

(1) The main adjustments associated with PPA are shown in Note 3.2.

(€ millions)	1 January 2013 reported	First-time adoption of IFRS 11	First-time adoption of IFRIC 21	1 January 2013 restated
Total non-current assets	27,081	(480)	(18)	26,583
Total current assets	15,990	(519)	-	15,471
TOTAL ASSETS	**43,071**	**(999)**	**(18)**	**42,054**
Equity	15,201	(1)	49	15,249
Non-current liabilities	12,634	(118)	-	12,515
Current liabilities	15,237	(880)	(67)	14,290
TOTAL EQUITY AND LIABILITIES	**43,071**	**(999)**	**(18)**	**42,054**

Impact on the main items of the consolidated statement of cash flows

(€ millions)	31 December 2013 reported	First-time adoption of IFRS 11	First-time adoption of IFRIC 21	31 December 2013 restated
Net cash provided by (used in) operating activities	3,144	(13)	-	3,132
Net cash provided by (used in) investing activities	(3,248)	(207)	-	(3,454)
Net cash provided by (used in) financing activities	16	(6)	-	10
Effect of changes in foreign currency translation adjustments	(682)	4	-	(679)
Net increase/(decrease) in cash and cash equivalents	(770)	(222)	-	(992)

NOTE 2. SIGNIFICANT EVENTS OF THE YEAR

Highlights of the year included:

Creation of an e-commerce division, formation of the new entity Cnova and initial public offering in the United States

On 4 June 2014, the Boards of Directors of Casino, GPA, Via Varejo and Éxito approved the principal terms of the creation of a major global e-commerce division, composed primarily of Cdiscount (France, Belgium, Thailand, Vietnam, Colombia, Uruguay, Panama, Ecuador, Côte d'Ivoire and Senegal) and Cnova Brazil (formerly Nova Pontocom in Brazil), assembled under the new entity under Dutch law, Cnova N.V. ("Cnova"). The judicial reorganisation was finalised on 24 July 2014.

On 21 November 2014, Cnova launched its initial public offering on the NASDAQ of 26.8 million ordinary shares at $7 per share, with an additional 2.4 million ordinary shares issued in December 2014 to cover the exercise of the oversubscription option by the subscribing banks. On 21 January 2015, Cnova was also admitted to trading on Euronext Paris.

The reorganisation and the IPO were recognised as transactions between shareholders recognised within equity, generating the following impacts:

- a transfer of -€139 million in non-controlling interests to equity attributable to owners of the parent under the judicial reorganisation allowing the Group's e-commerce activities to be brought together under Cnova; and;
- in connection with the issuance of shares (€143 million) and the dilution impact (-€75 million), the net recognition of €68 million in non-controlling interests (net of €21 million in IPO expenses after tax and disbursed), and the positive €45 million impact on equity attributable to owners of the parent (net of €29 million in IPO expenses after tax).

This had an impact of €117 million on cash at 31 December 2014 net of the IPO expenses.

Taking this major transaction into account, the Group revised its segment information to reflect the change in its activities (see Note 5).

Other 2014 changes in Group structure

- The exercise of the call option for the GPA preferred shares (see Note 3.1.1).
- The Franprix-Leader Price subgroup: acquisition of control in Mutant Distribution (see Note 3.1.2).
- Acquisition of all non-controlling interests in Monshowroom (see Note 3.1.3).
- The Éxito subgroup: acquisition of control of the Super Inter Group (see Note 3.1.4).

Financing transactions

- Bond issuances (see Note 11.2.1).
- Signing of a line of credit (see Note 11.2.1).

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.

Subsidiaries

Subsidiaries are companies controlled by the Group. Control exists when the Group (i) has the 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 balance sheet, regardless of the percentage interest held.

Potential voting rights

Control must be 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 and that these rights are exercisable.

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 (potential voting rights). The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has control of an 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".

Business combinations

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

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 of acquisition of control and for each business combination, the Group may elect to measure the non-controlling interest's proportionate share of net assets (partial goodwill) or at fair value. Under the latter method (called the full goodwill method), 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 before IFRS 3 as revised.

In case of acquisition by stages, the previous interest held is remeasured to fair value as at the date control is acquired. The difference between the fair value and the net carrying amount of this equity interest is recognised directly in profit or loss ("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 the 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 (a maximum of 12 months after the date control is obtained over the entity acquired). The subsequent acquisition of non-controlling interests does not give rise to the recognition of additional goodwill.

Any contingent consideration is included in the consideration transferred at its acquisition-date fair value even if it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Subsequent changes in the fair value of contingent consideration due to facts and circumstances that existed as of the acquisition date are recorded by adjusting goodwill if they occur during the measurement period or directly in profit or loss for the period under "Other operating income" or "Other operating 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.

Foreign currency translation

The consolidated financial statements are presented in euros, 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 according to the closing rate method:

- 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 balance sheet 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 amount of the translation differences in equity relating to that operation is reclassified to profit or loss.

Foreign currency transactions are translated into euros using the exchange rate at 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 at the transaction date.

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

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

3.1. 2014 changes in Group structure

3.1.1. Change in percentage interest in GPA

Exercise of call option

On 4 April 2014, Casino acquired 8,907,123 preferred shares of GPA after exercising a call option purchased in July 2012.

The amount disbursed for this acquisition amounted to €330 million (see Note 4.3), with a negative impact of €71 million on equity attributable to owners of the parent.

Exercise of stock options

The exercise of GPA stock options in the first half of 2014 had a negative impact of €6 million on equity attributable to owners of the parent.

These two transactions among shareholders recognised directly in equity brought Casino's interest in GPA to 41.32% as at 31 December 2014 (38.07% as at 31 December 2013).

3.1.2. Franprix-Leader Price subgroup transactions

Le Mutant

On 28 October 2013, Leader Price signed an agreement with Mutant Distribution, a subsidiary of the Coopérateurs de Normandie-Picardie subgroup, relating to the acquisition of 46 stores, mainly in south western France, and the establishment of an affiliate partnership with the Leader Price banner *via* a brand licensing and supply agreement covering nearly 90 stores in Normandy-Picardy. These stores are operated under the Le Mutant discount banner.

After obtaining approval from the French Competition Authority, the Franprix-Leader Price group took control of the 46 Le Mutant stores on 8 March 2014. The amount disbursed for this acquisition was €32 million, generating provisional goodwill of €18 million.

The transaction costs for the acquisition of this subgroup amounted to €2 million and were recognised in "Other operating expenses" (of which €1 million in 2013).

The contributions of the activities of the Le Mutant subgroup to Casino Group sales and pre-tax profit for the period between 8 March 2014 and 31 December 2014 were €64 million and -€8 million, respectively. Had this acquisition been carried out on 1 January 2014, the additional contribution to net sales would have been €13 million and the contribution to pre-tax profit would have been non-material.

Other acquisitions of control

During 2014, Franprix-Leader Price took control of various companies operating 26 stores under the Franprix and Leader Price banners. The amount disbursed for these acquisitions was €22 million, generating provisional goodwill of €26 million. Had these acquisitions been made on 1 January 2014, the contributions to net sales and pre-tax profit would have been €63 million and -€5 million, respectively.

3.1.3. Monshowroom (e-commerce segment)

The main effect of the updating of the fair value of the identifiable assets and liabilities was to revalue the brand by €6 million and customer relations by €1 million. The definitive goodwill of Monshowroom (E-Trend company) is thus €22 million.

In addition, Cdiscount Group (formerly Casino Entreprise) acquired all the non-controlling interests in Monshowroom in May 2014 for €6 million, with an impact of €4 million on equity attributable to owners of the parent.

3.1.4. Super Inter

In September 2014, the Colombian Competition Authority authorised Éxito to purchase 19 Super Inter stores for 200,000 million Colombian pesos (COP) (€75 million, of which €49 million was paid on 31 December 2014). This authorisation is subject to the sale of four stores to a competitor and a fair commercial relationship with Super Inter's suppliers.

Éxito also signed an agreement with Super Inter to (i) operate 31 additional stores for a five-year period as from a date between 16 October and 18 December 2014 based on the store, (ii) to use the Super Inter trademarks, and (iii) in 2015, acquire the 31 additional stores and banners mentioned above (call option granted by Super Inter to Éxito). An agreement was signed with Super Inter to organise the control of these 31 stores.

Given the net identifiable assets of 20,588 million COP (€8 million) acquired on 16 October 2014, provisional goodwill stands at 179,412 million Colombian pesos (COP) (€68 million), attributable to the acquisition of a new customer base and economies of scale resulting from the combination of the Éxito and Super Inter activities. This goodwill is tax-deductible.

The expenses associated with the acquisition of control and shown in "Other operating expenses" amounted to €3 million for the year.

The call option for the potential acquisition of 31 additional stores and the Super Inter brands may be exercised starting 1 April 2015 for a 30-day period or until a date agreed upon by the parties. The exercise price is 250,000 million COP (€87 million), plus a variable component of up to 90,000 million COP (€31 million) based on the sales performance of the 31 stores. If the sales at these stores are less than 80,000 million COP (€28 million), no variable component will be due.

The contribution of the stores acquired from Super Inter to Group net sales and consolidated profit totalled €16 million and €1 million, respectively, for the period from 16 October through 31 December 2014.

Had this acquisition of control been carried out on 1 January 2014, the contributions to net sales and profit attributable to owners of the parent would have been €111 million and €4 million, respectively.

3.2. 2013 changes in Group structure

3.2.1. Acquisition of Monoprix in 2013

The fair value of Monoprix's identifiable assets and liabilities, as determined by an independent accounting firm as at the date of acquisition (5 April 2013), are summarised below:

(€ millions)	**Fair value at 5 April 2013**
Intangible assets	940
Property, plant and equipment	1,613
Other non-current assets	22
Deferred tax assets	8
Inventories	325
Trade receivables	34
Current tax receivables	7
Other assets	139
Cash and cash equivalents	106
Non-current assets held for sale	12
ASSETS	**3,207**
Non-current provisions	86
Non-current financial liabilities	2
Other non-current liabilities	1
Deferred tax liabilities	614
Current provisions	7
Current financial liabilities	620
Trade payables	443
Other current liabilities	327
LIABILITIES	**2,100**
Net identifiable assets and liabilities at 100% (A)	**1,107**
Fair value of the previously-held 50% interest (B)	**1,175**
Acquisition cost of a 50% stake in Monoprix (C)	**1,176**
GOODWILL (B+C-A)	**1,244**

Fair value measurements of identifiable assets and liabilities gave rise to the recognition of €1,244 million of goodwill, €16 million more than the provisional value presented in the consolidated statements for the year ended 31 December 2013. This variation results from the finalisation of the purchase price allocation, in relation mainly to real estate assets. These changes gave rise to the restatement of the consolidated statements for the year ended 31 December 2013 (see Note 1.3.6).

The acquisition of control of Monoprix resulted in recognition of a €141 million gain from the remeasurement of the interest previously held that was recognised under "Other operating income."

Had this acquisition of control been carried out on 1 January 2013, the additional contribution to net sales and profit attributable to owners of the parent would have been €504 million and €11 million, respectively.

3.2.2. Loss of controlling interest in Mercialys

Casino recognised this loss of controlling interest in Mercialys at the end of the 21 June 2013 Annual General Meeting.

As from that date, the Mercialys Group had been accounted for using the equity method in the consolidated financial statements of the Casino Group. The impact of the loss of controlling interest generated a gain of €548 million, recorded under "Other operating income." This gain included €459 million related to the fair value remeasurement of the interest retained by the Group, determined on the basis of the market price at the date of the loss of control, and €89 million recognised in the first semester 2013 from the sale of the 9.9% interest at the end of 2012.

3.2.3. Franprix-Leader Price subgroup transactions

In 2013, Franprix-Leader Price acquired a controlling interest in three subgroups (Distri Sud-Ouest, RLPG Développement and Cafige), in which it already held a non-controlling interest. These transactions gave rise to the recognition of goodwill of €284 million.

On 27 May 2013, the Group received approval from the French Competition Authority for the acquisition of 38 convenience stores in south-east France from the Norma Group. The transaction generated goodwill of €33 million.

In addition, Franprix-Leader Price bought out the non-controlling interests related primarily to master franchisees of Distri Sud-Ouest, Cogefisd and Figeac for €84 million, generating a negative impact on equity attributable to owners of the parent of €22 million.

Had these acquisitions been made on 1 January 2013, the additional contributions to net sales and profit would have been €134 million and negative €13 million, respectively.

3.2.4. GPA shares swap

On 6 September 2013, a settlement agreement was reached between the Group and Mr. Abilio Diniz. This agreement specifically provided for the cancellation of the put option (7.3%) granted by Casino. In exchange, the Group delivered 19,375,000 GPA preferred shares in consideration for 19,375,000 Wilkes shares held by Mr. Diniz. This was recognised as an equity transaction having a negative impact on equity attributable to owners of the parent of €190 million, a positive impact on equity attributable to non-controlling interests of €574 million and resulted in the cancellation of financial liabilities linked to the put option of €399 million.

3.2.5. Bartira – Acquisition of control

At the level of the GPA subgroup, Via Varejo exercised its call option on 1 November 2013 for 75% of Bartira (specialised in furniture) and acquired a controlling interest in the entity for €70 million. This transaction generated a gain of €35 million for the previously-held stake (25%).

At the 1 November 2013 acquisition date, the fair value of Bartira's identifiable assets and liabilities, as determined by an independent appraiser, were as follows:

(€ millions)	**Fair value at 1 November 2013**
Intangible assets	27
Property, plant and equipment	46
Deferred tax assets	1
Inventories	17
Other assets	13
Cash and cash equivalents	-
ASSETS	**104**
Provisions	39
Financial liabilities	6
Other liabilities	26
LIABILITIES	**72**
Net identifiable assets and liabilities at 100% (A)	**32**
Fair value of the previously-held 25% interest (B)	**58**
Acquisition cost of 75% interest in Bartira (C)	**70**
Fair value of the call option held (D)	**103**
GOODWILL (B+C+D-A)	**199**

Measurement of the fair value of identifiable assets and liabilities resulted in the recognition of €199 million in goodwill allocated to the non-food GPA CGU (Via Varejo), which is attributable primarily to growth prospects for business.

As Via Varejo accounted for 100% of Bartira's revenue, the full integration had no impact on sales and the impact on the rest of the income statement was immaterial.

3.2.6. Partial sale without loss of control of Via Varejo

On 27 December 2013, Via Varejo finalised an offering of 123.7 million units in the company (with each unit comprised of one ordinary share and two preferred shares) in the Brazilian market for preferred shares held by GPA and the Klein family.

This transaction led to a 9.06% decrease of GPA's interest in its subsidiary Via Varejo, GPA keeping the majority of the ordinary shares voting. This sale of 9.06% by GPA on the market had a negative impact of €8 million on equity attributable to owners of the parent and a positive impact of €218 million on equity attributable to non-controlling interests. The corresponding transaction expenses net of tax of €28 million were recognised under equity attributable to owners of the parent and non-controlling interests for €6 million and €22 million, respectively.

3.3. Investments in associates and joint ventures

3.3.1. Significant associates

The following table presents the full condensed financial statements for the three main associates accounted for by the equity method. These statements are prepared in accordance with IFRS, as reported by the associates and restated, where appropriate, for the adjustments made by the Group, for example, to the fair value at the acquisition-date or loss of control date and adjustments made to accounting policies, bringing them in line with those of the Group:

	2014			2013		
(€ millions)	**Mercialys[1]**	**Banque du Groupe Casino[1]**	**FIC[2]**	**Mercialys[1]**	**Banque du Groupe Casino[1]**	**FIC[2]**
Country	France	France	Brazil	France	France	Brazil
Business	Real estate	Banking	Banking	Real estate	Banking	Banking
% interests and voting rights[3]	40%	50%	50%	40%	50%	50%
Net sales	155	105	329	152	95	312
Net profit (loss) from continuing operations	85	(5)	70	145	2	31
Other comprehensive income (loss)	-	-	-	2	-	-
TOTAL COMPREHENSIVE INCOME (LOSS)	**85**	**(5)**	**70**	**147**	**2**	**31**
Total non-current assets	2,415	27	11	2,112	33	10
Total current assets	198	739	1,184	89	645	1,081
of which credit activity-related assets	-	*642*	-	-	*579*	-
Non-current liabilities	(1,040)	(2)	(5)	(769)	(1)	(7)
Current liabilities	(182)	(670)	(920)	(61)	(577)	(867)
of which credit activity-related liabilities	-	*(655)*	-	-	*(560)*	-
Net assets	**1,391**	**94**	**271**	**1,371**	**100**	**216**
Share of net assets	**560**	**47**	**135**	**552**	**50**	**109**
Goodwill	20	33	-	20	33	-
Elimination of share of internal margin	(122)	-	-	(11)	-	-
Other adjustments[4]	-	-	(19)	-	-	(19)
Value of investments in equity-accounted entities	**457**	**80**	**116**	**561**	**83**	**89**
Dividends received from associates	**44**	**-**	**4**	**48**	**-**	**5**

(1) Mercialys and Banque du Groupe Casino are accounted for by the equity method as the Group only exercises significant influence over their operating and financial policies.
(2) GPA Group associates are mainly composed of FIC and BINV. They finance purchases made by GPA customers and resulted from a partnership between Banco Itaú Unibanco S.A. (Itaú Unibanco), GPA and Via Varejo. They are accounted for using the equity method as GPA only exercises significant influence over their operating and financial policies.
(3) The percentage interest referred to corresponds to that held by Casino, except in the case of FIC, also accounted for using the equity method, which refers to the interest held by the GPA subgroup.
(4) The amount of the reserve allocated to Itaú Unibanco for determining the carrying amount of FIC's interest accounted for by the equity method must be deducted.

3.3.2. Significant joint venture

The Grupo Disco de Uruguay subgroup constitutes the most significant joint venture in the Group's consolidated statements.

(€ millions)	2014 Grupo Disco[1]	2013 Grupo Disco[1]
Country	Uruguay	Uruguay
Business	Retailing	Retailing
% interest[2]	62.49%	62.49%
% voting rights	62.49%	62.49%
Net sales	402	385
Net profit (loss) from continuing operations	21	27
Other comprehensive income (loss)	1	(3)
TOTAL COMPREHENSIVE INCOME (LOSS)	**22**	**24**
The comprehensive income items shown above include the following:		
• Depreciation and amortisation expense	(7)	(6)
• Financial income	-	1
• Interest expense	-	-
• Income tax (expense)/benefit	(11)	(8)
Total non-current assets	131	130
Total current assets	209	119
of which cash and cash equivalents	*49*	*36*
Non-current liabilities	(6)	(6)
of which financial liabilities (excluding trade payables, other payables and provisions)	-	-
Current liabilities	(186)	(105)
of which financial liabilities (excluding trade payables, other payables and provisions)	*(1)*	*(2)*
Net assets	**148**	**138**
Share of net assets	**92**	**86**
Goodwill	36	36
Value of investments in equity-accounted entities	**129**	**122**
Dividends received from the joint venture	**7**	**7**

(1) The Grupo Disco de Uruguay subgroup is accounted for using the equity method. It is 62.49% owned by Éxito, as the agreements between the Casino Group and its partners provide for the exercise of joint control over the business. This subgroup is subject to a put option (see Note 3.4.2).
(2) The percentage interest referred to corresponds to that at the level of the Éxito subgroup.

3.3.3. Other investments in associates and joint ventures

The table below shows the aggregate information regarding the associates and joint ventures that are non-material individually, for the share held by the Group.

As at 31 December 2014, the carrying amount of the interests held in associates and joint ventures totalled €21 million and €87 million, respectively.

	2014		2013 restated	
(€ millions)	Associates	Joint ventures	Associates	Joint ventures
Net profit (loss) from continuing operations	(4)	1	(8)	5
Net profit (loss) from discontinued operations, net of tax	-	-	-	-
Other comprehensive income (loss)	-	-	-	(2)
TOTAL COMPREHENSIVE INCOME (LOSS)	**(4)**	**1**	**(8)**	**3**

3.3.4. Changes in investments in associates and joint ventures for the year

(€ millions)	1 January 2014[1]	Impairment losses	Share of profit (loss) for the year	Retailing	Other	31 December 2014
Associates						
GPA Group associates (FIC & BINV)	102	-	16	(5)	(19)	95
Banque du Groupe Casino	82	-	1	-	-	83
Mercialys[2]	1	-	13	(48)	597	561
Other	76	(6)	(8)	-	(33)	28
Joint ventures						
Disco	130	-	17	(7)	(18)	122
Monoprix (see Note 3.2.1)	1,025	-	5	-	(1,031)	0
Other	54	-	-	-	(1)	53
2013	**1,468**	**(6)**	**43**	**(61)**	**(504)**	**941**
Associates						
GPA group associates (FIC & BINV)	95	-	36	(8)	-	122
Banque du Groupe Casino	83	-	(3)	-	-	80
Mercialys[3]	561	-	34	(44)	(94)	457
Other	28	(1)	(5)	(8)	7	21
Joint ventures						
Disco	122	-	14	(7)	-	129
Other	53	-	1	(1)	34	87
2014	**941**	**(1)**	**77**	**(68)**	**(52)**	**897**

(1) The financial statements previously published were restated after the retrospective application of IFRS 11 and IFRIC 21 (see Note 1.3.6).
(2) Since 21 June 2013, the date of the loss of controlling interest, Mercialys has been accounted for using the equity method (see Note 3.2.2).
(3) The negative change of €94 million is the result of the neutralisation of the gain on the sale of property assets by Casino to Mercialys up to the share held in that entity (see Note 3.3.7).

3.3.5. Impairment losses on investments in associates and joint ventures

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

The fair value of the interest in Mercialys at the reporting date was €682 million, determined using the market price at 31 December 2014. This value does not reflect an impairment loss. Mercialys' EPRA adjusted net asset value (ANR) amounted to €1,731 million at 100% at 31 December 2014.

The impairment tests led to the recognition of an impairment loss of €10 million for Franprix-Leader Price.

3.3.6. Share of contingent liabilities in associates and joint ventures

As at 31 December 2014 and 31 December 2013, there were no material contingent liabilities in associates and joint ventures.

3.3.7. Transactions with related parties (associates and joint ventures)

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

	2014				2013 restated[1]			
	Associates		Joint ventures		Associates		Joint ventures	
(€ millions)	Transaction	Balance	Transaction	Balance	Transaction	Balance	Transaction	Balance
Loans	(8)	-	-	-	(43)	8	-	-
Receivables	3	9	(7)	18	5	6	19	25
Liabilities	4	17	2	9	14	13	(5)	7
Expenses	66	-	68	-	65	-	62	-
Income	506	-	40	-	63	-	68	-

(1) 2013 transactions do not include flows related to Monoprix.

In connection with its relationship with Mercialys, Casino entered into various agreements; mainly, Casino is a tenant in certain shopping centres and handles the rental management of nearly all Mercialys sites.

In addition, Casino and Mercialys signed a property development Partnership Agreement. Under this agreement, Casino sold eight properties. In the spirit of the Agreement, Casio sold five other properties (including the Toulouse Fenouillet shopping centre). It also signed property development contracts for these 13 properties. The transactions totaled €440 million. Lastly, the Group acquired 52 Mercialys properties for €256 million.

3.3.8. Commitments to joint ventures

As at 31 December 2014 and 31 December 2013, there were no commitments to joint ventures.

3.4. Commitments related to scope of consolidation

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

Accounting principle

Positions adopted by the Group for accounting issues not specifically dealt with in IFRSs

In the absence of standards or interpretations applicable to conditional or unconditional put and call options on non-controlling interests, management has used its judgment to define and apply the most appropriate accounting treatment.

Put options granted to owners of non-controlling interests

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 and the options may be exercised either at any time or on a fixed future date. In accordance with IAS 32, obligations under these puts related to subsidiaries fully consolidated have been recognised as financial liabilities. Options with a fixed exercise price are recognised at their discounted present value and options with a variable exercise price at fair value. Furthermore, these transactions may be carried out at any time or at a defined date.

IAS 27 revised, which became 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, set out the accounting treatment for acquisitions of additional equity interests. The Group has decided to apply two different accounting methods for these put options, depending on whether they were granted before or after the effective date of IAS 27 revised, as recommended by the France's securities regulator (*Autorité des Marchés Financiers*):

- the former are accounted for using the goodwill method: the difference between the debt representing the buyback commitments and the carrying amount of the non-controlling interests is recognised in goodwill. In subsequent closings, this liability is remeasured and any changes noted are recognised in goodwill. The discount is recognised in profit or loss;
- the latter are accounted for as equity transactions: the difference between the debt representing the buyback commitments and the carrying amount of the non-controlling interests is recognised as a reduction of equity. In subsequent closing, this liability is remeasured and any changes noted are recorded in equity.

Commitments to acquire equity securities granted to non-controlling interests were as follows as at 31 December 2014:

(€ millions)	% Group interest	Commitment to non-controlling interests	Price	Fixed or variable exercise price	Non-current financial liabilities	Current financial liabilities
Franprix-Leader Price[1]	51.00% to 74.00%	26.00% to 49.00%		F / V	35	8
Lanin/Devoto (Uruguay)[2]	96.82%	3.18%		V	-	15
Monoprix (Somitap)	55.42%	44.58%		F	2	1
TOTAL COMMITMENTS					**38**	**24**

(1) The value of these put options on subsidiaries of the Franprix-Leader Price subgroup is generally based on net profit. A +/-10% change in the indicator would not have a significant impact; these options expire between 2015 and 2032.
(2) The option is exercisable until 21 June 2021.

3.4.2. Off-balance sheet commitments

(€ millions)	2014	2013
Written put options[1] of which		
• Franprix-Leader Price	72	68
• Disco (Uruguay)	90	87
TOTAL COMMITMENTS GIVEN	**163**	**155**

(1) Reciprocal commitments.

Under the terms of the option contracts, the exercise price of written put and call options may be determined using earnings multiples, 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. For these options, the value shown corresponds to that of the written put.

Franprix-Leader Price

Options on Franprix-Leader Price concern master franchises not controlled by Casino. These put options are exercisable until 2032 at a price based on the operating profit of the companies concerned.

After the year-end, two master franchises issued notice of the exercise of their options, which will reduce the commitments given by the Group by €58 million.

Uruguay

Casino has granted a put option on 29.8% of Disco's capital to the family shareholders. The option is exercisable until 21 June 2021 at a price based on the Disco subgroup's consolidated operating profit, with a floor of USD 41 million plus interest at 5% per year.

3.5. Non-current assets held for sale

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. For the sale to 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.

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

Non-current assets held for sale totaled €36 million at 31 December 2014. They are comprised mainly of Franprix-Leader price assets (€9 million) and Monoprix assets (€10 million).

The change observed between 31 December 2014 and 31 December 2013 relates primarily to the process of selling stores, in accordance with the opinion of the French competition authority, issued in connection with the acquisition of control of Monoprix.

NOTE 4. ADDITIONAL INFORMATION ON THE CONSOLIDATED STATEMENT OF CASH FLOWS

4.1. Change in working capital

(€ millions)	2014	2013 restated
Inventories of goods	(653)	(234)
Property development work in progress	127	1
Trade payables	1,310	841
Trade receivables	5	63
Finance receivables (credit activity)	4	(47)
Finance payables (credit activity)	3	83
Other receivables/payables	(452)	(247)
CHANGE IN WORKING CAPITAL	**343**	**461**

4.2. Impact on cash of changes in scope of consolidation resulting in the gain or loss of control

(€ millions)	2014	2013 restated
Amounts paid for acquisition of control	(130)	(1,907)
Cash/(bank overdrafts) related to acquisition of control	1	8
Amounts received for loss of control	28	-
(Cash)/bank overdrafts related to loss of control	-	(9)
Impact of loss of control of Mercialys	-	(207)
Impact of changes in scope of consolidation resulting in the gain or loss of control	**(101)**	**(2,115)**

In 2014, the impact of these transactions on the Group cash position mainly comprises:

- acquisition of control of Super Inter for -€49 million (see Note 3.1.4);
- acquisitions of control by the Franprix-Leader Price subgroup of 46 Le Mutant stores for -€32 million (see Note 3.1.2) and various other companies for -€27 million (the main companies are described in Note 3.1.2).

In 2013, the impact of these transactions on the Group cash position mainly comprised:

- acquisition of control of Monoprix for -€1,688 million;
- acquisitions of control made by the Franprix-Leader Price subgroup for -€130 million;

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

(€ millions)	2014	2013 restated
Exercise of the GPA call option (see Note 3.1.1)	(330)	-
Increase of Cnova capital associated with the initial public offering (see Note 2)	117	-
Partial sale without loss of control of Via Varejo	-	259
Buybacks of non-controlling interests in Franprix-Leader Price subsidiaries	(10)	(84)
Payment of Sendas debt	(22)	(22)
Other	(14)	9
IMPACT ON CASH OF TRANSACTIONS WITH NON-CONTROLLING INTERESTS	**(259)**	**163**

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 CEO) in deciding how to allocate resources and in assessing performance.

In connection with the creation of an e-commerce division and the incorporation of the new entity Cnova, the Group has revised the segments to be presented as follows:

- France Retail: segment including all retail activities in France (mainly the Casino, Monoprix, Franprix-Leader Price and Vindémia banners);
- Latam Retail: segment including all food retail activities in Latin America (mainly the banners of the GPA – food, Éxito and Libertad groups);
- Latam Electronics: segment including the non-food retail activities in Brazil (Via Varejo group banners: Casas Bahia and Ponto Frio);
- Asia: segment including all retail activities in Asia (Big C Thailand and Big C Vietnam banners) ;
- E-commerce: segment including the activities of the new entity Cnova (Cdiscount, its vertical and international sites and Cnova Brazil); and,
- Others.

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

Management evaluates the performance of these segments on the basis of sales and trading profit. Total assets and liabilities by segment are not specifically reported internally for management purposes and are therefore not disclosed in the Group's IFRS 8 segment reporting.

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

5.1. Key indicators by operating segment

(€ millions)	France Retail	Latam Retail	Latam Electronics	Asia	E-commerce	Other	2014
External net sales	18,848	15,422	7,245	3,513	3,465	-	48,493
Trading profit (loss)[1]	396	895	677	255	7	1	2,231

(1) In accordance with IFRS 8 – Operating Segments, information by operating segment is prepared based on internal reports and includes notably the allocation of holding company costs to all of the Group's business units.

(€ millions)	France Retail	Latam Retail	Latam Electronics	Asia	E-commerce	Other[2]	2013 restated
External net sales	18,308	15,477	7,576	3,561	2,884	64	47,870
Trading profit (loss)[1]	544	872	546	264	31	69	2,326

(1) In accordance with IFRS 8 – Operating Segments, information by operating segment is prepared based on internal reports and includes notably the allocation of holding company costs to all of the Group's business units.
(2) Concerns primarily Mercialys until 21 June 2013.

5.2. Key indicators by geographical area

(€ millions)	France	Latin America	Asia	Other sectors	Total
External net sales for the year ended 31 December 2014	**20,431**	**24,539**	**3,523**	**-**	**48,493**
External net sales for the year ended 31 December 2013 restated	19,779	24,530	3,561	-	47,870

(€ millions)	France	Latin America	Asia	Other sectors	Total
Non-current assets at 31 December 2014[1]	**12,245**	**12,231**	**2,264**	**55**	**26,794**
Non-current assets at 31 December 2013 restated[1]	12,086	11,873	1,983	50	25,992

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

NOTE 6. ACTIVITY DATA

6.1. Total revenue

Accounting principle

Revenue is divided into two parts: net sales and other income.

Net sales include sales in and by the Group's stores, Internet sites, self-service restaurants and warehouses, as well as financial services, rental services, income from the banking business and revenue from other miscellaneous services rendered.

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

Total revenue is measured at the fair value of the consideration received or receivable, net of any trade discounts, volume rebates and sales taxes. 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 the legal title is transferred), the amount of the revenue can be measured reliably and it is probable that the economic benefits of the transaction will flow to the Group;
- revenue from the sale of services, such as extended warranties, services directly related to the sale of goods and services rendered to suppliers are recognised in the period during which they are performed. When a service is combined with various commitments, such as volume commitments, the 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 performed) or deferred over the period during which the service is performed or the commitment achieved.

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

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

(€ millions)	2014	2013 restated
Net retail sales	48,493	47,870
Other income	568	325
TOTAL REVENUE	**49,061**	**48,195**

6.2. Cost of goods sold

Accounting principle

Gross profit

Gross profit corresponds to the difference between net sales and the cost of goods sold.

The cost of goods sold comprises the cost of purchases net of discounts and commercial cooperation fees, changes in inventory related to retail activities 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.

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)	2014	2013 restated
Purchases and change in inventories	(34,602)	(34,030)
Logistics costs	(1,799)	(1,618)
COST OF GOODS SOLD	**(36,401)**	**(35,648)**

6.3. Expenses by nature and function

Accounting principle

Selling expenses

Selling expenses consist of point-of-sale costs, as well as the cost of property development work and changes in work in progress.

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	2014
Employee benefits expense	(622)	(3,868)	(899)	(5,390)
Other expenses	(1,113)	(4,271)	(494)	(5,878)
Depreciation and amortisation expense	(64)	(717)	(179)	(960)
TOTAL	**(1,799)**	**(8,857)**	**(1,573)**	**(12,229)**

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

(€ millions)	Logistics costs[1]	Selling expenses	General and administrative expenses	2013 restated
Employee benefits expense	(583)	(3,811)	(927)	(5,321)
Other expenses	(981)	(4,033)	(547)	(5,560)
Depreciation and amortisation expense	(54)	(685)	(218)	(958)
TOTAL	**(1,618)**	**(8,529)**	**(1,692)**	**(11,839)**

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

France's third amended 2012 Finance Act introduced a competitiveness and employment tax credit (CICE), a tax credit (repayable from the end of the third year) of 4% for salaries equal to or less than 2.5 the French minimum wage paid as of 1 January 2013. The rate was raised to 6% on 1 January 2014. The Group recognised in 2014 this CICE income of €93 million (€73 million in 2013) which was presented in reduction to employee expenses and sold its receivable for €87 million (€58 million in 2013).

6.4. Depreciation and amortisation

(€ millions)	2014	2013 restated
Depreciation and amortisation expense – owned assets	(922)	(911)
Depreciation expense – finance leases	(26)	(35)
Lease payments for land use (see Note 7.2)	(12)	(11)
DEPRECIATION AND AMORTISATION EXPENSE	**(960)**	**(958)**

6.5. Other operating income and expenses

Accounting principle

"Other operating income and expenses" covers two types of items:

- first, the effects of 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;
- second, items which by their nature are not included in an assessment of a business unit's recurring operating performance, such as impairment losses on non-current assets, disposals of non-current assets and the impact of applying IFRS 3 revised and IFRS 10 (see Note 3).

(€ millions)	2014	2013 restated
Total other operating income	**244**	**999**
Total other operating expenses	**(738)**	**(732)**
	(494)	**266**
BREAKDOWN BY TYPE		
Gains and losses on disposal of non-current assets	**(4)**	**61**
Other operating income and expenses	**(490)**	**205**
Restructuring provisions and expenses[1]	(197)	(147)
Asset impairment losses[4]	(53)	(79)
Provisions and expenses for litigation and risks[2]	(97)	(85)
Net income/(expenses) related to changes in scope of consolidation[3]	(136)	551
Other	(7)	(35)
TOTAL OTHER OPERATING INCOME AND EXPENSES, NET	**(494)**	**266**

(1) The 2014 restructuring expense concerns primarily the France Retail sectors, for €156 million (of which €51 million, €41 million and €19 million relative to Distribution Casino France, Franprix-Leader Price and Monoprix, respectively). In 2013, the expense mainly concerned Casino France, GPA, Franprix-Leader Price and Éxito (at €49 million, €41 million, €22 million and €12 million, respectively).
(2) Provisions and expenses for litigation and risks concern mainly the Latam Retail (primarily CBD) and Latam Electronics segments, for €76 million and €22 million, respectively. For 2013, provisions and expenses for litigation concerning GPA totalled €36 million.
(3) The net expense of €136 million recognised in 2014 resulted primarily from expenses related to changes in scope of consolidation (€40 million, involving primarily France Retail and Latam Retail), the guarantee on liabilities granted by CBD in connection with the creation of Via Varejo (€28 million) and the Cnova initial public offering (€26 million). The €551 million of net income recognised in 2013 arose mainly from the loss of control of Mercialys (€548 million) and the remeasurement at fair value of the previously-held interest in Monoprix (€141 million), offset in part by expenses totaling €112 million related mainly to changes in the scope of consolidation GPA (€77 million) and Monoprix (€24 million).
(4) Breakdown of asset impairment losses:

(€ millions)	Notes	2014	2013 restated
Goodwill impairment losses	10.1	-	(2)
Net impairment reversals/(losses) on intangible assets	10.2.2	(25)	(10)
Net impairment reversals/(losses) on property, plant and equipment	10.3.2	(21)	(44)
Net impairment reversals/(losses) on other assets[1]		(7)	(23)
TOTAL NET IMPAIRMENT LOSSES		**(53)**	**(79)**

(1) In 2013, "Net impairment reversals/(losses) on other assets" mainly included €30 million in impairment of Franprix-Leader Price associates.

6.6. Inventories

Accounting principle

Inventories are measured at the lower of cost and probable net realisable value, determined by the first-in-first-out (FIFO) method applied by the Group.

The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing inventories to their present location and condition. Accordingly, logistics costs are included in the carrying amount and supplier discounts recognised in "Cost of goods sold" are deducted.

The cost of inventories includes gains or losses on cash flow hedges of future inventory purchases initially recognised in equity.

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.

Property development work in progress is recognised in inventories.

(€ millions)	2014	2013 restated
Goods	5,139	4,463
Property development (work in progress)	263	264
Gross amount	**5,402**	**4,726**
Accumulated impairment losses on goods purchased for resale	(65)	(60)
Accumulated impairment losses on property development (work in progress)	(26)	(26)
Accumulated impairment losses	**(91)**	**(86)**
NET INVENTORIES	**5,311**	**4,640**

6.7. Trade receivables

Accounting principle

Trade receivables are current financial assets (see Note 11).

They are recognised and measured at the original invoice amount net of any accumulated impairment losses. They are derecognised when all the related risks and rewards are transferred to a third party.

6.7.1. Breakdown

(€ millions)	2014	2013 restated
Trade receivables	976	922
Accumulated impairment losses on trade receivables	(95)	(93)
Finance receivables	704	729
Accumulated impairment losses on finance receivables	(73)	(66)
TRADE RECEIVABLES, NET	**1,513**	**1,493**

6.7.2. Accumulated impairment losses on trade receivables

(€ millions)	2014	2013 restated
ACCUMULATED IMPAIRMENT LOSSES ON TRADE RECEIVABLES		
At 1 January	**(93)**	**(94)**
Losses	(28)	(52)
Reversals	27	51
Changes in scope of consolidation	-	3
Reclassifications	-	(4)
Foreign currency translation adjustments	-	2
AT 31 DECEMBER	**(95)**	**(93)**
ACCUMULATED IMPAIRMENT LOSSES ON FINANCE RECEIVABLES		
At 1 January	**(66)**	**(66)**
Losses	(6)	(13)
Reversals	-	-
Changes in scope of consolidation	-	-
Reclassifications	-	-
Foreign currency translation adjustments	(1)	13
AT 31 DECEMBER	**(73)**	**(66)**

The criteria for recognising impairment losses are set out in Note 11.6.3 “Counterparty Risk”.

6.8. Other current assets

6.8.1. Breakdown of other current assets

(€ millions)	2014	2013 restated
Other receivables	1,270	1,089
Tax and employee-related receivables in Brazil (see Note 6.9)	200	252
Current accounts of unconsolidated companies	61	71
Accumulated impairment losses on other receivables and current accounts	(74)	(81)
Fair value hedges – assets (see Note 11.6.1)	136	189
Derivatives not qualifying for hedge accounting and cash flow hedges – assets (see Note 11.6.1)	25	-
Prepaid expenses	167	126
OTHER ASSETS	**1,786**	**1,646**

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

6.8.2. Accumulated impairment losses on other receivables and current accounts

(€ millions)	2014	2013 restated
At 1 January	**(81)**	**(81)**
Losses	(13)	(15)
Reversals	20	15
Changes in scope of consolidation	-	(2)
Reclassifications and other movements	-	-
Foreign currency translation adjustments	-	3
AT 31 DECEMBER	**(74)**	**(81)**

6.9. Other non-current assets

(€ millions)	2014	2013 restated
Available-for-sale financial assets (AFS)	89	111
Non-current fair value hedges (see Note 11.6.1)	430	102
Other financial assets	771	674
Loans	*88*	*79*
Non-hedge derivatives – assets	*-*	*-*
Loans and advances to unconsolidated companies and others	*91*	*96*
Judicial deposits (GPA)	*262*	*250*
Other non-current receivables	*331*	*248*
Tax and employee-related receivables in Brazil (see below)	665	439
Prepaid expenses	288	264
Other non-current assets	2,244	1,588

GPA has a total of €865 million in tax receivables, related primarily to ICMS (VAT) for €705 million, PIS/COFINS (VAT) and INSS (employer social security contributions). The subsidiary estimates the recoverability of the main tax receivable (ICMS) as follows:

(€ millions)	2014
Due within one year	184
Due in one to five years	506
Due beyond five years	16
TOTAL	**705**

GPA recognised the tax credits due to it, particularly ICMS, each time it was able to validate and assemble the documentation justifying its rights and the estimate of the use of these rights within a reasonable time horizon. These credits are recognised as a reduction of the cost of goods sold. In 2014, Via Varejo recognised, among other credits, a previously unused credit in the amount of 302 million Brazilian reals (€97 million). The elements that support the registration and utilization of such credit were obtained during the year.

6.10. Off-balance sheet commitments

Accounting principle

Management believes that, to the best of its knowledge, there were no off-balance sheet commitments at 31 December 2014, other than those described in this note, likely to have a material impact on the Group's current or future financial position.

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.

6.10.1. Commitments given

The amounts disclosed in the table below represent the maximum (undiscounted) potential amounts that the Group might have to pay in respect of commitments given. They are not netted against sums which the Group might recover through legal actions or counter-guarantees received.

(€ millions)	2014	2013 restated
Assets pledged as collateral[1]	271	263
Bank bonds and guarantees given[2]	2,589	1,771
Firm purchase commitments* [3]	4	30
Guarantees given in connection with disposals of non-current assets	229	225
Other commitments	53	48
Due:		
Within one year	*141*	*140*
In one to five years	*2,958*	*2,161*
Beyond five years	*47*	*37*
TOTAL COMMITMENTS GIVEN	**3,146**	**2,337**

* Reciprocal commitments.
(1) Assets pledged, mortgaged or otherwise given as collateral.
(2) In 2014, included €2,437 million in surety bonds and bank guarantees given by GPA mainly for tax-related disputes (€1,646 million in 2013).
(3) Group commitments to purchase goods and services, less any advance payments made.

6.10.2. Commitments received

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

(€ millions)	2014	2013 restated
Bonds and guarantees received from banks	88	80
Security for receivables	70	79
Undrawn confirmed lines of credit (see Note 30.3)	4,204	3,107
Other commitments	31	25
Due:		
Within one year	*338*	*530*
In one to five years	*3,433*	*2,627*
Beyond five years	*622*	*132*
TOTAL COMMITMENTS RECEIVED	**4,393**	**3,291**

Off-balance sheet commitments related to entities included in the scope of consolidation may be found in Note 3.4.2.

NOTE 7. LEASES

Accounting principle

Leases that transfer substantially all the risks and rewards of ownership to the lessee are classified as finance leases. They are recognised in the consolidated balance sheet at the inception of the lease at the fair value of the leased asset or, if lower, the present value of the minimum lease payments.

Leased assets are accounted for as if they had been acquired through debt. They are recognised as non-current assets (according to their nature) with a corresponding amount recognised in financial liabilities.

Leased 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 lease contains a purchase option and it is reasonably certain that the option will be exercised.

Finance lease obligations are discounted and recognised in the balance sheet under financial liabilities. Payments made under operating leases are expensed as incurred.

In certain countries, the Group makes lease payments in advance linked to the use of the land. These payments are recognised as prepaid expenses and amortised over the duration of the lease terms.

7.1. Operating lease expenses

Rental expense related to operating leases amounted to €1,227 million for the year ended 31 December 2014 (including €1,150 million for property assets) and €1,175 million for the year ended 31 December 2013 (including €1,098 million for property assets).

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

7.2. Prepaid rents

Non-current prepaid expenses include €229 million of prepaid rents (€214 million in 2013). Prepaid rents reflect the right to use land in some Asian countries for an average period of 29 years, with the cost recognised over the period of use.

7.3. Operating lease commitments (off-balance sheet)

The Group has operating leases on properties used in the business that it does not own. The present value of future minimum payments under non-cancellable operating leases breaks down as follows:

Operating leases on property where the Group is lessee

	Future minimum lease payments	
(€ millions)	2014	2013 restated
Due within one year	776	814
Due in one to five years	877	890
Due beyond five years	656	563

Future minimum lease payments receivable under non-cancellable sub-leases amounted to €2 million at 31 December 2014 (€6 million at 31 December 2013).

The Group entered into operating leases on certain items of equipment that it did not wish to ultimately own. The present value of future minimum payments under non-cancellable operating leases on equipment breaks down as follows:

Operating leases on equipment where the Group is lessee

	Future minimum lease payments	
(€ millions)	2014	2013 restated
Due within one year	34	40
Due in one to five years	45	59
Due beyond five years	-	-

Operating leases where the Group is lessor

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

	Future minimum lease payments	
(€ millions)	2014	2013 restated
Due within one year	117	92
Due in one to five years	106	74
Due beyond five years	86	25

Conditional rental revenue received by the Group included in the income statement in 2014 amounted to €13 million (€10 million in 2013).

7.4. Finance lease expenses

Conditional rental payments related to finance leases included in the income statement amounted to €1 million in 2014 and 2013.

The amount of future finance lease payments and minimum lease payments to be received under non-cancellable sub-leases are disclosed in Note 7.6.

7.5. Finance leases

Finance leases on owner-occupied property and investment property break down as follows:

	2014			2013 restated		
(€ millions)	Gross	Depreciation	Net	Gross	Depreciation	Net
Land	31	(2)	29	30	(2)	28
Buildings	217	(116)	101	203	(111)	92
Equipment and other	538	(481)	57	560	(489)	71
TOTAL	**787**	**(599)**	**188**	**793**	**(603)**	**191**

7.6. Finance lease commitments (off-balance sheet)

The Group has leases on owner-occupied property and investment property. Actual future minimum lease payments under these leases and the present value of the future minimum payments are as follows:

Finance leases on property where the Group is lessee

	2014		2013 restated	
(€ 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	4	1	6	3
Due in one to five years	16	5	13	2
Due beyond five years	50	12	49	10
Total future minimum lease payments	**70**	**18**	**68**	**16**
Interest expense	(52)	-	(52)	-
TOTAL PRESENT VALUE OF FUTURE MINIMUM LEASE PAYMENTS	**18**	**18**	**16**	**16**

The Group has finance leases and leases with purchase options on equipment. Actual future minimum lease payments under these leases and the present value of the future minimum payments are as follows:

Finance leases on equipment where the Group is lessee

	2014		2013 restated	
(€ 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	24	17	31	25
Due in one to five years	73	55	60	48
Due beyond five years	26	23	8	7
Total future minimum lease payments	**123**	**95**	**100**	**81**
Interest expense	(28)	-	(19)	-
TOTAL PRESENT VALUE OF FUTURE MINIMUM LEASE PAYMENTS	**95**	**95**	**81**	**81**

NOTE 8. EMPLOYEE BENEFITS EXPENSES

8.1. Employee benefits expenses by function

Employee expenses by function are shown in Note 6.3.

8.2. Retirement benefit obligations

Accounting principle

Post-employment and other long-term employee 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 working life of employees, 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 these gains and losses arising on defined benefit plans are recognised immediately in other comprehensive income.

The past service cost referring to the increase in an obligation following the introduction of a new benefit plan or modification of an existing plan is immediately expensed.

Expenses related to defined benefit plans are recognised in operating expenses (service cost) or other financial income and expenses (interest expense).

Curtailments, settlements and past service costs are recognised in trading profit (loss) or other financial income and expenses depending on their nature. The provision recognised in the balance sheet is measured as the net present value of the obligation less the fair value of plan assets.

8.2.1. Overview of plans

Defined contribution plan

Defined contribution plans are retirement provisions through which an employer commits to such funding through the regular payment of contributions to a managing body. The employer's commitment to the payment of contributions is limited and therefore does not guarantee the pension amount that employees will receive. This type of plan predominantly concerns employees of the Group's French subsidiaries. The latter come under the general social security system, which is administered by the French government.

The expense for the year relating to defined contribution plans was €329 million for 2014 and concerns up to 85% of the Group's French subsidiaries (€315 million and 88% for 2013, respectively).

Defined benefit plan

In certain countries, legislation or a conventional agreement provides for the payment of allowances to employees at certain times, either at the date of retirement, or at certain times post-retirement, based on their length of service and their salary at the age of retirement.

Schedule of future undiscounted cash flows

		Schedule of undiscounted cash flows					
(€ millions)	Carrying amount	2015	2016	2017	2018	2019	After 2019
Post-employment benefits	249	8	6	8	11	13	417

8.2.2. Main assumptions used in determining total obligations related to defined benefit plans

Plans falling under defined benefit plans are exposed to interest rate risk, salary increase rate risk and mortality rate risk.

The following table summarises the main actuarial assumptions used to measure the obligation:

	France		International	
	2014	2013	2014	2013
Discount rate	2.0%	3.20%	2.2% - 6.9%	3.2% - 7.1%
Expected rate of future salary increases	1.8% - 3.0%	2.5% - 3.0%	0.82% - 10.0%	2.5% - 10.0%
Retirement age	62 - 64 years	62 - 64 years	55 - 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 25-basis point increase (decrease) in the discount rate would lead, respectively, to a 3.0% decrease and a 2.8% increase in the total obligation.

A 25-basis point increase (decrease) in the expected rate of salary increases would lead, respectively, to a 2.7% increase and a -2.8% decrease in the total obligation.

8.2.3. Change in obligation and plan assets

The following tables show a reconciliation of the obligations of all Group companies and the provisions recognised in the consolidated financial statements for the years ended 31 December 2014 and 31 December 2013.

(€ millions)		France		International		Total	
		2014	2013 restated	2014	2013 restated	2014	2013 restated
Actuarial liability at 1 January		**250**	**226**	**29**	**33**	**280**	**260**
Items included in the income statement		**18**	**17**	**4**	**3**	**22**	**20**
Service costs		12	11	2	2	14	13
Interest on defined benefit liabilities		7	6	2	2	8	8
Past service costs		-	-	-	-	-	-
Impact of reductions/wind-up of plans		-	-	-	-	-	-
Items included in other comprehensive income		**2**	**(8)**	**1**	**(5)**	**3**	**(13)**
• (1) Actuarial (gains) and losses related to:		2	(8)	1	(1)	3	(9)
(i) changes in financial assumptions		*15*	*(1)*	*1*	*(1)*	*16*	*(2)*
(ii) changes in demographic assumptions		*(3)*	-	-	-	*(3)*	-
(iii) experience effects		*(10)*	*(7)*	-	-	*(10)*	*(7)*
• (2) Foreign currency translation adjustments		-	-	-	(4)	(0)	(4)
Other		**(18)**	**15**	**(3)**	**(2)**	**(21)**	**12**
Reduction in the liability (benefit payments)		(11)	(16)	(3)	(2)	(13)	(19)
Changes in scope of consolidation		-	37	-	-	-	37
Other movements		(8)	(6)	-	-	(8)	(6)
Actuarial liability at 31 December	**A**	**252**	**250**	**31**	**29**	**284**	**280**
Weighted average duration of plans						**15**	**15**

(€ millions)		France		International		Total	
		2014	2013 restated	2014	2013 restated	2014	2013 restated
Fair value of plan assets at 1 January		**38**	**43**	**-**	**-**	**39**	**43**
Items included in the income statement		**0**	**1**	**-**	**-**	**-**	**1**
Interest on defined benefit assets		0	1	-	-	-	1
Items included in other comprehensive income		**1**	**3**	**-**	**-**	**1**	**3**
Actuarial (loss) and gains related to experience effect		1	3	-	-	1	3
Foreign currency translation adjustments		-	-	-	-	-	-
Other		**(5)**	**(8)**	**-**	**-**	**(5)**	**(8)**
Reduction in the liability (benefit payments)		(5)	(13)	-	-	(5)	(13)
Changes in scope of consolidation		-	4	-	-	-	4
Other movements		-	-	-	-	-	-
Fair value of plan assets at 31 December	**B**	**34**	**38**	**-**	**-**	**35**	**39**
NET RETIREMENT BENEFIT OBLIGATION	**A – B**	**218**	**212**	**31**	**29**	**249**	**241**
Funding requirement		***198***	***192***	***3***	**-**	***201***	***192***
Present value of projected benefit obligation under funded plans		*233*	*230*	*3*	-	*236*	*230*
Fair value of plan assets		*(35)*	*(38)*	-	-	*(35)*	*(38)*
Present value of projected benefit obligation under unfunded plans		***20***	***20***	***28***	***29***	***48***	***49***

The plan assets mainly comprise a euro fund invested in fixed-rate bonds.

Reconciliation of liabilities in the balance sheet

(€ millions)	France 2014	France 2013 restated	International 2014	International 2013 restated	Total 2014	Total 2013 restated
At 1 January	**212**	**183**	**29**	**33**	**241**	**216**
Expense for the year	18	17	4	3	22	20
Actuarial gains or losses recognised in equity	1	(11)	1	(1)	2	(12)
Foreign currency translation adjustments	-	-	-	(4)	-	(4)
Reduction in the liability (benefit payments)	(6)	(16)	(3)	(2)	(8)	(19)
Partial reimbursement of plan assets	-	13	-	-	-	13
Changes in scope of consolidation	-	32	-	-	-	32
Other movements	(8)	(6)	-	-	(8)	(6)
AT 31 DECEMBER	**218**	**212**	**31**	**29**	**249**	**241**

Breakdown of expense for the year

(€ millions)	France 2014	France 2013 restated	International 2014	International 2013 restated	Total 2014	Total 2013 restated
Service costs	12	11	2	2	14	13
Net interest on net defined benefit liabilities[1]	6	5	2	2	8	7
EXPENSE FOR THE YEAR	**18**	**17**	**4**	**3**	**22**	**20**

(1) Items in other financial income and expenses.

8.3. Share-based payments

Accounting principle

Share-based payments

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

The benefit granted under stock option plans, measured at fair value when granted, 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 granted is related to a transaction recognised in "Other operating income and expenses". 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 bonus 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 there are no vesting conditions attached to the bonus share plan, the expense is recognised in full when the plan is set up. Otherwise the expense is deferred over the vesting period as and when the vesting conditions are met.

Since 1987, share purchase or share subscription options (stock options), or bonus shares have been granted in December of each year to new managers who have completed one year's service with the Group and the number of options held by managers promoted to a higher grade has been adjusted.

Bonus shares are also granted to certain company managers and to store managers. The shares vest in tranches, subject to continued employment with the Group and the attainment of Group performance targets for the period concerned.

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

The net expense of €25 million in 2014 (€18 million in 2013) was recognised by adjusting equity by the same amount (€4,7 and €14 million for Casino, Guichard Perrachon, Cnova and GPA, respectively).

8.3.2. Details of Casino, Guichard-Perrachon stock option plans

Details of share subscription option plans

Grant date	Exercise period start date	Expiry date	Option exercise price *(in €)*	Number of options outstanding at 31/12/2014	Number of options outstanding at 31/12/2013
29 April 2010	29 October 2013	28 October 2015	64.87	17,755	43,805
4 December 2009	4 June 2013	3 June 2013	57.18	37,709	44,697
8 April 2009	8 October 2012	7 October 2014	49.47	-	13,000
5 December 2008	5 June 2012	4 June 2014	49.02	-	47,660
TOTAL				**55,464**	**149,162**

Main assumptions applied to value share subscription options

Grant date	Share price on the grant date *(in €)*	Estimated life of the options *(in years)*	Projected dividend yield	Projected volatility	Risk-free interest rate	Fair value of option *(in €)*
29 April 2010	65.45	5.5	5%	29.32%	1.69%	10.33
4 December 2009	58.31	5.5	5%	30.02%	2.09%	8.59
8 April 2009	48.37	5.5	5%	29.60%	2.44%	5.07
5 December 2008	43.73	5.5	5%	26.77%	3.05%	6.14

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

	2014		2013	
	Number of outstanding options	Weighted average exercise price *(in €)*	Number of outstanding options	Weighted average exercise price *(in €)*
Options outstanding at 1 January	**149,162**	**56.16**	**474,465**	**67.35**
Of which, vested options	*149,162*	*56.16*	*377,839*	*69.03*
Options granted during the period	-	-	-	-
Options exercised during the period	(69,232)	55.82	(195,756)	71.01
Options cancelled during the period	(118)	57.18	(34,044)	69.85
Options that lapsed during the period	(24,348)	49.20	(95,503)	76.44
OPTIONS OUTSTANDING AT 31 DECEMBER	**55,464**	**59.64**	**149,162**	**56.16**
Of which, vested options	*55,464*	*59.64*	*149,162*	*56.16*

Details of bonus share plans

Grant date	Vesting date	End of lock-up period	Number of shares outstanding at 31 December 2014 before application of performance conditions	Number of shares outstanding at 31 December 2013 before application of performance conditions
6 May 2014	6 May 2019	6 May 2019	3,750	-
6 May 2014	6 May 2017	6 May 2019	34,501	-
6 May 2014	6 May 2017	6 May 2019	3,046	-
6 May 2014	6 May 2016	6 May 2018	5,601	-
6 May 2014	6 May 2018	6 May 2018	1,139	-
18 October 2013	18 October 2017	18 October 2017	2,705	2,705
18 October 2013	18 October 2015	18 October 2017	17,628	22,650
18 October 2013	18 October 2018	18 October 2018	5,281	7,857
18 October 2013	18 October 2016	18 October 2018	53,296	57,823
18 October 2012	19 October 2014	19 October 2016	-	41,200
18 October 2012	19 October 2015	19 October 2017	11,350	11,350
11 May 2012	11 May 2014	11 May 2016	-	17,859
29 March 2012	29 March 2015	29 March 2017	6,422	6,422
2 December 2011	2 December 2014	2 December 2016	-	20,125
2 December 2011	2 December 2013	2 December 2015	-	-
21 October 2011	21 October 2014	21 October 2016	-	3,742
21 October 2011	21 October 2013	21 October 2015	-	-
21 October 2011	21 October 2014	21 October 2016	-	4,200
15 April 2011	15 April 2013	15 April 2015	-	-
15 April 2011	15 April 2014	15 April 2016	-	36,723
15 April 2011	15 April 2014	15 April 2016	-	181,774
15 April 2011	15 April 2014	15 April 2016	22,145	23,050
TOTAL			**166,864**	**437,480**

Main assumptions applied to value bonus share plans

Grant date	Share price on the grant date *(in €)*	Continued employment conditions	Performance condition used	Fair value of the share *(in €)*
6 May 2014	90.11	Yes	[1]	61.49
6 May 2014	90.11	Yes	[1]	59.78
6 May 2014	90.11	Yes	-	71.12
6 May 2014	90.11	Yes	-	73.35
6 May 2014	90.11	Yes	-	76.79
18 October 2013	83.43	Yes	-	70.09
18 October 2013	83.43	Yes	-	67.63
18 October 2013	83.43	Yes	-	66.27
18 October 2013	83.43	Yes	-	65.42
19 October 2012	69.32	Yes	-	54.92
19 October 2012	69.32	Yes	[1]	52.46
11 May 2012	72.31	Yes	-	51.76
29 March 2012	74.10	Yes	-	56.31
2 December 2011	66.62	Yes	-	50.94
2 December 2011	66.62	Yes	-	53.16
21 October 2011	62.94	Yes	-	47.53
21 October 2011	62.94	Yes	-	49.79
21 October 2011	62.94	Yes	[1]	47.53
15 April 2011	70.80	Yes	-	58.99
15 April 2011	70.80	Yes	-	56.40
15 April 2011	70.80	Yes	[1]	56.34
15 April 2011	70.80	Yes	[1]	56.34

(1) Performance conditions mainly involve organic sales growth and trading profit levels of the company to which the employee belongs.
At 31 December 2014, the applicable performance conditions were as follows:
- Monoprix: 100% for the 2014 plans, 0% for 2012;
- Other companies: 100% for 2014, 27% for 2011.

The table below shows movements in unvested bonus shares:

Unvested bonus shares	2014	2013
Number of outstanding shares at 1 January	**437,480**	**757,398**
Shares granted	50,208	91,936
Shares cancelled	(217,808)	(80,069)
Shares issued	(103,016)	(331,785)
NUMBER OF OUTSTANDING SHARES AT 31 DECEMBER	**166,864**	**437,480**

8.3.3. Details of GPA stock option plans

The exercise price of Silver options corresponds to the average of the last 20 closing prices for GPA shares quoted on Bovespa, with a 20% discount. The number of shares resulting from the exercise of Silver options is fixed. The number of shares resulting from the exercise of Gold options is variable and depends on the ROIC (return on invested capital) performance condition for the Series A2 to A5 Gold plans. The performance condition for the Series A6 and A7 Gold plans is ROCE (return on capital employed). The Gold options may not be exercised independently from the 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 at 31 December 2014
Series A4 – Gold	24 May 2010	31 May 2013	31 May 2014	514	0.01	-
Series A4 – Silver	24 May 2010	31 May 2013	31 May 2014	182	46.49	-
Series A5 – Gold	31 May 2011	31 May 2014	31 May 2015	299	0.01	3
Series A5 – Silver	31 May 2011	31 May 2014	31 May 2015	299	54.69	3
Series A6 – Gold	15 March 2012	31 March 2015	31 March 2016	526	0.01	165
Series A6 – Silver	15 March 2012	31 March 2015	31 March 2016	526	64.13	165
Series A7 – Gold	15 March 2013	31 March 2016	31 March 2017	358	0.01	194
Series A7 – Silver	15 March 2013	31 March 2016	31 March 2017	358	80	194
Series B1	30 May 2014	30 May 2017	30 November 2011	239	0.01	202
Series C1	30 May 2014	30 May 2017	30 November 2017	239	83.22	202
						1,128

Main assumptions applied to value share subscription options

GPA uses the following assumptions to value its plans:

- dividend yield: 0.96%;
- projected volatility: 22.09%;
- risk-free interest rate: 11.70%.

The average fair value of options outstanding was BRL69.71 at 31 December 2014.

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

	2014		2013 restated	
	Number of outstanding options *(in thousands)*	Weighted average exercise price	Number of outstanding options *(in thousands)*	Weighted average exercise price
Options outstanding at 1 January	**1,580**	**34.39**	**1,658**	**26.40**
Of which, vested options	-	-	-	-
Options granted during the period	477	41.61	716	40.02
Options exercised during the period	(830)	32.76	(743)	21.86
Options cancelled during the period	(99)	39.92	(51)	36.43
OPTIONS OUTSTANDING AT 31 DECEMBER	**1,128**	**38.16**	**1,580**	**34.39**
Of which, vested options	-	-	-	-

8.3.4. Details of Cnova stock option plans

On 19 November 2014, Cnova granted 1.3 million deferred bonus shares, without conditions, to certain managers. They will receive their shares on the fourth anniversary of the offer. The expense recognised in "Other operating expenses" (including Cnova's IPO expenses) is €10 million. It is based on the value of the Cnova share on the vesting date.

On the same date, Casino granted stock appreciation rights (SARs) to certain Cnova managers, entitling them to a cash payment for the difference, at the acquisition date (four years) between the smaller of 220% of the IPO price and the market price on the vesting date and 120% of the IPO price. SARs are transactions whose payment is based on shares and that will be paid in cash. The expense over the period is €1 million.

The main assumptions are:

- dividend yield: 0%;
- estimated share price volatility: 32.5%;
- risk-free rate: 0.33%;
- term: 4 years.

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

(€ millions)	2014	2013 restated
Short-term benefits excluding social security contributions[1]	24	9
Social security contributions on short-term benefits	2	2
Termination benefits	-	-
Share-based payments[2]	1	1
TOTAL	**27**	**12**

(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 bonus share plans.

The members of the Group Executive Committee are not entitled to any specific retirement benefit.

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.

Qualifying French subsidiaries are generally members of a tax group and file a consolidated tax return.

Current tax expenses reported in the income statement correspond to the tax expenses of the parent companies of the tax groups and 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 according to the balance sheet method 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 future recovery of deferred tax assets on a periodic basis for each tax entity. This review may, if necessary, lead the Group to no longer recognise deferred tax assets that it had recognised in prior years. The probability for recovery is assessed based on a tax plan indicating the level of projected taxable income.

The taxable income used in the assessment is based on that generally obtained over a five-year period. The assumptions included in 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 – C.V.A.E.)*, which is based on the added value recognised in the parent company financial statements, is presented on the "Income tax expense" line.

When payments to holders of equity instruments qualify for tax deductions, the tax impact is recognised by the Group in income statement.

9.1. Income tax expense

9.1.1. Analysis of income tax expense

	2014			2013		
(€ millions)	France	International	Total	France	International	Total
Current income tax	(26)	(278)	(304)	(100)	(180)	(281)
Other taxes (CVAE)	(66)	-	(66)	(63)	-	(63)
Deferred taxes	136	(77)	59	51	(98)	(46)
Total income tax expense recognised in the income statement	**44**	**(355)**	**(310)**	**(112)**	**(278)**	**(390)**
Tax effect recognised in "Other comprehensive income" (see Note 12.7.2)	**(6)**	**-**	**(6)**	**(4)**	**-**	**(4)**
Tax effect recognised in equity	**7**	**(5)**	**2**	**(7)**	**(46)**	**(54)**

9.1.2. Reconciliation of theoretical and actual tax expense

(€ millions)	2014		2013 restated	
Profit (loss) before tax and share of profit (loss) of equity-accounted entities	**1,059**		**1,872**	
Theoretical French tax expense[1]	**(365)**	**-34.43%**	**(645)**	**-34.43%**
Impact of tax rate differences in foreign subsidiaries	77	7.3%	89	4.8%
Share of Mercialys tax-exempt profit (loss)[2]	-	-	36	1.9%
Gains or losses on remeasurement of previously-held interests pursuant to transactions resulting in gain or loss of control and sale of shares[3]	-	-	246	13.1%
Recognition of previously unrecognised tax benefits on tax losses and other deductible temporary differences	43	4.1%	33	1.8%
Non-recognition of deferred tax assets on tax loss carryforwards or other deductible temporary differences	(32)	-3.0%	(23)	-1.2%
Goodwill impairment losses	-	-	(4)	-0,2%
CVAE net of income tax	(39)	-3.7%	(37)	-2.0%
Non-deductible financial expenses[4]	(23)	-2.2%	(9)	-0.5%
Tax credits	12	1.1%	14	0.7%
Non-taxable CICE (see Note 6.3)	32	3.0%	25	1.3%
Additional contribution of 3% dividend	(11)	-1.0%	(10)	-0.5%
Temporary difference in the value of Mercialys shares retained (see Note 3.2.2)	(18)	-1.7%	(134)	-7.2%
Tax rate lowered on the 2012 sale of Mercialys shares	-	-	(20)	-1.1%
Tax impact of GPA share exchange transaction	-	-	13	0.7%
Recovery of deferred tax liabilities related to Bartira call option	-	-	37	2.0%
Tax on Éxito equity	(14)	-1.3%	(16)	-0.9%
Tax amortisation of goodwill (Éxito)	17	1.6%	19	1.0%
Loss on master franchise put options	-	-	(4)	-0.2%
Other	9	0.8%	-	-
ACTUAL INCOME TAX EXPENSE/EFFECTIVE TAX RATE	**(310)**	**-29.3%**	**(390)**	**-20.8%**

(1) For 2014 and 2013, the reconciliation of the effective tax rate paid by the Group was based on the constant tax rate of 34.43%. The rate used by the Group does not take into account the transitional additional contribution of 10.7% in 2013 and 2014 for surtax on French companies with revenues of more than €250 million.
(2) Only for 2013, as Mercialys has been accounted for by the equity method since 21 June 2013 (see Note 3.2.2).
(3) In 2013, transactions concerning Mercialys, Monoprix and Bartira amounted to €188 million, €49 million and €9 million, respectively.
(4) France's 2012 amended Finance Act introduced a new flat-rate restriction on the deductibility of financial expenses paid by French companies. Deductions are limited to 15% of financial expenses in 2013 and 25% for the financial years beginning on or after 1 January 2014.

9.2. Deferred taxes

9.2.1. Change in deferred tax assets

(€ millions)	2014	2013 restated
At 1 January	**392**	**833**
Benefit (expense) for the year on "Continuing operations"	54	(389)
Impact of changes in scope of consolidation[1]	(3)	44
Impact of changes in exchange rates and reclassifications[1]	(83)	(85)
Deferred tax assets recognised directly in equity	5	(12)
AT 31 DECEMBER	**366**	**392**

(1) Corresponded to that of Monoprix in 2013.

9.2.2. Change in deferred tax liabilities

(€ millions)	2014	2013 restated
At 1 January	**1,402**	**1,289**
Expense (benefit) for the year	(3)	(343)
Impact of changes in scope of consolidation[1]	1	619
Impact of changes in exchange rates and reclassifications[1]	14	(163)
Deferred tax liabilities recognised directly in equity	9	-
AT 31 DECEMBER	**1,423**	**1,402**

(1) Corresponded to that of Monoprix in 2013.

9.2.3. Breakdown of deferred tax assets and liabilities by source

	Net	
(€ millions)	2014	2013 restated
Intangible assets	(1,113)	(997)
Property, plant and equipment	(756)	(596)
of which finance leases	*(194)*	*(70)*
Inventories	46	36
Financial instruments	75	(21)
Other assets	(25)	(57)
Provisions	291	227
Untaxed provisions	(184)	(201)
Other liabilities	121	81
of which finance lease liabilities	*14*	*13*
Tax loss carryforwards	490	519
NET DEFERRED TAX ASSETS (LIABILITIES)	**(1,057)**	**(1,009)**
Deferred tax assets recognised in the balance sheet	366	392
Deferred tax liabilities recognised in the balance sheet	1,423	1,402
NET	**(1,057)**	**(1,009)**

The Casino, Guichard-Perrachon Group tax relief agreement resulted in a tax saving of €287 million in 2014 compared with €94 million in 2013.

Recognised tax loss carryforwards mainly concern GPA and Casino Guichard-Perrachon. The corresponding deferred tax assets have been recognised in the balance sheet as their utilisation is considered probable in view of the forecast future taxable profits of the companies concerned.

9.2.4. Unrecognised deferred tax assets

At 31 December 2014, the Group had €196 million of unused unrecognised tax loss carryforwards (€65 million of unrecognised deferred tax assets) compared with €311 million in 2013 (and €98 million of unrecognised deferred tax assets). These losses mainly concern the Franprix-Leader Price subgroup.

Expiry dates of unrecognised tax loss carryforwards

(€ millions)	2014	2013 restated
Less than 1 year	-	5
One to two years	1	2
Two to three years	2	3
More than three years	62	88
TOTAL	**65**	**98**

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 property, plant and equipment, intangible assets and investment property, these expenditures increase the value of the assets and adhere to the same accounting rules.

10.1. Goodwill

Accounting principle

At the acquisition date, goodwill is measured in accordance with the business combinations accounting principle, 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, but is tested for impairment at each year-end, or whenever events or 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)	2014 Net	2013 Net restated
Retail France	**5,520**	**5,409**
Hypermarkets, supermarkets and convenience stores	1,411	1,377
Franprix-Leader Price	2,511	2,443
Monoprix	1,256	1,249
Indian Ocean	176	176
Other	165	165
E-commerce	**496**	**491**
France	79	78
Brazil	417	413
Latam Retail	**3,695**	**3,636**
Argentina	18	21
Brazil (food GPA)	3,123	3,088
Colombia	490	464
Uruguay	64	63
Latam Electronics (Via Varejo)	**544**	**531**
Asia	**754**	**662**
Thailand	751	658
Vietnam	3	3
CASINO GROUP	**11,009**	**10,728**

10.1.2. Movements for the year

(€ millions)	2014	2013 restated
Carrying amount at 1 January	**10,728**	**9,918**
Goodwill recognised during the year[1]	173	1,812
Impairment losses recognised during the year	-	(2)
Deconsolidation	(1)	-
Foreign currency translation adjustments[2]	94	(964)
Changes related to commitments to buy back non-controlling interests	-	-
Reclassifications and other movements[3]	15	(35)
CARRYING AMOUNT AT 31 DECEMBER	**11,009**	**10,728**

(1) At 31 December 2014, the €173 million increase arose primarily from the acquisition of a controlling interest of Super Inter for €68 million (see Note 3.1.4), Le Mutant for €18 million (see Note 3.1.2), various stores within the Franprix-Leader Price scope (explained mainly in Note 3.1.2) and Distribution Casino France of €32 million and €30 million, respectively. In 2013, the €1,812 million increase arose from the acquisition of a controlling interest in Monoprix for €1,244 million (see Note 3.2.1), the transactions carried out by the Franprix-Leader Price subgroup for €321 million (see Note 3.2.3) and the takeover of Bartira for €199 million (see Note 3.2.5).
(2) The negative translation adjustment in 2013 stemmed mainly from the appreciation of the euro against the Brazilian real (-€802 million), the Thai baht (-€84 million) and the Colombian peso (-€63 million).
(3) The negative change of -€35 million recognised in 2013 resulted mainly from the goodwill attached to certain stores in the Franprix-Leader Price subgroup reclassified as "Non-current assets held for sale" (-€29 million).

10.2. Other intangible assets

Accounting principle

Intangible assets acquired separately by the Group are measured at cost and those acquired in business combinations are measured 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 on the balance sheet. Intangible assets are amortised on a straight-line basis over their estimated useful lives. 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 the 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

(€ millions)	2014 Gross	2014 Accumulated amortisation and impairment	2014 Net	2013 restated Gross	2013 restated Accumulated amortisation and impairment	2013 restated Net
Concessions, trademarks, licences and banners	2,535	(35)	2,501	2,543	(44)	2,498
Lease rights	1,104	(42)	1,061	1,076	(40)	1,036
Software	1,105	(583)	522	996	(493)	503
Other	411	(206)	205	353	(182)	171
INTANGIBLE ASSETS	**5,155**	**(866)**	**4,289**	**4,968**	**(760)**	**4,208**

10.2.2. Movements for the year

(€ millions)	Concessions, trademarks, licences and banners	Lease rights	Software	Other intangible assets	Total
1 January 2013 restated	**2,292**	**858**	**364**	**301**	**3,815**
Changes in scope of consolidation	587	314	61	(28)	933
of which impact of gain of control of Monoprix	*566*	*298*	*59*	*23*	*946*
Increases and separately acquired intangible assets	2	15	109	74	200
Intangible assets disposed of during the year	-	(7)	(3)	(8)	(17)
Amortisation for the year (continuing operations)	(4)	(3)	(101)	(55)	(163)
Impairment reversals/(losses) recognised during the year (continuing operations)	-	(7)	(3)	(1)	(10)
Foreign currency translation adjustments	(378)	(120)	(49)	(23)	(570)
Reclassifications and other movements	-	(15)	126	(90)	21
At 31 December 2013 restated	**2,498**	**1,036**	**503**	**171**	**4,208**
Changes in scope of consolidation	-	7	-	2	8
Increases and separately acquired intangible assets	2	13	130	44	190
Intangible assets disposed of during the year	-	(4)	(2)	-	(7)
Amortisation for the year (continuing operations)	(4)	(2)	(114)	(27)	(148)
Impairment reversals/(losses) recognised during the year (continuing operations)	-	-	(23)	(2)	(25)
Foreign currency translation adjustments	4	7	1	(3)	9
Reclassifications and other movements	-	6	26	19	53
AT 31 DECEMBER 2014	**2,501**	**1,061**	**522**	**205**	**4,289**

Internally-generated intangible assets, mainly information systems developments, represented €19 million in 2014 compared with €8 million in 2013.

At 31 December 2014, intangible assets included trademarks and lease premiums with an indefinite useful life for the amount of €2,494 million and €1,061 million respectively. They are allocated to the following groups of CGU:

(€ millions)	2014	2013 restated
Brazil (food GPA)	1,636	1,614
Latam Electronics (Via Varejo)	698	690
Colombia	182	200
Casino France	77	79
Franprix-Leader Price	80	68
Monoprix	867	862
Other	15	11

Intangible assets were tested for impairment at 31 December 2014 using the method described in Note 10.5 "Impairment of non-current assets." The impact is shown 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 making an 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 without taking into account any residual value. The main useful lives are as follows:

Asset category	Depreciation period *(in years)*
Land	-
Buildings (shell)	40
Roof waterproofing	15
Shell fire protection systems	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 "shell fire protection systems" 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 part of the building.

An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the 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

(€ millions)	2014			2013 restated		
	Gross	Accumulated depreciation and impairment	Net	Gross	Accumulated depreciation and impairment	Net
Land and land improvements	2,386	(87)	2,299	2,277	(88)	2,189
Buildings, fixtures and fittings	6,305	(2,311)	3,993	6,012	(2,186)	3,826
Other	8,571	(5,220)	3,351	8,121	(4,841)	3,280
PROPERTY, PLANT AND EQUIPMENT	**17,261**	**(7,618)**	**9,643**	**16,410**	**(7,115)**	**9,295**

10.3.2. Movements for the year

(€ millions)	Land and land improvements	Buildings, fixtures and fittings	Other	Total
1 January 2013 restated	**1,665**	**3,517**	**2,850**	**8,031**
Changes in scope of consolidation	617	581	591	1,789
of which impact of gain of control of Monoprix	*610*	*555*	*457*	*1,622*
Increases and separately acquired tangible assets	95	324	895	1,314
Tangible assets disposed of during the year	(16)	(38)	(54)	(109)
Amortisation for the year (continuing operations)	(5)	(204)	(540)	(750)
Impairment reversals/(losses) during the year (continuing operations)	(4)	(18)	(22)	(44)
Foreign currency translation adjustments	(155)	(441)	(225)	(821)
Reclassifications and other movements	(8)	106	(214)	(115)
At 31 December 2013 restated	**2,189**	**3,826**	**3,280**	**9,295**
Changes in scope of consolidation	2	27	35	64
Increases and separately acquired tangible assets	192	303	868	1,363
Tangible assets disposed of during the year	(80)	(102)	(60)	(242)
Amortisation for the year (continuing operations)	(5)	(221)	(551)	(777)
Impairment reversals/(losses) during the year (continuing operations)	3	22	(46)	(21)
Foreign currency translation adjustments	1	14	9	23
Reclassifications and other movements	(2)	124	(184)	(62)
AT 31 DECEMBER 2014	**2,299**	**3,993**	**3,351**	**9,643**

Property, plant and equipment were tested for impairment at 31 December 2014 using the method described in Note 10.5 "Impairment of non-current assets". The impact is disclosed in the same Note.

10.3.3. Capitalisation of 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 2014 amounted to €5 million at an average interest rate of 11.4%, compared with €9 million for the year ended on 31 December 2013 at an average interest rate of 7.8%.

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 centres 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

	2014			2013 restated		
(€ millions)	Gross	Accumulated depreciation and impairment	Net	Gross	Accumulated depreciation and impairment	Net
Investment property	910	(243)	667	741	(186)	555

10.4.2. Movements for the year

(€ millions)	2014	2013 restated
At 1 January	**555**	**535**
Changes in scope of consolidation	(9)	30
Increases and separately acquired assets	34	35
Assets disposed of during the year	(1)	-
Amortisation for the year (continuing operations)	(28)	(34)
Impairment reversals/(losses) recognised during the year (continuing operations)	-	-
Foreign currency translation adjustments	36	(63)
Reclassifications and other movements	80	52
AT 31 DECEMBER	**667**	**555**

The carrying amount of investment property totalled €667 million at 31 December 2014, including €420 million, representing 63% for Big C Thailand, and €158 million, representing 24% for Éxito. It amounted to €555 million at 31 December 2013 (including 67% for Big C Thailand and 17% for Éxito).

Fair value of investment property

Big C Thailand holds the main investment properties.

At 31 December 2014, the fair value of investment property was €1,737 million (€1,381 million at 31 December 2013). For most investment properties, fair value is determined on the basis of valuations carried out by independent external appraisers. Valuations are based on open market value as confirmed by market indicators, a level 3 fair value input in accordance with international valuation standards.

Fair values of investment property carried by Big C Thailand

The fair value of Big C Thailand's investment property, acquired over previous years, was revised on the basis of an initial evaluation carried out by an independent appraiser. The fair value of assets acquired in 2014 was estimated by an independent appraiser. The method of measuring fair value consists of discounting future cash flows generated by each investment property. The main assumptions relate to the expected rate of rental growth (between 0% and 5%) and the discount rate (between 10% and 14%).

Amounts recognised in the income statement in respect of rental revenue and operating expenses on investment property break down as follows:

(€ millions)	2014	2013
Rental revenue from investment property	254	218
Directly attributable operating expenses on investment properties that did not generate any rental revenue during the year	(12)	(9)
Directly attributable operating expenses on investment properties that generated rental revenue during the year	(26)	(20)

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.

Goodwill and intangible assets with an indefinite useful life are tested for impairment at least once a year. The recoverable amount of other assets is estimated whenever there is an indication that they may be impaired.

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 contract;
- operating assets related to the business (assets of the cash generating unit): ratio of net carrying amount of the assets related to a store divided by sales (including VAT), higher than a defined level determined separately for each store category;
- assets allocated to administrative activities (headquarters and warehouses): the closing of a site or the 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 retailing 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 in business plans or budgets covering no more than five years. Cash flows beyond the projection period are estimated by applying a constant or decreasing growth rate;
- the 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.

For goodwill impairment testing purposes, the recoverable amounts of CGUs or groups of CGUs are determined at the year end.

Impairment

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

The impairment tests carried out in 2014 led to the recognition of an impairment loss of €46 million on intangible assets and property, plant and equipment (of which €27 million relates to impairment of IT assets in France and €5 million to impairment of Via Varejo stores in connection with the sale required for the authorisation of acquisition of control by the local competition authority, the CADE).

For information, the impairment tests carried out in 2013 led to the recognition of an impairment loss of €2 million on goodwill and of €55 million on intangible assets and property, plant and equipment (related to Franprix-Leader Price).

10.5.2. Goodwill impairment losses

Annual impairment testing consists of determining the recoverable values of the cash generating units (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 set out 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 set out 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.

Parameters used for internal calculations of 2014 values in use

Region	2014 perpetual growth rate[1]	2014 after-tax discount rate[2]	2013 perpetual growth rate[1]	2013 after-tax discount rate[2]
France (retailing)[3]	1.4%	5.5%[4]	1.6%	5.5%
France (other activities)[3]	1.4% to 1.9%	5.5% to 7.3%	1.6% to 2.1%	5.5% to 7.6%
Argentina	10.2%	17.1%	11.4%	18.00%
Brazil[5]	6.5%	12.0% to 14.9%	5.7%	10.5% to 11.3%
Colombia[5]	4.1%	9.4%	3.6%	8.20%
Uruguay	9.5%	16.2%	7.5%	14.10%
Thailand[5]	1.4%	7.5%	2.4%	7.70%
Vietnam	7.0%	14.0%	8.5%	15.10%
Indian Ocean[6]	1.4% to 1.8%	5.5% to 15.0%	1.6% to 7.0%	5.5% to 13.9%

(1) The inflation-adjusted perpetual growth rate ranges from 0% to +0.5% depending on the nature of the CGU's business/banner.
(2) The discount rate used 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 by taking account of the sector's levered 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) With the exception of the Geimex CGU, for which the after-tax discount rate is 6.0%.
(5) At 31 December 2014, the market capitalisation of the listed subsidiaries GPA, BIG C, Éxito and Cnova was €8,049 million, €4,899 million, €4,531 million, and €2,875 million, respectively. In all four cases, market capitalisation was higher than the carrying amount.
(6) The Indian Ocean region includes Reunion, Mayotte, Madagascar and Mauritius. The discount rates used reflect the risks inherent in each of these regions.

No impairment loss was recognised at 31 December 2014 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.

With regard to Franprix-Leader Price, the recoverable value of this cash generating unit is determined based on a calculation of value in use, performed from cash flow projections based on financial budgets approved by executive management for a three-year period and a 5.5% discount rate (identical to 2013).

The cash flow projections for the budget period are based on the following assumptions:

- After the price investments carried out, the subsidiary forecasts an increase in volumes as from 2015, suggesting sales growth on a like-for-like basis of approximately 20% by the end of the 2015-2017 plan. In addition, an expansion plan, particularly with regard to franchises, will support the volume growth.
- The profitability of the two banners will increase by improving the supply of certain private label products and by optimising store costs and upstream functions. The subsidiary thus estimates that its EBITDA margin will increase by 200 basis points between 2014 and 2017.
- CICE taken into account on a long-term basis or an equivalent reduction of charges.

Cash flows subsequent to the three-year period were extrapolated using a constant long-term growth rate of 1.4% per year (1.6% in 2013) of net sales corresponding to the long-term inflation rate in France and a gradual change in its EBITDA margin, close to the rate observed historically.

Management believes that a reasonable modification of a key assumption could result in a carrying amount greater than the recoverable value. The table below shows the individual variation of the key assumptions required for the estimated recoverable value of the Franprix-Leader Price (FPLP) CGU to equal its carrying amount (of which €2,511 million in goodwill).

Change required for the FPLP CGU carrying amount to equal its recoverable amount	2014[1]	2013
Discount rate	+90 bp	+130 bp
Perpetual growth rate	-90 bp	-140 bp
EBITDA margin for the cash flow projection	-90 bp	-130 bp

(1) With a 100-point increase in the discount rate, the carrying amount of the FPLP CGU would exceed its recoverable amount by approximately €71 million. Management believes that no modification of the other key assumptions on which the recoverable amount is based would result in a carrying amount for this CGU that exceeded its recoverable amount.

10.5.3. Trademark impairment losses

For brands, recoverable amounts were estimated at the year-end using the "relief from royalty" method.

The assumptions as regards impairment tests of GPA trademarks concern royalty rates (varying between 0.4% and 1.4% depending on the banner). These tests did not reveal any evidence of impairment.

NOTE 11. FINANCIAL STRUCTURE AND FINANCE COSTS

Accounting principle

Financial assets

Definitions

Financial assets are classified into four categories according to their type and intended holding period, as follows:

- held-to-maturity financial assets;
- financial assets at fair value through profit or loss;
- loans and receivables;
- available-for-sale financial assets.

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.

Recognition and measurement of financial assets

With the exception of financial assets at fair value through profit or loss, all financial assets are initially recognised at cost, corresponding to the fair value of the consideration paid plus transaction costs.

Held-to-maturity financial assets

Held-to-maturity financial assets are fixed income securities that the Group has the positive intention and ability to hold to maturity. They are measured at amortised cost using the effective interest method. Amortised cost is calculated by adding or deducting any premium or discount over the remaining life of the securities. Gains and losses are recognised in the income statement when the assets are derecognised or there is objective evidence of impairment, and also through the amortisation process.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets classified as held for trading, *i.e.* assets that are acquired principally for the purpose of selling them in the near term. They are measured at fair value and gains and losses arising from remeasurement at fair value are recognised in profit or loss. Some assets may be designated upon initial recognition as financial assets at fair value through profit or loss.

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.

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 remeasurement at fair value are recognised in other comprehensive income until the asset is sold, collected or otherwise disposed of or until it is shown that the asset has been impaired on a material or long-term basis. In these cases, gains and losses that were previously recognised under other comprehensive income are transferred to profit or loss.

When the available-for-sale asset is an equity instrument, the impairment is permanent. Impairment losses on equity instruments are irreversible and any subsequent increases in fair value are recognised directly in other comprehensive income.

Impairment losses on debt instruments are reversed through the income statement in the event of a subsequent increase in fair value, provided that the amount reversed does not exceed the impairment losses previously recognised in the income statement.

This category mainly comprises investments in non-consolidated companies. Available-for-sale financial assets are classified under non-current financial assets.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and short-term investments.

To be classified as a cash equivalent under IAS 7, investment securities must fulfil four criteria, and namely be:

- short-term investments;
- highly liquid investments;
- readily convertible to known amounts of cash;
- subject to an insignificant risk of changes in value.

Derecognition of financial assets

Financial assets are derecognised in the following two cases:

- the contractual rights to the cash flows from the financial asset expire; or,
- the contractual rights are transferred and the transfer qualifies for derecognition:
  - when substantially all the risks and rewards of ownership of the financial asset are transferred, the asset is derecognised in full,
  - when substantially all the risks and rewards of ownership are retained by the Group, the financial asset continues to be recognised in the balance sheet for its total amount.

The Group has set up receivables discounting programmes with its banks. These programmes generally meet the conditions for derecognition of financial assets under IAS 39 described below. The Group considers that there is no risk of discounted receivables being cancelled by credit Notes or being set off against liabilities. The receivables discounted under the programmes mainly concern services invoiced by the Group under contracts with suppliers that reflect the volume of business done with the suppliers concerned. The other risks and rewards associated with the receivables have been transferred to the banks. Consequently, as substantially all the risks and rewards have been transferred at the balance sheet date, the receivables are derecognised.

Certain subsidiaries retain responsibility for collecting assigned receivables. In consideration for this service, these subsidiaries receive a fee in connection with this delegation. This fee was deemed not material at the year-end.

Financial liabilities

Definitions

Financial liabilities are classified into two categories as follows:

- borrowings recognised at amortised cost;
- financial liabilities at fair value through profit or loss.

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.

Recognition and measurement of financial liabilities

Financial liabilities are measured according to their category under IAS 39.

Financial liabilities recognised at amortised cost

Borrowings and other financial liabilities are usually recognised at amortised cost using the effective interest rate method. These liabilities may be hedged.

Debt issue costs and issue and redemption premiums are included in the amortised cost of loans and other borrowings. They are added or deducted from borrowings, and are amortised using an actuarial method.

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.

Recognition and measurement of derivative instruments

All derivative instruments are recognised in the balance sheet and measured at fair value.

Derivative financial instruments that qualify for hedge accounting: recognition and presentation

In accordance with IAS 39, hedge accounting is applied 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 risk hedged, 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, hedging a budgeted foreign currency denominated purchase). 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 on a symmetrical basis with the hedged cash flows and under the same line item as the hedged item (*i.e.* trading profit for hedges of cash flows from operating activities and net financial income or 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 profit or loss. 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, its successive changes in fair value are recognised directly in profit or loss for the period under "Other financial income and expenses".

11.1. Net cash and cash equivalents

11.1.1. Breakdown

(€ millions)	2014	2013 restated
Cash equivalents	4,225	3,263
Cash	3,134	2,037
Cash and cash equivalents	**7,359**	**5,300**
Bank overdrafts	(162)	(190)
NET CASH AND CASH EQUIVALENTS	**7,197**	**5,110**

Gross cash and cash equivalents of the parent company and its wholly-owned subsidiaries amounted to €2,652 million. Total cash and cash equivalents of companies that are not wholly-owned amounted to approximately €4,707 million. The cash and cash equivalents of fully consolidated companies are entirely available to the Group, subject to any restrictive covenants, as the Group controls their dividend policy despite the presence of non-controlling interests.

11.1.2. Breakdown of cash and cash equivalents by currency

(€ millions)	2014	%	2013 restated	%
Euro	2,160	29%	1,073	20%
US dollar	120	2%	117	2%
Brazilian real	3,721	51%	2,817	53%
Thai baht	299	4%	184	3%
Colombian peso	866	12%	922	17%
Vietnamese dong	114	2%	100	2%
Other	79	1%	87	2%
CASH AND CASH EQUIVALENTS	**7,359**	**100%**	**5,300**	**100%**

11.2. Financial liabilities

Financial liabilities amounted to €13,748 million at 31 December 2014 (€11,093 million at 31 December 2013), broken down as follows:

		2014			2013 restated		
(€ millions)	Note	Non-current portion	Current portion	Total	Non-current portion	Current portion	Total
Bonds	11.2.2	7,962	1,595	9,557	7,085	881	7,967
Other financial liabilities	11.2.3	1,135	2,875	4,010	1,300	1,622	2,923
Finance leases	7.6	87	18	105	68	29	97
Put options granted to owners of non-controlling interests	3.5.1	38	24	62	42	33	75
Fair value hedges – liabilities	11.6	2	12	14	20	11	31
Financial liabilities		**9,223**	**4,525**	**13,748**	**8,515**	**2,577**	**11,093**
Fair value hedges – assets		(430)	(136)	(567)	(102)	(189)	(291)
Other financial assets		-	-	-	-	-	-
Cash and cash equivalents		-	(7,359)	(7,359)	-	(5,300)	(5,300)
Cash and cash equivalents and other financial assets		**(430)**	**(7,495)**	**(7,926)**	**(102)**	**(5,489)**	**(5,591)**
NET FINANCIAL DEBT		**8,793**	**(2,970)**	**5,822**	**8,413**	**(2,912)**	**5,502**

11.2.1. Change in financial liabilities

(€ millions)	2014	2013 restated
Financial liabilities at 1 January	*11,093*	*11,868*
Fair value hedges – assets	*(291)*	*(385)*
Financial liabilities at 1 January (including hedging instruments)	**10,802**	**11,483**
New borrowings[1]	3,675	1,833
Repayments (principal and interest)[2]	(1,410)	(2,462)
Change in fair value of hedged debt	11	-
Foreign currency translation adjustments	101	(543)
Changes in scope of consolidation[3]	16	929
Change in put options granted to owners of non-controlling interests[4]	(13)	(439)
Financial liabilities at 31 December (including hedging instruments)	**13,181**	**10,802**
Financial liabilities at 31 December	*13,748*	*11,093*
Fair value hedges – assets	*(567)*	*(291)*

(1) In 2014, new borrowings mainly stemmed from the following transactions: (a) new bond issues by Casino, Guichard-Perrachon totalling €1,550 million, (b) net change of €891 million in short-term commercial paper, (c) new loans of Brazilian subsidiaries of €610 million, and (d) the bond exchange described in this note, resulting in a net increase of €299 million. In 2013, new borrowings mainly stemmed from the following transactions: new bond issues totalling €1,350 million made by Casino, Guichard-Perrachon, (ii) new loans of Brazilian, Colombian and Vietnamese subsidiaries of €45 million, €39 million and €30 million, respectively, (iii) the debt component of ORA bonds issued by Monoprix (€79 million) (see Note 12.6), and (iv) net cash flows from commercial paper (€167 million).

(2) In 2014, loan repayments were mainly related to Casino, Guichard-Perrachon, GPA, Franprix-Leader Price and Big C Thailand for €551 million, €552 million, €102 million and €108 million, respectively. In 2013, loan repayments were mainly related to (a) Casino, Guichard-Perrachon, GPA and Éxito bonds (€544 million, €195 million and €30 million, respectively), (b) other borrowings and financial liabilities relating to Franprix-Leader Price, GPA, Casino, Guichard-Perrachon and Big C Thailand (€355 million, €340 million, €184 million and €66 million, respectively), (c) the repayment of lines of credit drawn down by Monoprix (€453 million) and (d) overdrafts (€109 million).

(3) In 2013, the impact of changes in scope of consolidation arose mainly from Franprix-Leader Price and the acquisition of control of Monoprix for €301 million and €622 million, respectively.

(4) In 2013, changes in put options over non-controlling interests largely concerned the share exchange with the Diniz family for €399 million (see Note 3.2.4).

Financing transactions

On 21 February 2014, the Group issued a €900 million 10-year bond, paying interest of 3.248%.

At that time, €214 million and €336 million of bonds maturing in April 2016 (4.47% coupon) and February 2017 (4.38% coupon), respectively, were exchanged, bringing their respective amounts to €386 million and €552 million.

This transaction was accounted for as an extension to the maturity of financial liabilities given the non-material nature of the changes to the contractual terms. The impact of the bond exchange (€601 million) thus constitutes an adjustment of the carrying amount of the 2024 bond and will be amortised on an actuarial basis over the remaining term of the modified liability. This accounting treatment also applies to the bond premiums, unamortised issue expenses related to the exchanged bonds and all exchange-related expenses (fees and expenses and exchange premiums), which will be amortised until 2024 for €73 million. Similarly, the effect of the unwinding of the hedges associated with the initial debt (€7 million) will be amortised over the life of the new debt.

On 28 February 2014, the Group announced the signing of a 5-year syndicated credit facility for an amount of €1.2 billion with a group of 18 banks, replacing an existing facility of the same amount. Casino also has two one-year extension options which remain subject to the banks' agreement.

On 30 July 2014, the Group issued a €900 million, 12-year bond, paying interest of 2.798%.

On 2 December 2014, the Group issued a €650 million bond with a maturity of over 10 years, paying interest of 2.33%.

11.2.2. Bonds

(€ millions)	Principal	Interest rate[1]	Effective interest rate	Issue date	Maturity date	2014[2]	2013 restated[2]
Bonds in euros							
2014 bonds	578	F: 4.88	5.19%	April 2007 June 2008	April 2014	-	582
2015 bonds	750	F: 5.50	5.60%	July 2009	January 2015	752	771
2016 bonds	386	F: 4.47	4.58%	October 2011	April 2016	388	600
2017 bonds	552	F: 4.38	5.85%	February 2010	February 2017	551	863
2018 bonds	508	F: 4.48	5.25%	May 2010	November 2018	543	530
2019 bonds	1,000	F: 3.16	2.83%	August 2012 April 2013	August 2019	1,054	1,015
2020 bonds	600	F: 3.99	4.05%	March 2012	March 2020	642	608
2021 bonds	850	F: 4.73	5.13%	May 2011	May 2021	912	843
2023 bonds	1,000	F: 3.31	3.23%	January 2013 April 2013	January 2023	1,097	993
2024 bonds	900	F: 3.25	4.16%	March 2014	March 2024	908	-
2025 bonds	650	F: 2.33	2.37%	December 2014	February 2025	647	-
2026 bonds	900	F: 2.80	2.84%	August 2014	August 2026	928	-
Bonds in COP							
Carulla bond issue	52	V: CPI + 7.50%	CPI +7.50%	May 2005	May 2015	52	56
Bonds in BRL							
GPA bond issue	61	V: 109.5% CDI	109.5% CDI	December 2009	December 2014	-	61
GPA bond issue	187	V: 107.7% CDI	107.7% CDI	January 2011	January 2014	-	187
GPA bond issue	248	V: 108.5% CDI	108.5% CDI	December 2011	December 2015	248	245
GPA bond issue	372	V: CDI + 1%	CDI + 1%	May 2012	November 2015	372	368
GPA bond issue	124	V: 100% CDI + 1%	100% CDI + 1%	January 2012	January 2015	124	123
GPA bond issue	278	V: 107.0% CDI	107.0% CDI	September 2014	September 2019	278	-
GPA bond issue	61	V: CDI + 0.72%	V: CDI + 0.72%	June 2012	December 2014	-	61
GPA bond issue	62	V: CDI + 0.72%	V: CDI + 0.72%	June 2012	January 2015	62	61
TOTAL BONDS						**9,557**	**7,967**

(1) F (Fixed rate) – V (Variable rate) – CPI (Consumer Price Index) – CDI (Certificado de Deposito Interbancario).
(2) The amounts shown above include the impact of fair value hedges.

11.2.3. Other borrowings

(€ millions)	Principal	Type of rate	Issue date	Maturity date	2014	2013 restated
France						
Alaméa	300	Variable rate	April 2010	April 2015	300	300
Commercial paper					1,294	402
Other borrowings[1]					342	210
International						
Latin America[2]					892	804
Other[3]					690	635
Bank overdrafts					**162**	**190**
Accrued interest[4]					**330**	**382**
TOTAL OTHER BORROWINGS					**4,010**	**2,923**

(1) Including Franprix-Leader Price for €164 million in 2014 and €113 million in 2013.
(2) GPA for €889 million in 2014 (in 2013: GPA for €768 million and Éxito for €36 million).
(3) In 2014 and 2013, mainly Big C Thailand for €618 million and €583 million, respectively.
(4) Accrued interest relates to all financial liabilities including bonds.

Confirmed bank lines of credit 2014

(€ millions)	Interest rate	Due: Within one year	Due: More than one year	Amount of the facility	Drawdowns
Casino, Guichard-Perrachon syndicated credit lines[1]	Variable rate	-	2,024	2,024	-
Other confirmed bank lines of credit	Variable rate	310	1,970	2,280	100

(1) The syndicated credit lines include the €1,200 million line (due in February 2019) and the USD 1 billion line (due in July 2018).

Confirmed bank lines of credit 2013

(€ millions)	Interest rate	Due: Within one year	Due: More than one year	Amount of the facility	Drawdowns
Casino, Guichard-Perrachon syndicated credit lines[1]	Variable rate	-	1,925	1,925	-
Other confirmed bank lines of credit	Variable rate	505	677	1,182	-

(1) The syndicated credit lines include the €1,200 million syndicated line of credit renewed in August 2010 for five years and the US$1 billion line due in July 2018.

11.3. Other liabilities

	2014			2013 restated		
	Non-current	Current	Total	Non-current	Current	Total
Derivative instruments – liabilities	193	5	198	5	179	184
Accrued tax and employee-related liabilities	205	1,718	1,923	361	1,675	2,036
Sundry liabilities	19	1,126	1,145	11	1,083	1,094
Amounts due to suppliers of fixed assets	22	256	277	25	209	234
Current account advances	-	13	13	-	12	12
Finance payables (credit business)	42	851	893	48	837	885
Deferred income[1]	265	178	443	153	81	234
TOTAL	**745**	**4,147**	**4,892**	**603**	**4,077**	**4,680**

(1) In 2014, includes deferred income recognised in the Via Varejo subsidiary following collection of an advance payment of 850 million Brazilian reals (€264 million) related to an agreement for the exclusive sale of extended warranties with Zurich Minas Brasil Seguros S.A.
Via Varejo had previously terminated the contract with the prior provider of extended warranties in advance, (i) paying it compensation of 186 million Brazilian reals (€57 million) recognised in intangible assets and (ii) reimbursing it for an advance payment of 398 million Brazilian reals (€123 million).

11.4. Net financial income (expense)

Accounting principle

Net finance costs

Net finance costs correspond to all income and expenses generated by net debt during the period, including gains and losses on disposals of cash equivalents, gains and losses on interest rate and currency hedges, as well as interest expense related to finance leases.

Net debt corresponds to loans and other borrowings including any associated hedges with a negative fair value, less (i) cash and cash equivalents, (ii) financial assets held for cash management purposes and other similar investments, (iii) hedges of debt with a positive fair value and (iv) financial assets arising from a significant disposal of non-current assets.

Other financial income and expenses

This item corresponds to financial income and expenses that are not generated by net debt.

It consists mainly of dividends from non-consolidated companies, gains and losses arising from remeasurement at fair value of financial assets other than cash and cash equivalents and of derivatives not qualifying for hedge accounting, gains and losses on disposal of financial assets other than cash and cash equivalents, discounting adjustments (including to provisions for pensions and other post-employment benefit obligations) and exchange gains and losses on items other than components of net debt.

Cash discounts 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 balance.

11.4.1. Net finance costs

(€ millions)	2014	2013 restated
Gains (losses) on disposals of cash equivalents	-	-
Income from cash and cash equivalents	204	178
Income from cash and cash equivalents	**204**	**178**
Interest expense on borrowings after hedging	(832)	(803)
Interest expense on finance lease liabilities	(12)	(11)
Finance costs	**(844)**	**(814)**
NET FINANCE COSTS	**(640)**	**(636)**

11.4.2. Other financial income and expenses

(€ millions)	2014	2013 restated
Investment income	1	-
Foreign currency exchange gains (other than on borrowings)	17	45
Discounting and accretion adjustments	3	2
Gains on remeasurement to fair value of non-hedge derivative instruments[1]	44	8
Other financial income	88	108
Financial income	**152**	**164**
Foreign currency exchange losses (other than on borrowings)	(15)	(53)
Discounting and accretion adjustments	(17)	(18)
Losses on remeasurement to fair value of non-hedge derivative instruments[1]	(74)	(68)
Losses on remeasurement to fair value of financial assets at fair value through profit or loss	-	(4)
Other financial expenses	(84)	(105)
Financial expenses	**(190)**	**(247)**
TOTAL OTHER FINANCIAL INCOME AND EXPENSES	**(38)**	**(84)**

(1) In 2014, the net expense of €30 million was primarily due to the fair value adjustments to the Big C Thailand (+€38 million) and GPA (-€16 million) total return swaps (TRS) and the GPA forward (-€47 million). In 2013, the net expense of €60 million was primarily due to the fair value adjustments to the Big C Thailand and GPA TRSs, GPA forward, and call options on GPA preferred shares (see below).

In December 2011, the Group entered into a 2.5-year TRS with a financial institution covering 7.9 million of GPA American Depositary Receipts (ADRs). The contract will be settled in cash. Following a change during the period, this instrument now has an interest rate of 3-month Euribor +2.61% and falls due in July 2017. In addition, following to a change of the TRS entry price, Casino received an amount of €50 million in 2013. This TRS is a derivative instrument measured at fair value through profit or loss. At 31 December 2014, the instrument covered 7.8 million ADRs (representing 2.9% of GPA's share capital) and a notional amount of €332 million and presented a negative fair value of €96 million (against 7.8 million ADRs, a notional amount of €332 million and a negative fair value of €80 million at 31 December 2013).

At the end of December 2012, the Group entered into a 2-year forward contract on 7.8 million GPA ADRs. The contract will be settled in cash. Following a change to the forward entry price in 2013 and 2014, Casino received the sum of €43 million and €7 million, respectively. In addition, the instrument now pays interest at Libor +2.50% and falls due at the end of December 2016. It is a derivative instrument measured at fair value through profit or loss. At 31 December 2014, the instrument covered 5.8 million ADRs (representing 2.2% of GPA's share capital), a notional amount of USD333 million (€274 million) and presented a negative fair value of €97 million (against 5.8 million ADRs, a notional amount of €319 million and a negative fair value of €43 million at 31 December 2013).

In 2012, the Group entered into a TRS with a financial institution covering 20.6 million Big C Thailand shares. The contract will be settled in cash. Following a change to the TRS entry price in 2013 and 2014, Casino received €2 million and €17 million, respectively. In addition, the instrument now pays interest at 3-month Euribor +2.23% and falls due in July 2016. It is a derivative instrument measured at fair value through profit or loss. At 31 December 2014, the instrument presented a notional amount of €127 million and a negative fair value of €5 million.

11.5. 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 (unadjusted) 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 balance sheet date. A Market is considered as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, 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.

11.5.1. Financial assets and liabilities by category of instrument

Financial assets

The following tables show financial assets by category.

(€ millions) Financial assets	2014 Carrying amount (A)	Non-financial assets (B)	2014 Total financial assets (A - B)
Other non-current assets	2,244	956	1,288
Trade receivables	1,513	-	1,513
Other current assets	1,786	635	1,151
Cash and cash equivalents	7,359	-	7,359

(€ millions) Financial assets	2013 restated Carrying amount (A)	Non-financial assets(B)	2013 restated Total financial assets (A - B)
Other non-current assets	1,588	703	885
Trade receivables	1,493	-	1,493
Other current assets	1,646	615	1,031
Cash and cash equivalents	5,300	-	5,300

	Carrying amount						
	Held-for-trading financial assets	Financial assets at fair value through profit or loss	Hedging instruments	Held-to-maturity financial assets	Loans and receivables	AFS – measured at fair value	AFS – measured at cost
	-	-	430	-	770	37	51
	-	-	-	-	1,513	-	-
	-	-	161	-	990	-	-
	422	-	-	-	6,937	-	-

	Carrying amount						
	Held-for-trading financial assets	Financial assets at fair value through profit or loss	Hedging instruments	Held-to-maturity financial assets	Loans and receivables	AFS – measured at fair value	AFS – measured at cost
	-	-	102	-	673	55	56
	-	-	-	-	1,493	-	-
	-	-	189	-	842	-	-
	403	-	-	-	4,897	-	-

Financial liabilities

The following tables show financial liabilities by category.

	2014			Carrying amount			
(€ millions)	Carrying amount	Non-financial liabilities	Total financial liabilities	Liabilities at amortised cost	Held-for-trading financial liabilities	Financial liabilities at fair value through profit or loss	Hedging instruments
Bonds	9,557	-	9,557	9,557	-	-	-
Other financial liabilities	4,086	-	4,086	4,010	62	-	14
Finance leases	105	-	105	105	-	-	-
Trade payables	8,324	1	8,323	8,323	-	-	-
Other liabilities	4,892	1,875	3,016	2,818	198	-	-

	2013 restated			Carrying amount			
(€ millions)	Carrying amount	Non-financial liabilities	Total financial liabilities	Liabilities at amortised cost	Held-for-trading financial liabilities	Financial liabilities at fair value through profit or loss	Hedging instruments
Bonds	7,967	-	7,967	7,967	-	-	-
Other financial liabilities	3,029	-	3,029	2,923	75	-	31
Finance leases	97	-	97	97	-	-	-
Trade payables	6,982	-	6,982	6,982	-	-	-
Other liabilities	4,680	1,696	2,984	2,800	175	-	9

11.5.2. 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 reasonable approximations of the fair values such as trade receivables, trade payables, cash and cash equivalents and bank overdrafts. The fair value of investment properties is shown in Note 10.4.

			Fair value hierarchy		
31 December 2014 *(€ millions)*	**Carrying amount**	**Fair value**	**Market price = level 1**	**Models with observable inputs = level 2**	**Models with unobservable inputs = level 3**
Assets	**628**	**628**	**-**	**591**	**37**
Available-for-sale financial assets[1]	37	37	-	-	37
Fair value hedges – assets[2]	567	567	-	567	-
Other derivative instruments – assets	25	25	-	25	-
Liabilities	**13,946**	**14,738**	**10,343**	**4,332**	**62**
Bonds[4]	9,557	10,343	10,343	-	-
Other borrowings and finance leases[5]	4,115	4,120	-	4,120	-
Fair value hedges – liabilities[2]	14	14	-	14	-
Other derivative instruments – liabilities[2]	198	198	-	198	-
Put options over non-controlling interests[3]	62	62	-	-	62

			Fair value hierarchy		
31 December 2013 restated *(€ millions)*	**Carrying amount**	**Fair value**	**Market price = level 1**	**Models with observable inputs = level 2**	**Models with unobservable inputs = level 3**
Assets	**345**	**345**	**-**	**291**	**55**
Available-for-sale financial assets[1]	55	55	-	-	55
Fair value hedges – assets[2]	291	291	-	291	-
Other derivative instruments – assets	-	-	-	-	-
Liabilities	**11,276**	**11,710**	**8,375**	**3,260**	**75**
Bonds[4]	7,967	8,375	8,375	-	-
Other borrowings[5]	3,020	3,044	-	3,044	-
Fair value hedges – liabilities[2]	31	31	-	31	-
Other derivative instruments – liabilities[2]	184	184	-	184	-
Put options over non-controlling interests[3]	75	75	-	-	75

(1) The fair value of available-for-sale financial assets is generally measured using standard methods of analysis. 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.
(3) 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 which uses notably EBITDA multiples.
(4) The fair value of bonds issued was based on the latest known quoted price on the closing date.
(5) The fair value of other borrowings has been measured on the basis of other valuation methods such as the discounted cash flow method and taking into account the Group's credit risk and interest rate conditions on the closing date.

11.6. Financial risk management objectives and policies

The main risks associated with the Group's financial instruments are Market risks (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 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 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 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 versatile management of its interest rate positions.

11.6.1. Breakdown of derivative financial instruments

The table below shows a breakdown of derivative financial instruments by type of risk and accounting classification:

(€ millions)	Note	2014	Interest rate risk	Currency risk	Other Market risks	2013 restated
Derivatives – assets						
Derivatives at fair value through profit or loss	6.8 – 6.9	-	-	-	-	-
Cash flow hedges	6.8.1	25	-	25	-	-
Fair value hedges	11.2	567	548	19	-	291
TOTAL DERIVATIVES – ASSETS		**591**	**548**	**44**	**-**	**291**
of which current		*161*	*127*	*34*	*-*	*189*
of which non-current		*430*	*421*	*9*	*-*	*102*
Derivatives – liabilities						
Derivatives at fair value through profit or loss	11.3	198	-	-	198	175
Cash flow hedges	11.3	-	-	-	-	9
Fair value hedges	11.2	14	11	3	-	31
TOTAL DERIVATIVES – LIABILITIES		**212**	**11**	**3**	**198**	**215**
of which current		*17*	*9*	*3*	*5*	*190*
of which non-current		*195*	*2*	*-*	*193*	*25*

At 31 December 2014, the IFRS cash flow hedge reserve totalled €25 million compared with -€9 million at 31 December 2013. The ineffective portion of these cash flow hedges is not material.

The fair value of derivative instruments that do not qualify for hedge accounting under IAS 39 amounted to -€198 million at 31 December 2014 compared with -€175 million at 31 December 2013.

The appraisal of derivatives at 31 December 2014 was carried out taking 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.

11.6.2. 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 dynamically managing debt by monitoring and, where necessary, adjusting its hedging ratio based on forecast trends in interest rates.

Various derivative instruments – mainly interest rate swaps – are used to manage interest rate risks. These instruments do not always qualify for hedge accounting; however all interest-rate instruments are used in connection with the above risk management policy.

Group financial policy consists of managing finance costs by combining variable and fixed rate derivative instruments.

Sensitivity analysis to a change in interest rates

(€ millions)	2014	2013 restated
Borrowings	3,979	1,957
Finance lease liabilities	18	29
Bank overdrafts	162	190
Total Financial liabilities (current portion excl. accrued interest et derivatives)[1]	**4,159**	**2,176**
Cash equivalents	4,225	3,263
Cash	3,134	2,037
TOTAL ASSETS	**7,359**	**5,300**
NET POSITION BEFORE HEDGING	**(3,200)**	**(3,124)**
Derivative financial instruments	7,146	5,860
NET POSITION AFTER HEDGING	**3,946**	**2,736**
Net position to be rolled over within one year	3,946	2,736
Effect of a 1-point change in interest rates	39	27
Average remaining duration of hedges	1	1
Change in net finance costs	39	27
Net finance costs	640	636
IMPACT OF CHANGE IN NET FINANCE COSTS	**6.2%**	**4.3%**

(1) Adjustable rate financial assets and liabilities are considered as maturing on the interest reset date. The above total does not include liabilities not exposed to interest rate risk, corresponding mainly to put options granted to owners of non-controlling interests and accrued interest.

Market risk

Exposure to currency risk

Due to its geographical diversification, the Group is exposed to currency translation risk, in other words its balance sheet and income statement, and consequently its financial ratios, are sensitive to change in exchange rates as part of the 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 forward currency purchases and currency swaps with the same maturities as the underlying transactions.

The Group's net exposure based on notional amounts after hedging is mainly to the following currencies (excluding the functional currencies of entities):

(€ millions)	Total exposure 2014	Of which USD	Total exposure 2013 restated
Trade receivables exposed	(9)	(8)	(8)
Other financial assets exposed	(125)	(91)	(223)
Trade payables exposed	170	145	105
Financial liabilities exposed	245	245	103
Gross exposure payable/(receivable)	**280**	**290**	**(23)**
Trade receivables hedged			-
Other financial assets hedged	(7)	(7)	(10)
Trade payables hedged	90	90	45
Financial liabilities hedged	232	232	101
NET EXPOSURE PAYABLE/(RECEIVABLE)	**(35)**	**(25)**	**(158)**
Future purchase hedges		**225**	**262**

At 31 December 2014, the net balance sheet exposure of -€35 million mainly concerned the US dollar.

Sensitivity of net exposure after currency hedging

A 10% appreciation of the euro against those currencies at 31 December would have decreased profit by the amounts shown in the table below. For the purposes of the analysis, all other variables, particularly interest rates, are assumed to be constant.

A 10% depreciation of the euro against those currencies at 31 December would have produced the opposite effect.

(€ millions)	2014	2013 restated
US dollar	(2)	(16)
Other	(1)	-
TOTAL	**(4)**	**(16)**

Exchange rates against the euro

	2014		2013	
Exchange rates against the euro	Closing rate	Average rate	Closing rate	Average rate
US dollar (USD)	1.2141	1.3285	1.3791	1.3281
Polish zloty (PLN)	4.2732	4.1842	4.1543	4.1975
Argentine peso (ARS)	10.2716	10.7684	8.9838	7.2859
Uruguayan peso (UYP)	29.5402	30.8353	29.4805	27.1368
Thai baht (THB)	39.9100	43.1468	45.1780	40.8297
Colombian peso (COP)	2,884.27	2,652.56	2,657.29	2,482.68
Brazilian real (BRL)	3.2207	3.1211	3.2576	2.8702
Vietnamese dong (VND)	25,794.76	28,093.23	29,010.750	27,915.096

11.6.3. Counterparty risk

The Group is exposed to various aspects of counterparty risks in its operating activities, its short-term investment activities and its 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

Retail 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 the risk of bad debts is not material.

Trade receivables break down as follows by maturity:

		Receivables past due on the balance sheet date					
(€ millions)	Receivables not yet due, not impaired	Receivables not more than one month past due	Receivables between one and six months past due	Receivables more than six months past due	Total	Impaired receivables	Total
2014	**696**	**61**	**50**	**27**	**139**	**142**	**976**
2013 restated	616	79	53	24	157	150	922

Unimpaired receivables that are past due can vary substantially in length of time overdue 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 it has no material risk in terms of credit concentration.

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 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.

11.6.4. 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 are:

- diversifying sources of financing: public and private capital Markets, banks (confirmed and non-confirmed facilities), commercial paper, discounting;
- diversifying currencies of financing: euro, other functional currencies used by the Group, US dollar;
- maintaining a level of confirmed financing facilities significantly in excess of the Group's liabilities at any time;
- limiting the amount of annual repayments and proactive management of the repayment schedule;
- managing the average maturity of financing facilities and, where appropriate, refinancing them before they fall due.

In addition, the Group carries out non-recourse receivables discounting without continuing involvement, within the meaning of IFRS 7.

Most of the Group's debt is carried by Casino, Guichard-Perrachon. Financing is managed by the Corporate Finance department. The main subsidiaries (GPA, Big C Thailand, Monoprix and Éxito) also have their own sources of financing.

All subsidiaries report weekly to the Group on their cash management and all new financing facilities require prior approval from the Corporate Finance department.

At 31 December 2014, the Group's liquidity position was based on:

- undrawn confirmed credit facilities totalling €4,203 million (including €2,974 million at Casino, Guichard-Perrachon level);
- available cash of €7,359 million.

Notes issued under Casino, Guichard Perrachon's €9,000 million Euro Medium Term Notes (EMTN) programme totalled €8,095 million at 31 December 2014.

Furthermore, Notes issued under Casino, Guichard-Perrachon's €2,000 million commercial paper programme totalled €1,295 million at 31 December 2014.

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.

Casino, Guichard-Perrachon's loan 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 TSSDI issues) should its long-term senior debt be downgraded to non-investment grade, but only if this downgrade is due to a change of majority shareholder. These bonds (except for TSSDI) are rated BBB- by the rating agencies Standard & Poor's and Fitch Ratings.

They also contain a coupon step-up clause, which increases the interest rate should Casino, Guichard-Perrachon's long-term senior debt rating be downgraded to non-investment grade.

Financing subject to covenants

At 31 December 2014, the covenants to which Casino, Guichard-Perrachon is exposed were as follows:

Nature of covenant	Main types of debt subject to covenant	Result from the covenant at 31 December 2014
Consolidated net debt[1]/Consolidated EBITDA[2] < 3.5	• €1.2 billion syndicated credit line • US$1 billion syndicated credit line • Bilateral credit lines and borrowings totalling €450 million	1.8
Consolidated net debt[1]/Consolidated EBITDA[2] < 3.7	• Bilateral funding totalling €50 million • Alaméa loan of €300 million	

(1) Net debt as defined in the loan agreements may differ from net debt recognised in the consolidated financial statements (see Note 11.2). It corresponds to borrowings and 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 current net depreciation and amortisation expense.

The Group considers that it can comply very comfortably with its covenants over the next twelve months.

Note that Casino, Guichard-Perrachon's bonds and commercial paper are not subject to any financial covenant.

Financing of subsidiaries subject to covenants

Most of the other financing contracts of the Group contain financial covenants mainly for GPA (see table below) and Big C Thailand.

Subsidiary	Nature of covenant	Main types of debt subject to covenant
GPA[1]	Net debt[2] may not be higher than equity[3] Consolidated net debt / EBITDA < 3.25	• All bond financing and part of the bank borrowings
	Equity / total assets ≥ 0.3 EBITDA / net financial debt ≥ 0.35	• BNDES financing totalling €75 million
Big C Thailand	Net debt / EBITDA Net debt / equity	• Bank borrowings (see Note 11.2.3)

(1) All of GPA's covenants are based on the consolidated data of GPA.
(2) Reduced by cash, cash equivalents and receivables.
(3) Consolidated equity (attributable to owners of the parent and non-controlling interests).

At 31 December 2014, these covenants were respected.

Exposure to liquidity risk

The table below shows a maturity schedule for financial liabilities at 31 December 2014, including principal and interest but excluding discounting.

Regarding the 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. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the yield curves existing at the end of the reporting period.

(€ 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	2014 Total	Carrying amount
NON-DERIVATIVE FINANCIAL INSTRUMENTS RECOGNISED IN LIABILITIES:							
Bonds and other borrowings	4,757	1,160	1,481	2,484	5,947	15,830	13,567
Put options granted to owners of non-controlling interests	24	3	1	-	40	69	62
Finance lease liabilities	28	27	24	37	76	193	105
Trade payables and other financial liabilities	11,045	55	5	9	28	11,141	11,141
TOTAL	**15,855**	**1,244**	**1,512**	**2,531**	**6,092**	**27,233**	
DERIVATIVE FINANCIAL INSTRUMENTS ASSETS/(LIABILITIES):							
Interest rate derivatives							
Derivative contracts – received	172	155	139	223	251	939	
Derivative contracts – paid	(62)	(52)	(40)	(92)	(147)	(393)	
Derivative contracts – settled net	4	-	-	-	-	3	
Currency derivatives							
Derivative contracts – received	253	102	-	-	-	355	
Derivative contracts – paid	(236)	(102)	-	-	-	(338)	
Derivative contracts – settled net	(19)	(3)	14	-	-	(8)	
Other derivative instruments							
Derivative contracts – received	-	-	-	-	-	-	
Derivative contracts – paid	(9)	(14)	(5)	-	-	(28)	
Derivative contracts – settled net	-	-	-	-	-	-	
TOTAL	**102**	**86**	**109**	**130**	**103**	**530**	**379**

(€ millions)	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	2013 restated Total	Carrying amount
	Maturity						
NON-DERIVATIVE FINANCIAL INSTRUMENTS RECOGNISED IN LIABILITIES:							
Bonds and other borrowings	2,918	2,732	1,171	1,989	3,877	12,687	10,889
Put options granted to owners of non-controlling interests	33	-	3	20	26	82	75
Finance lease liabilities	37	20	19	34	58	168	97
Trade payables and other financial liabilities	9,679	58	23	7	15	9,782	9,782
TOTAL	**12,668**	**2,810**	**1,215**	**2,050**	**3,977**	**22,719**	
DERIVATIVE FINANCIAL INSTRUMENTS ASSETS/(LIABILITIES):							
Interest rate derivatives							
Derivative contracts – received	191	166	145	209	189	899	
Derivative contracts – paid	(95)	(100)	(103)	(180)	(205)	(684)	
Derivative contracts – settled net	4	4	-	-	-	8	
Currency derivatives							
Derivative contracts – received	217	96	-	-	-	313	
Derivative contracts – paid	(219)	(96)	-	-	-	(315)	
Derivative contracts – settled net	26	-	-	-	-	26	
Other derivative instruments							
Derivative contracts – received	-	-	-	-	-	-	
Derivative contracts – paid	(170)	-	-	(5)	-	(175)	
Derivative contracts – settled net	-	-	-	-	-	-	
TOTAL	**(47)**	**71**	**42**	**23**	**(17)**	**72**	**75**

11.6.5. Equity risk

At 31 December 2014, 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 shares to build a synthetic exposure to the shares of its listed subsidiaries (see Note 11.4.2). 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 interest rates and share prices.

In addition, the Group has no exposure to call options on ordinary shares. Its policy as regards cash management is to invest only in money Market instruments that are not exposed to equity risk.

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 investment retained 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 repurchase the equity instruments in cash by delivering another financial asset or delivering shares having 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 measured 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 ensure 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 through the right balance between its net debt, EBITDA and equity. In doing so, it can adjust the amount of dividends paid to shareholders, pay back part of the capital, buy back its own shares or issue new shares. The Group occasionally buys back its own shares in the Market. The purpose of doing this is to allocate them to the liquidity contract and ensure active trading of its shares or keep them to cover stock option plans, employee share ownership plans or bonus 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 requirements in terms of minimum equity.

12.2. Share capital

At 31 December 2014, share capital totalled €173,157,998, compared with €173,051,921 at 31 December 2013.

Share capital is composed of 113,175,162 ordinary shares, issued and fully paid, at 31 December 2014. 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 €80 million.

Issued and fully-paid ordinary shares *(number of shares)*	**2014**	**2013**
At 1 January	**113,105,831**	**112,674,236**
Shares issued on exercise of stock options	69,232	195,756
Scrip dividend payment	-	-
New shares issued pursuant to bonus share grants	-	235,630
New shares issued pursuant to mergers/acquisitions	99	209
AT 31 DECEMBER	**113,175,162**	**113,105,831**

12.3. Share equivalents

The Group has granted stock options to its employees under the plans presented in Note 8.3.

12.4. Treasury shares

Treasury shares correspond to shareholder-approved buybacks of Casino Guichard-Perrachon S.A. shares. At 31 December 2014, the number of treasury shares held by the Group was 19,264, representing €2 million.

In January 2005, the Group signed a liquidity contract with the Rothschild investment bank for a total of 700,000 Casino shares and €40 million in accordance with European Commission regulation 2273/2003/EC. At 31 December 2014, no treasury shares were held under the contract. The cash earmarked for the liquidity account 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. TSSDI

At the beginning of 2005, the Group issued 600 million of 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 twelve months. For these reasons, the bonds are carried in equity, for an amount of €600 million.

The bonds pay interest at the 10-year constant maturity swap rate plus 100 basis points, capped at 9%. Interest payments are deducted from equity.

On 18 October 2013, the Group issued €750 million of perpetual hybrid bonds on the Market, for 7,500 bonds. The bonds are redeemable at the Group's discretion, possibly from 31 January 2019 at the earliest. These bonds pay interest with a coupon of 4.87% until that date (interest payments are deducted from equity). This rate is revised every five years. With regards to the accounting treatment, considering their specific characteristics of duration and remuneration, the bonds are carried in equity for an amount of €750 million. Issuance costs net of tax are recognised in equity.

12.6. Other equity instruments

At 27 December 2013, Monoprix issued bonds redeemable in Monoprix preferred shares (ORA) in three tranches totalling €500 million to CACIB. These ORA have a maturity of three years and pay interest at 6-month Euribor +5.1%. The redemption parity is fixed. Monoprix may defer the coupon payments in preferred shares on the ORA redemption date.

The Group also has a call option on these ORA that is exercisable at a parity price plus accrued interest, in part or in total, until October 2016.

The holders of ORA have certain protective rights over the level of Monoprix external debt, investments and external growth operations, as well as the sale of stores, beyond a certain threshold.

Upon maturity, the holders of ORA will receive Monoprix preferred shares representing 21.2% of capital and giving them the right to a double dividend on the share corresponding to profit after the ORA conversion date. The preferred shareholders have the right to vote and the same additional protective rights of ORA.

The Group analysed the transaction as follows:

- the fixed parity ORA is an equity instrument. The ORA purchase option is held by Casino and does not lead to the reclassification of ORA as financial debt;
- the Group stated that the valuation of the ORA on their issue date was representative of the Market value, the characteristics of the preferred shares issued and their value do not result in the express obligation to exercise their purchase option on the ORA, and the dividend policy is controlled by the Board of Directors (after maturity of the ORA, it is expected to amount to 80% of the distributable profit).

ORA are compound financial instruments with a financial liability component shown in "financial liabilities" corresponding to the discounted value of the interest coupons until maturity and an equity component for the balance net of expenses and tax shown in "non-controlling interests." At 31 December 2014, the equity component and the financial liability component amounted to €420 million and €52 million, respectively. The purchase option was recorded in reduction to the Group's equity (€4 million net of tax).

The Group granted a guarantee of Monoprix's consolidated shareholders' equity (at 31 December 2013) to CACIB in connection with the issue of the ORA. The cap on this guarantee is €200 million to which a franchise of €20 million is built in. This guarantee runs until 26 June 2017.

12.7. Further information on share premium, retained earnings and reserves

12.7.1. Foreign currency translation adjustments

The foreign currency translation reserve corresponds to cumulative exchange gains and losses on translating the equity of foreign subsidiaries and receivables and payables corresponding to the Group's net investment in these subsidiaries, at the closing rate.

Foreign currency translation reserves by country at 31 December 2014

	Attributable to owners of the parent			Attributable to non-controlling interests			Total
(€ millions)	At 1 January 2014	2014 Translation adjustments	At 31 December 2014	At 1 January 2014	2014 Translation adjustments	At 31 December 2014	At 31 December 2014
Brazil	(749)	(78)	(827)	(1,583)	147	(1,436)	(2,263)
Argentina	(108)	(10)	(117)	-	-	-	(117)
Colombia	58	(125)	(67)	29	(112)	(83)	(149)
Uruguay	30	8	37	(9)	6	(2)	35
United States	-	12	12	-	-	-	12
Thailand	-	86	86	(9)	58	49	135
Poland	19	(4)	15	-	-	-	15
Indian Ocean	(6)	-	(6)	(3)	-	(3)	(9)
Vietnam	(18)	26	9	(4)	3	-	9
Hong Kong	-	-	1	-	-	-	1
TOTAL FOREIGN CURRENCY TRANSLATION ADJUSTMENTS	**(773)**	**(84)**	**(858)**	**(1,578)**	**104**	**(1,474)**	**(2,332)**

Foreign currency translation reserves by country at 31 December 2013

	Attributable to owners of the parent			Attributable to non-controlling interests			Total
(€ millions)	At 1 January 2013 restated	2013 Translation adjustments restated	At 31 December 2013 restated	At 1 January 2013 restated	2013 Translation adjustments restated	At 31 December 2013 restated	At 31 December 2013 restated
Brazil	(203)	(546)	(749)	(470)	(1,113)	(1,583)	(2,332)
Argentina	(78)	(29)	(108)	-	-	-	(108)
Colombia	226	(169)	58	210	(181)	29	87
Uruguay	43	(14)	30	(2)	(6)	(9)	21
United States	4	(4)	-	-	-	-	-
Thailand	71	(71)	-	40	(49)	(9)	(9)
Poland	22	(3)	19	-	-	-	19
Indian Ocean	(6)	-	(6)	(3)	-	(3)	(9)
Vietnam	(9)	(8)	(18)	(2)	(1)	(4)	(21)
TOTAL FOREIGN CURRENCY TRANSLATION ADJUSTMENTS	**71**	**(844)**	**(773)**	**(227)**	**(1,351)**	**(1,578)**	**(2,351)**

Changes in 2013 mainly stemmed from the appreciation of the euro against the Brazilian real.

12.7.2. Notes to the consolidated statement of comprehensive income

(€ millions)	2014	2013 restated
Available-for-sale financial assets	**(8)**	**2**
Change in fair value during the year	(12)	1
Reclassifications to profit or loss	-	2
Income tax (expense)/benefit	4	(1)
Cash flow hedges	**21**	**(5)**
Change in fair value during the year	32	(5)
Reclassifications to profit or loss	-	-
Income tax (expense)/benefit	(11)	1
Net investment hedges	**-**	**-**
Change in fair value during the year		
Reclassifications to profit or loss	-	-
Income tax (expense)/benefit	-	-
Foreign currency translation adjustments (see Note 12.7.1)	**19**	**(2,195)**
Foreign currency translation adjustments during the year	19	(2,195)
Reclassification to profit or loss due to disposals during the year	-	-
Actuarial gains and losses	**(1)**	**8**
Change during the year	(2)	13
Income tax (expense)/benefit	1	(4)
TOTAL	**31**	**(2,188)**

12.8. Non-controlling interests

The following tables provide detailed information on non-controlling interests.

(€ millions)	GPA	Cnova	Éxito	Big C Thailand	Other[2]	Total
1 January 2014 restated	**5,590**	**-**	**1,327**	**352**	**481**	**7,750**
% of ownership interests held by non-controlling interests[1]	*61.9%*	*-*	*45.2%*	*41.4%*		
% of voting rights held by non-controlling interests[1]	*0.06%*	*-*	*45.2%*	*41.4%*		
Country	*Brazil*	*Netherlands*	*Colombia*	*Thailand*		
Net profit (loss)	420	(12)	79	71	14	573
Other comprehensive income (loss) for the year	66	-	(112)	58	10	22
Dividends paid/payable	(94)	-	(37)	(22)	(10)	(164)
Other movements	(375)	80	18	-	(3)	(280)
31 DECEMBER 2014	**5,607**	**68**	**1,276**	**459**	**492**	**7,901**
% of ownership interests held by non-controlling interests[1]	*58.7%*	*41.9%*	*45.2%*	*41.4%*		
% of voting rights held by non-controlling interests[1]	*0.06%*	*6.6%*	*45.2%*	*41.4%*		

(1) The percentages of non-controlling interests set out in this table do not include the Group's own non-controlling interests in subgroups.
(2) Of which Monoprix, for €420 million. Since April 2013, Monoprix has been fully consolidated. The €420 million of non-controlling interests corresponds to the amount, net of issuance costs and tax, of the 27 December 2013 issue of Monoprix bonds redeemable in preferred shares to CACIB.

(€ millions)	GPA	Éxito	Big C Thailand	Mercialys	Other[2]	Total
1 January 2013 restated	**5,574**	**1,434**	**347**	**288**	**51**	**7,694**
% of ownership interests held by non-controlling interests[1]	*61.8%*	*45.2%*	*41.4%*	*59.8%*		
% of voting rights held by non-controlling interests[1]	*0.06%*	*45.2%*	*41.4%*	*59.8%*		
Country	*Brazil*	*Colombia*	*Thailand*	*France*		
Net profit (loss)	437	80	72	60	20	669
Other comprehensive income (loss) for the year	(1,112)	(180)	(49)	-	(8)	(1,350)
Dividends paid/ payable	(107)	(35)	(17)	-	(18)	(177)
Other movements	798	29	-	(348)	436	915
31 DECEMBER 2013 RESTATED	**5,590**	**1,327**	**352**	**-**	**481**	**7,750**
% of ownership interests held by non-controlling interests[1]	*61.9%*	*45.2%*	*41.4%*	*(3)*		
% of voting rights held by non-controlling interests[1]	*0.06%*	*45.2%*	*41.4%*	*(3)*		

(1) The percentages of non-controlling interests set out in this table do not include the Group's own non-controlling interests in subgroups.
(2) Of which Monoprix, for €420 million. Since April 2013, Monoprix has been fully consolidated. The €420 million of non-controlling interests corresponds to the amount, net of issuance costs and tax, of the 27 December 2013 issue of Monoprix bonds redeemable in preferred shares to CACIB.
(3) See Note 3.2.

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. This information is presented in accordance with IFRS standards adjusted, where appropriate, by fair value remeasurements on the date of acquisition or loss of control and restatements to ensure the consistency of accounting policies with those of the Group. The amounts are shown before intragroup elimination:

	GPA		Cnova	Éxito[3]		Big C Thailand	
(€ millions)	2014[1]	2013	2014[2]	2014	2013	2014	2013
Net sales	19,367	20,136	1,657	3,691	3,716	3,025	3,093
Net profit (loss) from continuing operations	591	619	(32)	169	173	171	172
Attributable to non-controlling interests	*420*	*437*	*(12)*	*79*	*80*	*71*	*72*
Other comprehensive income (loss)	73	(1,557)	(12)	(236)	(357)	133	(112)
Total comprehensive income (loss) for the year	**663**	**(938)**	**(44)**	**(67)**	**(184)**	**304**	**60**
Attributable to non-controlling interests	*486*	*(675)*	*(12)*	*(33)*	*(100)*	*129*	*23*
Current assets	6,284	5,868	1,352	1,477	1,528	694	484
Non-current assets	11,148	10,847	940	2,112	2,100	2,016	1,781
Current liabilities	(5,954)	(5,293)	(1,691)	(1,057)	(950)	(1,114)	(875)
Non-current liabilities	(2,831)	(3,180)	(13)	(121)	(165)	(417)	(467)
Net asset	**8,647**	**8,242**	**587**	**2,411**	**2,513**	**1,180**	**922**
Attributable to non-controlling interests	*5,607*	*5,590*	*68*	*1,276*	*1,347*	*459*	*352*
Net cash provided by (used in) operating activities	1,243	1,886	442	370	316	288	269
Net cash provided by (used in) investing activities	(467)	(676)	(45)	(258)	(63)	(84)	(174)
Net cash provided by (used in) financing activities	(487)	(773)	188	(124)	(74)	(106)	(135)
Effect of changes in foreign currency translation adjustments	23	(482)	(12)	-	-	-	-
Net increase/(decrease) in cash and cash equivalents	**312**	**(45)**	**573**	**(12)**	**178**	**98**	**(39)**
Dividends paid to owners of non-controlling interests over the year	*51*	*116*	*-*	*44*	*43*	*21*	*19*

(1) Excluding entities of the Cnova subgroup.
(2) The amounts shown correspond to the Cnova Group since its creation on 24 July 2014.
(3) Excluding Devoto and the Grupo Disco de Uruguay subgroup (accounted for using the equity method).

12.9. Dividends

At the Annual General Meeting of 6 May 2014, the shareholders voted in favour of a dividend of €3.12 per ordinary share paid in cash for 2013. The amount recognised in equity amounted to €353 million for 113,105,831 shares (€338 million paid in 2013 for 2012).

The Board of Directors is in favour of a gross dividend of €3.12 for ordinary shares for 2014. Based on 113,175,162 shares at 31 December 2014, the proposed dividend represents a provisional amount of €353 million. It will be modified in 2015 to take into account the treasury shares held on the actual distribution date. The financial statements presented before appropriation of profit do not reflect this dividend, which is subject to the approval of the shareholders at the next Ordinary General Meeting.

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 convertible bonds and dividends on perpetual deeply subordinated bonds;
- denominator: the number of shares is adjusted to include potential shares corresponding to dilutive instruments (equity warrants, stock options and bonus 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

Calculation of the weighted average number of shares and potential shares used to determine diluted earnings per share		2014	2013
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING DURING THE YEAR			
Total ordinary shares		113,143,859	112,894,920
Ordinary shares held in treasury		(137,275)	(128,746)
Weighted average number of ordinary shares before dilution	**(1)**	**113,006,584**	**112,766,174**
POTENTIAL SHARES REPRESENTED BY:			
Stock options		94,359	318,174
Non-dilutive instruments (out of the money or covered by calls)		-	-
Weighted average number of dilutive instruments		**94,359**	**318,174**
Theoretical number of shares purchased at Market price[1]		(62,822)	(266,742)
Dilutive effect of stock option plans		31,538	51,432
Bonus share plans		-	101,019
Total potential dilutive shares		**31,538**	**152,451**
TOTAL DILUTED NUMBER OF SHARES	**(2)**	**113,038,122**	**112,918,625**

(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)		2014	2013 restated
Net profit (loss) attributable to owners of the parent		**251**	**855**
Dividends payable on perpetual deeply subordinated bonds		(21)	(18)
NET PROFIT (LOSS) ATTRIBUTABLE TO HOLDERS OF ORDINARY SHARES	**(3)**	**231**	**837**
of which:			
• net profit (loss) from continuing operations, attributable to owners of the parent	(4)	232	839
• net profit (loss) from discontinued operations, attributable to owners of the parent		(2)	(2)
Net profit (loss) attributable to owners of the parent, attributable to Monoprix ORA		(42)	-
NET DILUTED PROFIT (LOSS) ATTRIBUTABLE TO HOLDERS OF ORDINARY SHARES	**(5)**	**189**	**837**
of which:			
• net profit (loss) from continuing operations, attributable to owners of the parent	(6)	190	839
• net profit (loss) from discontinued operations, attributable to owners of the parent		(2)	(2)

12.10.3. Earnings per share

(in €)		2014	2013 restated
Basic earnings per share attributable to owners of the parent:			
• on continuing and discontinued operations	(3) / (1)	2.04	7.42
• on continuing operations	(4) / (1)	2.06	7.44
Diluted earnings per share attributable to owners of the parent:			
• on continuing and discontinued operations	(5) / (2)	1.67	7.41
• on continuing operations	(6) / (2)	1.68	7.43

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 balance sheet, but are disclosed in the Notes to the financial statements.

13.1. Breakdown and movements

(€ millions)	1 January 2014 restated	Increases 2014	Reversals (used) 2014	Reversals (surplus) 2014	Changes in scope of consolidation	Foreign currency translation adjustments	Other	31 December 2014
After-sales service	5	1	(5)	-	-	-	-	1
Pensions	241	10	(5)	(6)	1	-	9	249
Jubilees	30	2	(1)	-	-	-	-	32
Long-service awards	12	-	-	-	-	-	-	12
Claims and litigation	55	22	(17)	(15)	2	-	-	48
Other liabilities and expenses	816	315	(147)	(157)	(9)	6	(8)	816
Restructuring	18	20	(11)	(6)	3	-	-	23
TOTAL PROVISIONS	**1,177**	**369**	**(185)**	**(184)**	**(4)**	**6**	**1**	**1,180**
of which current	*214*	*341*	*(164)*	*(167)*	*5*	*-*	*(60)*	*169*
of which non-current	*963*	*29*	*(21)*	*(18)*	*(9)*	*5*	*61*	*1,011*

Provisions for claims and litigation and for other liabilities and expenses correspond to a large number of provisions for employee claims, property-related claims (concerning construction or refurbishment work, rents, tenant evictions, etc.), tax claims and business claims (trademark infringement, etc.).

More specifically, provisions for other liabilities and expenses amounted to €816 million and mainly included provisions related to GPA (see Note 13.2).

13.2. Breakdown of GPA provisions for liabilities and expenses

(€ millions)	PIS/Cofins/ CPMF disputes[1]	Other tax-related disputes	Employee disputes	Civil litigation	Total
31 December 2014	59	389	162	72	682
31 December 2013	147	332	102	59	640

(1) VAT and similar taxes.

Within the scope of these claims and litigations, GPA is contesting the payment of certain taxes, contributions and social security obligations. Pending the final rulings from the administrative courts, these various disputes gave rise to the payment of bonds and bank guarantees of corresponding amounts (See Note 6.9). In addition to these payments are guarantees provided by GPA (see Note 6.10).

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. Provisions are set aside to cover these proceedings when the Group has a legal, contractual or constructive obligation towards a third party at the year-end, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated.

Contingent liabilities in associates and joint ventures are presented in Note 3.3.6.

Dispute with the Baud family

Following various demands by the Baud family considered unfounded by the Group, various disputes remain ongoing at 31 December 2014.

Defence proceedings by the sellers of the controlling block in Globex Utilidades SA

In June 2009, GPA, through one of its subsidiaries, 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 its controlling shareholders, including Wilkes (GPA's head holding company), as well as Casino, Guichard-Perrachon and three of its other sub-holding companies, had failed to comply with the contractual terms regarding payment of the portion payable in GPA shares.

At this stage, the arbitration board is being initiated. In any event, neither GPA nor its controlling shareholders believe the claim is founded. In addition, aside from GPA and Wilkes, which are parties to the share sale agreement, none of the other defendants can be bound by the provisions of the agreement, which the arbitration board confirmed on 9 July 2013. Hearings on the merits were held from 9 to 12 June 2014 and a statement of claims was filed with the board on 30 September 2014. The ruling is expected at the start of the second quarter 2015.

Property damage in Thailand

During the unrest in Bangkok in the second quarter of 2010, the Group's subsidiary Big C Thailand sustained partial and total property damage and business interruption losses due to a fire. Discussions with the insurers are being completed, which should result in settlement, in 2015, of the €10 million compensation recognised in the financial statements.

GPA contingent liabilities

(€ millions)	31 December 2014	31 December 2013
INSS (employer's social security contributions)	99	87
IRPJ – IRRF and CSLL (corporate income taxes)	425	398
PIS, COFINS and CPMF (VAT and similar taxes)	286	302
ISS, IPTU and ITBI (service tax, urban property tax and tax on property transactions)	102	96
ICMS (VAT)	1,334	995
Civil litigation	157	209
TOTAL	**2,402**	**2,087**

GPA uses the services of consulting firms in connection with tax disputes. The fees depend on the resolution of those disputes in GPA's favour. At 31 December 2014, the estimated amount totalled €20 million (€12 million at 31 December 2013).

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 entity;
- subsidiaries (see Note 17);
- associates (primarily Mercialys, see Note 3);
- joint ventures (see Note 3);
- members of the entity's administrative, management and supervisory bodies (see Note 8.4).

The Company has relations with all of its subsidiaries in its day-to-day management of the Group. It also receives advice from its shareholders through Euris, the ultimate holding company, under a strategic advice and assistance contract signed in 2003.

Cdiscount sold €122 million of trade receivables to Banque du Groupe Casino in the first half of 2013.

A transaction was signed with Mercialys and a subsidiary of Foncière Euris to expand the Toulouse Fenouillet shopping centre for a cost price of €98 million. This project is being developed by Foncière Euris, which controls the project (90% interest) and Mercialys (10%). It will be delivered in 2016. Casino will perform the work on an arm's length basis.

In addition, the Group signed two transactions in 2014 with a subsidiary of Foncière Euris. The first involves the sale of a Polish property held by a company accounted for using the equity method (10%) for a proportionate share of the price of €25 million. The second transaction involves a property transaction in which Mayland, a Casino subsidiary in Poland, and Foncière Euris invested, on a 20% and 80% basis, respectively, in a structure housing the Centrum Serenada (Krakow) shopping centre. Foncière Euris controls this structure. At 31 December 2014, Mayland sold a land to Centrum Serenada for €16 million and signed a property development contract with the same structure. The project will begin in the first quarter 2015 and will be completed in the fourth quarter 2016.

Related party transactions with individuals (directors, corporate officers and members of their families) are not material.

NOTE 15. SUBSEQUENT EVENTS

There were no events between the closing date and 16 February 2015, the date on which the Board of Directors approved the consolidated accounts and authorised their communication.

NOTE 16. STATUTORY AUDITORS' FEES

The fees recorded in respect of the audit of Casino's financial statements amounted to €10 million at 31 December 2014 (€10 million at 31 December 2013).

Fees for other direct audit-related work amounted to €0.2 million for the year ended 31 December 2014 (€0.6 million for the year ended 31 December 2013).

NOTE 17. MAIN CONSOLIDATED COMPANIES

At 31 December 2014, the Casino Group comprised 2,023 consolidated companies. The main companies are listed below.

Company	2014 % control	2014 % interest	2014 Consolidation method	2013 restated % control	2013 restated % interest	2013 restated Consolidation method
Casino, Guichard-Perrachon SA			**Parent**			**Parent**
FRANCE – RETAILING						
Casino Carburants	100	100	FC	100	100	FC
Casino Information Technology	100	100	FC	100	100	FC
Casino Services	100	100	FC	100	100	FC
Distribution Casino France SAS (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	49.99	49.99	EM	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 (MPX)[1]	100	100	FC	100	100	FC
Monop'[1]	100	100	FC	100	100	FC
Naturalia[1]	100	100	FC	100	100	FC
Société Auxiliaire de Manutention Accélérée de Denrées Alimentaires (SAMADA)[1]	100	100	FC	100	100	FC
Societe L.R.M.D.[1]	100	100	FC	100	100	FC
Franprix-Leader Price Group						
Cafige	100	100	FC	100	100	FC
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
Figeac	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
Leader Price Exploitation	100	100	FC	100	100	FC
Norma	100	100	FC	100	100	FC
Parfidis	36	36	EM	36	36	EM
Pro Distribution	60	60	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	2014			2013 restated		
	% control	% interest	Consolidation method	% control	% interest	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
Unigros 2	100	100	FC	100	100	FC
FRANCE – PROPERTY						
Property Group						
Green Yellow SAS	97.50	97.50	FC	90.76	92.87	FC
L'Immobilière Groupe Casino SAS	100	100	FC	100	100	FC
Sudéco SAS	100	100	FC	100	100	FC
Mercialys Group (listed company)						
Mercialys SA	40.25	40.25	EM	40.27	40.27	EM
Property development						
Plouescadis	100	100	FC	100	100	FC
E-COMMERCE						
Cnova NV Group (listed company)	**93.39**	**58.12**	**FC**	**-**	**-**	**-**
Cdiscount Group	99.81	58.01	FC	100	100	FC
Cdiscount SA	100	58.19	FC	99.78	99.78	FC
C'nova Comercio Electronico	100	58.12	FC	-	-	-
Cnova Finança	100	58.12	FC	-	-	-
E-Trend	100	58.01	FC	71.28	60.61	FC
FRANCE – OTHER BUSINESSES						
Banque du Groupe Casino	50	50	EM	50	50	EM
Casino Finance	100	100	FC	100	100	FC
Casino Restauration SAS	100	100	FC	100	100	FC
Restauration Collective Casino SAS	100	100	FC	100	100	FC
INTERNATIONAL – POLAND						
Mayland	100	100	FC	100	100	FC
INTERNATIONAL – THAILAND						
Big C Group (listed company)	**58.55**	**58.55**	**FC**	**58.55**	**58.55**	**FC**
INTERNATIONAL – ARGENTINA						
Libertad SA	100	100	FC	100	100	FC
INTERNATIONAL – BRAZIL						
Sudaco	100	100	FC	100	100	FC
Wilkes	100	100	FC	100	100	FC
GPA Group (listed company)	**99.94**	**41.32**	**FC**	**99.94**	**38.07**	**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.[2]	100	100	FC	100	100	FC
Indústria de Móveis Bartira Ltda. (Bartira)[5][6]	100	100	FC	100	100	FC
Novasoc Comercial Ltda.[2][3]	99.98	10	FC	99.98	10	FC
Sé Supermercado Ltda.[2]	100	100	FC	100	100	FC
Sendas Distribuidora S.A.[2]	100	100	FC	100	100	FC
Via Varejo (listed company)[2]	62.25	43.35	FC	62.25	43.35	FC

Company	2014			2013 restated		
	% control	% interest	Consolidation method	% control	% interest	Consolidation method
INTERNATIONAL – COLOMBIA						
Éxito Group (listed company)	**54.77**	**54.77**	**FC**	**54.77**	**54.77**	**FC**
Devoto[7]	96.8	96.8	FC	96.55	96.55	FC
Distribuidora de Textiles y Confecciones SA (DIDETEXCO) [7]	94	94	FC	94	94	FC
Grupo Disco Uruguay[7]	62.49	62.49	EM	62.49	62.49	EM
Trust Viva Villavincencio[7]	51	51	FC	54	54	FC
INTERNATIONAL – INDIAN OCEAN						
Vindémia Distribution	100	100	FC	100	100	FC
Vindémia Logistique	100	100	FC	100	100	FC
INTERNATIONAL – VIETNAM						
Cavi Ltd	100	100	FC	100	100	FC
Cavi Real Estate Ltd	100	100	FC	100	100	FC
Cavi Retail Ltd	100	100	FC	100	100	FC
Espace BigC An Lac	100	80	FC	100	80	FC
Espace BigC Hai Phong	100	100	FC	100	100	FC
Espace Bourbon Than Long	100	65	FC	100	65	FC
Viet Nhat Real Estate	100	100	FC	100	100	FC
FRENCH AND INTERNATIONAL HOLDING COMPANIES						
Alaméa Investments[8]	5	99.95	FC	5	99.95	FC
Bergsaar BV	100	100	FC	100	100	FC
Casino International SAS	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 SA	100	100	FC	100	100	FC
Intexa (listed company)	97.91	97.91	FC	97.91	97.91	FC
Latic	100	100	FC	100	100	FC
Marushka Holding BV	100	100	FC	100	100	FC
Polca Holding SA	100	100	FC	100	100	FC
Saowanee	100	48.99	FC	100	48.99	FC
Ségisor SA	100	100	FC	100	100	FC
Tevir SA	100	100	FC	100	100	FC
Tonquin BV	100	100	FC	100	100	FC
Spice Espana	100	100	FC	100	100	FC

(1) The percentage interest corresponds to the percentages held by the Monoprix subgroup.
(2) The percentage interest corresponds 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 only exercises significant influence over their operating and financial policies.
(5) The percentage interest corresponds to the percentages held by the Via Varejo subgroup.
(6) Until end-October 2013, Bartira was proportionally consolidated even though GPA only held 25% of the voting rights through its subsidiary Via Varejo. The remaining 75% were owned by the Klein family through the subsidiary Casa Bahia Comercial Ltda. GPA and the Klein family had entered into a partnership giving them joint control over the subsidiary, which stipulated that all operating and financial decisions must be unanimously approved by the partners.
(7) The percentage interest corresponds to the percentages held by the Éxito subgroup.
(8) Alaméa Investments is a Luxembourg public limited company (société anonyme) owned 95% by a bank and 5% by the Group. It is a special purpose entity and has been fully consolidated due to the way it is structured.

NOTE 18. STANDARDS AND INTERPRETATIONS PUBLISHED BUT NOT YET MANDATORY

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 that have not yet been adopted by the European Union.

Standard (Group application date)	**Description of the standard**
IFRS 9 *Financial instruments* (1 January 2018)	This standard is subject to retrospective application. It proposes a single, logical approach to the classification and measurement of financial assets, which reflects the economic model in the framework of which they are managed, as well as their contractual cash flows; a single, forward-looking, 'expected loss' impairment model; and a substantially reformed approach to hedge accounting. The information in the Notes to the financial statements is also reinforced.
IFRS 15 *Revenue from contracts with customers* (1 January 2017)	This standard is subject to retrospective application. It establishes the principles for revenue recognition from contracts with customers (except for those covered by specific standards: leases, insurance contracts and financial instruments). The core principle is to recognise revenue so as to describe the transfer of goods or services to a customer for an amount that reflects the payment that the entity expects to receive in consideration of these goods or services.
Amendments to IAS 1 *Disclosure initiative* (1 January 2016)	The amendments to the standard are subject to prospective adoption. The published amendment specifies the provisions related to two points: • The application of the notion of materiality, specifying that it applies to financial statements, including notes, and that the inclusion of immaterial information may make them less understandable, • The application of professional Judgment, by modifying, at the Margin, certain language considered to be prescriptive and thus leaving no room for Judgement.
Amendments to IFRS 11 *Acquisition of an interest in a joint operation* (1 January 2016)	The amendments to the standard are subject to prospective adoption. The published amendment specifies the recognition of acquisitions of interests in a joint operation in which the activity of that operation constitutes a business as defined in IFRS 3 – Business combinations. For these acquisitions, an entity must apply the accounting principles relating to business combinations as per IFRS 3, and other IFRSs that do not conflict with the guidance of IFRS 11.
Amendments to IAS 16 and IAS 38 *Clarification of acceptable methods of depreciation and amortisation* (1 January 2016)	The amendments to the standard are subject to prospective adoption. The IASB has specified that the use of a depreciation or amortisation method based on revenues is not appropriate, since the revenues generated by an activity that includes the use of an asset reflect factors other than the consumption of the economic benefits associated with this asset.

Standard (Group application date)	Description of the standard
Amendments to IFRS 10 and IAS 28 *Sale of contribution of assets between an investor and its associate/joint venture* (1 January 2016)	These amendments to the standard are subject to prospective adoption. The objective of the amendments is to reduce the conflict between the guidance of IFRS 10 and IAS 28 regarding the sale or contribution of assets between an investor and an associate or joint venture. The primary result of these amendments is the full recognition of a gain or loss on disposal when the transaction involves a business as defined in IFRS 3 (whether it involves a subsidiary or not).
Annual improvements to IFRS standards *2012-2014 cycle* (1 January 2016)	These amendments to the standard are subject to prospective adoption. The standards concerned include: • IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations; • IFRS 7 – Financial Instruments: Disclosures; • IAS 19 – Employee Benefits; • IAS 34 – Interim Financial Reporting.
Amendments to IAS 19 *Employee contributions* (1 July 2014)	The amendments to the standard are subject to prospective adoption. They apply to contributions from employees of third parties to defined benefit plans. This amendment simplifies the accounting for contributions, which are independent of an employee's number of years of service.
Annual improvements to IFRS standards *2010-2012 and 2011-2013 cycles* (1 July 2014)	These amendments to the standard are subject to prospective adoption. The standards concerned include: • IFRS 1 – First-time Adoption of International Financial Reporting Standards; • IFRS 2 – Share-based Payment; • IFRS 3 – Business Combinations; • IFRS 8 – Operating Segments; • IFRS 13 – Fair Value Measurement; • IAS 16 – Property, Plant and Equipment and IAS 38 – Intangible Assets; • IAS 24 – Related-party Disclosures; • IAS 40 – Investment Property.

The Group applied, in advance, the amendment to IFRS 7 regarding the evaluation of the continuing involvement in contracts for services.

The Group did not apply any of the other new standards or interpretations in advance and is assessing the impacts following their adoption.

NOTE 19. CROSS-REFERENCE TABLE FOR THE 2014/2013 NOTES TO THE FINANCIAL STATEMENTS

	2014 presentation	2013 presentation
Significant accounting policies	**Note 1**	**Note 1**
Accounting standards	1.1	1.1
Basis of preparation and presentation of the consolidated financial statements	1.2	1.2
Accounting changes and restatement of the comparative information	1.3	-
Significant events of the year	**Note 2**	**Note 2**
Scope of consolidation	**Note 3**	**Note 1/3**
Accounting policies related to the scope of consolidation	3	1.4.1/1.4.2/1.4.5
2014 changes in Group structure	3.1	3.1/3.2/3.3/3.4/3.5/3.6/3.7
2013 changes in Group structure	3.2	4.1/4.2
Investments in associates and joint ventures	3.3	19/20/36.1
Commitments related to scope of consolidation	3.4	1.3/1.4.20/30.4/34.2.1/34.2.2
Non-current assets held for sale	3.5	1.4.17/12
Additional information on the consolidated statement of cash flows	**Note 4**	**Note 5**
Change in operating working capital	4.1	5.1
Impact on cash of changes in scope of consolidation resulting in the gain or loss of control	4.2	5.2
Impact on cash of transactions with non-controlling interests not resulting in the change of control	4.3	5.4
Segment information	**Note 5**	**Note 1/6**
Key indicators by operating segment	5.1	6.1
Key indicators by geographical area	5.2	6.2
Activity data	**Note 6**	**Note 1/7/8/21/22/23/24/34**
Total revenue	6.1	1.4.23/7.1
Cost of goods sold	6.2	1.4.24/7.2
Expenses by nature and function	6.3	1.4.25/1.4.26 1.4.27/7.3
Depreciation and amortisation	6.4	7.3.3
Other operating income and expenses	6.5	1.4.28/8
Inventories	6.6	1.4.16/22
Trade receivables	6.7	1.4.13/23
Other current assets	6.8	24
Other non-current assets	6.9	21
Off-balance sheet commitments	6.10	34.1/34.2
Leases	**Note 7**	**Note 1/7/16/21 /34**
Operating lease expenses	7.1	7.3.2
Prepaid rents	7.2	21.2
Operating lease commitments (off-balance sheet)	7.3	34.3
Finance lease expenses	7.4	7.3.2
Finance leases	7.5	16.3
Finance lease commitments (off-balance sheet)	7.6	34.3

	2014 presentation	2013 presentation
Employee benefits expenses	**Note 8**	**Note 1/7/27/29/36**
Employee benefits expenses by function	8.1	7.3
Retirement benefit obligations	8.2	1.4.19.1/29
Share-based payments	8.3	27
Gross remuneration and benefits of the members of the Group Executive Committee and the Board of Directors	8.4	36.2
Income tax	**Note 9**	**Note 1/10**
Income tax expense	9.1	1.4.31/10.1
Deferred taxes	9.2	1.4.31/10.2/10.3
Intangible assets, Property, plant and equipment, and investment property	**Note 10**	**Note 1/14 /15/16/17/18**
Goodwill	10.1	1.4 .6/14
Other intangible assets	10.2	1.4 .6/15
Property, plant and equipment	10.3	1.4.7/1.4.9/16
Investment property	10.4	1.4.10/17
Impairment of non-current assets	10.5	1.4.12/18
Financial structure and finance costs	**Note 11**	**Note 1/9/25/30/31/32/33**
Net cash and cash equivalents	11.1	25
Financial liabilities	11.2	30
Other liabilities	11.3	31
Net financial income (expense)	11.4	1.4.29/1.4.30/9
Fair value of financial instruments	11.5	32
Financial risk management objectives and policies	11.6	33
Equity and earnings per share	**Note 12**	**Note 1/13/26/34**
Capital management	12.1	26.1
Share capital	12.2	26.2
Share equivalents	12.3	26.3
Treasury shares	12.4	26.4
TSSDI	12.5	26.5
Other equity instruments	12.6	26.6/34.2
Further information on share premium, retained earnings and reserves	12.7	26.7
Non-controlling interests	12.8	26.8
Dividends	12.9	26.9
Earnings per share	12.10	1.4.32/13
Provisions	**Note 13**	**Note 1/28/35**
Breakdown and movements	13.1	28.1
Breakdown of GPA provisions for liabilities and expenses	13.2	28.2
Contingent assets and liabilities	13.3	35
Related party transactions	**Note 14**	**Note 36**
Subsequent events	**Note 15**	**Note 37**
Statutory Auditors' fees	**Note 16**	**Note 38**
Main consolidated companies	**Note 17**	**Note 39**
Standards and interpretations published but not yet mandatory	**Note 18**	**Note 1.1.2**

Chapter 4

Parent company financial statements for the year ended 31 December 2014

4.1. STATUTORY AUDITORS' REPORT ON THE PARENT COMPANY FINANCIAL STATEMENTS

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended 31 December 2014, on:

- the audit of the accompanying financial statements of Casino, Guichard-Perrachon;
- the justification of our assessments;
- the specific verifications and information required by French 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 by management, 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 Casino, Guichard-Perrachon as at 31 December 2014, and of the results of its operations for the year then ended in accordance with French accounting principles.

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 matters:

"Significant accounting policies", Part 2 of the Notes to the financial statements, presents the methods used to determine the carrying amount of non-current financial assets. Note 6 of the Notes to the financial statements describes the key figures for the year and changes in the "Non-current financial assets" item.

We reviewed the available documentation, assessed the reasonable nature of the valuations made and verified that the notes to the financial statements provide appropriate information on the assumptions used by your company.

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

III. Specific verifications and information

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 Board of Directors' management report and in the documents sent to shareholders on the financial position and the financial statements.

As regards the information provided pursuant to Article L. 225-102-1 of the French Commercial Code on remuneration and other benefits paid to corporate officers and commitments made in their favour, we have verified the consistency of this information with the information given in the annual financial statements or with the data used to prepare these financial statements, and, if applicable, with the information received by your company from the companies which control it or which are controlled by it. On the basis of this audit, we certify that the information is true and fair.

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 voting rights has been properly disclosed in the management report.

Neuilly-sur-Seine and Lyon, 17 February 2015

The Statutory Auditors

Deloitte & Associés		Ernst & Young et Autres
Gérard Badin	Antoine de Riedmatten	Daniel Mary-Dauphin

4.2. PARENT COMPANY FINANCIAL STATEMENTS AND NOTES

INCOME STATEMENT

(€ millions)	Notes	2014	2013
Operating income	1	144.0	137.2
Operating expenses	1	(138.3)	(133.2)
Operating profit (loss)		**5.7**	**4.0**
Net financial income (expense)	2	141.7	453.3
Recurring profit (loss) before tax		**147.4**	**457.3**
Non-recurring profit (loss)	3	(53.8)	(110.7)
Income tax	4	276.7	85.4
PROFIT (LOSS)		**370.3**	**432.0**

STATEMENT OF FINANCIAL POSITION

Assets

(€ millions)	Notes	2014	2013
NON-CURRENT ASSETS			
Intangible assets		40.0	30.2
Accumulated depreciation/amortisation and impairment losses		(2.0)	(2.0)
	5	**38.0**	**28.2**
Property, plant and equipment		36.2	29.6
Accumulated depreciation/amortisation and impairment losses		(14.9)	(10.4)
	5	**21.3**	**19.2**
Non-current financial assets[1]		17,499.6	17,342.2
Accumulated impairment losses		(76.5)	(35.6)
	6	**17,423.1**	**17,306.6**
Total non-current assets		**17,482.4**	**17,354.0**
CURRENT ASSETS			
Trade and other receivables	7	2,420.5	802.0
Marketable securities	8	2.5	1.7
Cash and cash equivalents	8	3.2	526.3
Total current assets		**2,426.2**	**1,330.0**
Accruals and other assets[2]	**9**	**124.2**	**89.7**
TOTAL ASSETS		**20,032.8**	**18,773.7**
(1) Of which loans due within one year		*10.3*	*8.8*
(2) Of which due in more than one year		*3.4*	*4.0*

Equity and liabilities

(€ millions)	Notes	2014	2013
Equity	**10**	**7,951.4**	**7,929.6**
Quasi-equity	**11**	**1,350.0**	**1,350.0**
Provisions	**12**	**150.5**	**192.4**
Financial liabilities	13	9,905.5	7,729.3
Trade payables		56.9	44.8
Tax and employee-related liabilities		64.2	54.4
Other liabilities	14	554.3	1,473.2
Total liabilities[1]		**10,580.9**	**9,301.7**
TOTAL EQUITY AND LIABILITIES		**20,032.8**	**18,773.7**
(1) Of which:			
due within one year		*3,201.1*	*3,066.0*
due in one to five years		*2,473.1*	*2,778.4*
due in more than five years		*4,906.7*	*3,457.3*

STATEMENT OF CASH FLOWS

(€ millions)	2014	2013
Profit (loss)	370.3	432.0
Adjustments for non-cash items		
• Depreciation, amortisation and provisions (other than on current assets)	(21.2)	100.4
• (Gains)/losses on disposals of non-current assets	-	3.1
• Impact of changes in Group structure	7.0	-
Cash flows from operating activities before change in working capital	**356.1**	**535.5**
Change in working capital – operating activities	(2,516.6)	(1,139.3)
Net cash provided by (used in) operating activities	**(2,160.5)**	**(603.8)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments to acquire non-current assets	(138.3)	(1,403.8)
Proceeds from disposals of non-current assets	-	0.3
Change in working capital – investing activities	-	0.4
Change in loans and advances granted	0.9	14.3
Net cash provided by (used in) investing activities	**(137.4)**	**(1,388.9)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to shareholders	(352.9)	(337.8)
Proceeds from issuance of shares for cash	3.9	13.9
Proceeds from new borrowings	1,872.4	2,119.4
Repayments of borrowings	(642.2)	(727.7)
Net cash provided by (used in) financing activities	**881.2**	**1,067.8**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**(1,416.7)**	**(924.9)**
Cash and cash equivalents at beginning of year	**126.1**	**1,051.0**
Cash and cash equivalents at end of year	**(1,290.6)**	**126.1**

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

4.2.1. Significant events of the year

Financing activities in 2014

The subsidiary Casino Finance, created at the end of 2013 to centrally manage cash and liquidity for French companies, a role previously performed by Casino, Guichard-Perrachon, saw its activity taking off in 2014. Most of the current accounts with French subsidiaries were transferred to Casino Finance in January 2014. A capital increase of €100 million was carried out in April 2014. During the year, the portfolio of interest rate hedging instruments was fully transferred to Casino Finance. Casino Finance is now co-signer with Casino, Guichard-Perrachon for the credit facilities set up in 2014. Casino, Guichard-Perrachon granted a joint and several guarantee on behalf of Casino Finance for its transactions.

On 21 February 2014, Casino, Guichard-Perrachon issued a €900 million 10-year bond, paying interest of 3.248%.
At that time, €214 million and €336 million of bonds maturing in April 2016 (4.47% coupon) and February 2017 (4.38% coupon), respectively, were exchanged, bringing their respective amounts to €386 million and €552 million.

On 28 February 2014, Casino, Guichard-Perrachon and Casino Finance announced the signing of a 5-year syndicated credit facility for an amount of €1.2 billion with a group of 18 banks, replacing an existing facility of the same amount. Casino also has two one-year extension options which remain subject to the banks' approval.

On 30 July 2014, Casino, Guichard-Perrachon issued a €900 million 12-year bond, paying interest of 2.798%.

On 2 December 2014, Casino, Guichard-Perrachon issued a €650 million bond with a maturity of over 10 years, paying interest of 2.33%.

During the year, the Company redeemed bonds for a total amount of €578 million.

Creation of an e-commerce division, formation of the new entity Cnova and initial public offering in the United States

On 4 June 2014, the Boards of Directors of Casino, GPA, Via Varejo and Éxito approved the principal terms of the creation of a major global e-commerce division, composed primarily of Cdiscount (France, Thailand, Vietnam, Colombia, Côte d'Ivoire) and Cnova Brazil (formerly Nova Pontocom in Brazil), assembled under the new entity under Dutch law, Cnova NV. The legal reorganisation was finalised on 24 July 2014 and Casino, Guichard-Perrachon contributed its interest in the Cdiscount Group (formerly Casino Enterprise) as consideration for the newly issued Cnova NV shares. As the reorganisation was carried out under Casino's control, the transaction was recorded at net carrying amount.

At 31 December 2014, Casino, Guichard-Perrachon held 190,974,069 shares representing 43.28% of Cnova NV's share capital.

4.2.2. Significant accounting policies

General information

Casino, Guichard-Perrachon's annual financial statements have been prepared in accordance with the 2014 French General Chart of Accounts, approved by the decree of 8 September 2014, and all the French Accounting Standards Authority (ANC) regulations supplementing it. The accounting policies applied are consistent with those used for the previous year.

Intangible assets

Merger losses are automatically recognised in intangible assets.

Intangible assets are stated in the statement of financial position at their cost or transfer value. They primarily correspond to business goodwill, software and merger losses.

Where appropriate, an impairment loss is recognised to bring the carrying amount to the present value if lower, determined mainly on the basis of profitability criteria.

Software is amortised over a period of three years.

Property, plant and equipment

Items of property, plant and equipment are stated in the statement of financial position at their cost or transfer value.

They are depreciated using the straight-line method or the declining balance method, depending on the asset's specific characteristics. The difference between depreciation expense calculated using the declining balance method for tax purposes and that calculated using the straight-line method for accounting purposes is recorded under a provision for accelerated depreciation and amortisation.

The useful life of the main asset categories are as follows:

Asset category	Useful life
Buildings	40 years
Fixtures, fittings and building improvements	5-25 years
Machinery and equipment	5-10 years

The depreciable amount is the asset cost without taking into account any residual value.

Assets acquired through mergers or transfers are depreciated over the remaining useful life used by the company that originally held them.

Non-current financial assets

Investments are stated in the statement of financial position at their cost or transfer value. Where appropriate, an impairment loss is recognised to bring the carrying amount to the actual value if lower. The Company's shares recorded under non-current assets and intended to be cancelled are not subject to impairment.

The actual value of an investment at the reporting date is determined using a number of factors, such as the net asset value of the investee at the reporting date, its profitability level, its outlook, its share price in the case of a listed company and its usefulness for the Group. Further information is provided in Note 6, "Non-current financial assets".

A similar method of determining the actual value is also used where appropriate for other non-current assets.

In accordance with Opinion no. 2007-C issued on15 June 2007 by the Urgent Issues Committee of the French National Accounting Board (CNC), the acquisition-related transaction costs for investments are capitalised and are amortised using the accelerated method over five years.

Marketable securities

Marketable securities are stated in the statement of financial position at their purchase price.

Where appropriate, an impairment loss is recognised for the difference between this value and the probable realisable value, if the latter is lower.

In the case of the Company's own shares, an impairment loss is recognised to bring the carrying amount to the average share price for the last month of the financial year, if lower than the acquisition price.

Impairment losses on other categories of investments are determined by comparing the acquisition value and the average share price of the investee for the last month of the financial year.

Receivables

Receivables are recorded at their face value. If necessary, impairment losses are recognised to cover any collection risks.

Foreign currency translation adjustments

Liabilities and receivables denominated in foreign currency 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 translation gains" or "unrealised foreign currency translation losses", respectively. A provision for liabilities is recorded for unrealised foreign currency translation losses.

Provisions

The Company records a provision when it has an obligation towards a third party, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated.

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 accrued entitlements is recognised as a provision for expenses. 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 profit or loss using the corridor method. This method consists in spreading the differences exceeding the greater of 10% of the defined benefit obligation amount and 10% of the fair value of the plan assets. These gains or losses are recognised over the expected average remaining working lives of the employees participating in that defined benefit plan.

The Company has also set up stock option and bonus share plans for executives and employees.

A liability is recognised when it is probable that the Company will allot 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 bonus share grants are contingent upon the continued employment with 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.

Foreign exchange and interest rate financial instruments

The Company uses various financial instruments to reduce its exposure to foreign exchange and interest rate risks. The nominal amounts of forward contracts entered into by the Company are included in off-balance sheet commitments. Gains and losses arising on interest rate hedges are recognised in profit or loss on a pro rata basis.

Recurring profit

Recurring profit includes all income and expenses arising in the ordinary course of the Company's business activities, and other items related to such activities.

Non-recurring profit

Non-recurring profit arises from events or transactions that do not relate to Casino, Guichard-Perrachon's ordinary activities as a holding company in view of their nature, their frequency or the materiality of their amounts.

Income tax

Casino, Guichard-Perrachon, together with a majority of its subsidiaries, elected to file a consolidated tax return for the purpose of French income taxes. At 31 December 2014, the tax group consisted of 750 companies. Each company in the tax group recognises its income tax as if it were taxed on a stand-alone basis.

4.3. NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

NOTE 1. OPERATING PROFIT

Breakdown

(€ millions)	2014	2013
Net sales of services	136.7	133.0
Other income	6.6	2.8
Reversals of provisions and impairment losses	0.7	1.4
Operating income	**144.0**	**137.2**
Other purchases and external expenses	(120.7)	(114.0)
Taxes and duties	(3.2)	(3.1)
Employee benefits expenses	(10.4)	(12.3)
Depreciation, amortisation, impairment and provisions:		
• for non-current assets	(2.5)	(2.2)
• for liabilities and expenses	(0.3)	(0.8)
Other expenses	(1.2)	(0.8)
Operating expenses	**(138.3)**	**(133.2)**
OPERATING PROFIT (LOSS)	**5.7**	**4.0**

Reinvoiced expenses break down as follows:

(€ millions)	2014	2013
Other purchases and external expenses	16.7	10.7
Employee benefits expenses	2.4	7.0
Depreciation, amortisation and provisions	0.1	0.1
REINVOICED EXPENSES	**19.2**	**17.8**

Net sales of services

(€ millions)	2014	2013
Seconded employees	3.8	6.6
Brand royalties	47.4	48.6
Other services	85.5	77.8
NET SALES OF SERVICES	**136.7**	**133.0**

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 trademarks and brands owned by the Company, as well as management fees billed to subsidiaries.

Casino, Guichard-Perrachon generates 88% of its net sales with French companies.

Average number of employees

(number)	2014	2013
Managers	16	19
Supervisors	-	-
Other staff	-	1
TOTAL	**16**	**20**

NOTE 2. NET FINANCIAL INCOME OR EXPENSE

(€ millions)	2014	2013
Income from long-term investments:		
• Immobilière Groupe Casino	222.4	561.5
• Vindémia	200.1	25.1
• GreenYellow	-	23.0
• Other	6.4	8.1
Income from long-term investments	**428.9**	**617.7**
Other investment income	-	0.1
Other financial income	129.5	360.2
Reversals of provisions and impairment losses	133.2	58.3
Net gains on disposals of marketable securities	3.0	1.3
Financial income	**694.6**	**1,037.6**
Financial expenses:		
• Interest on bonds	(281.2)	(287.3)
• Interest on perpetual deeply subordinated bonds	(52.8)	(24.2)
• Depreciation, amortisation and impairment	(126.0)	(156.7)
• Other financial expenses	(80.3)	(108.4)
• Net losses on disposals of marketable securities	(12.6)	(7.7)
Financial expenses	**(552.9)**	**(584.3)**
NET FINANCIAL INCOME (EXPENSE)	**141.7**	**453.3**

Other financial income and other financial expenses mainly comprise interest income and expense on current accounts and gains and losses on interest rate hedges.

In 2014, they mainly included:

- €33.1 million paid on 15 July 2014 upon the unwinding of the BAML forward TRS;
- €39.0 million received in October 2014 arising from the transfer by novation of nine interest rate swaps to Casino Finance, the central treasury subsidiary created in France, for a nominal amount of €750.0 million;
- €45.6 million received in December 2014 arising from the transfer by novation of ten interest rate swaps to Casino Finance, the central treasury subsidiary created in France, for a nominal amount of €756.4 million.

At 31 December 2014, all the interest rate swaps had been transferred to Casino Finance.

In 2013, they included:

- €50.1 million received on 25 March 2013, arising from the renegotiation of the TRS on 7,812,900 GPA preference shares;
- €42.6 million received on 17 April 2013, arising from the renegotiation of the forward agreement on 5,813,200 GPA shares entered into on 20 December 2012;
- €77.8 million received on 30 December 2013, arising from the transfer by novation of 54 interest rate swaps to Casino Finance, the central treasury subsidiary created in France, for a nominal amount of €5,780.0 million.

Sales of treasury shares resulted in a loss of €9.6 million at year-end 2014. A loss of €6.5 million was reported at year-end 2013.

The main movements in provisions and accumulated impairment losses in 2014 were as follows:

- amortisation of bond discounts for €20.3 million;
- net reversal of losses on TRS and forward relating to GPA shares for €27.8 million.

The main movements in provisions and accumulated impairment losses in 2013 were as follows:

- impairment loss on Géant Argentina shares for €7.2 million;
- amortisation of bond discounts for €19.5 million;
- reversal of impairment losses on Geimex shares for €19.2 million;
- net reversal of the provision for unrealised foreign currency translation losses for €11.2 million (of which €1.5 million in additional losses and €12.7 million in reversals);
- net provision for losses on TRS and forward on GPA shares for €101.0 million.

NOTE 3. NON-RECURRING PROFIT

(€ millions)	2014	2013
Net gains (losses) on disposals of property, plant and equipment and intangible assets	(5.2)	-
Net gains (losses) on disposals of investments	-	(3.2)
Net gains (losses) on disposals of non-current assets	**(5.2)**	**(3.2)**
Additions to provisions	(15.7)	(3.3)
Reversals of provisions	25.7	0.8
Other non-recurring expenses	(58.7)	(106.4)
Other non-recurring income	0.1	1.3
NON-RECURRING PROFIT (LOSS)	**(53.8)**	**(110.7)**

In 2014, non-recurring items mainly comprised (i) expenses totalling €32.5 million relating to the legal reorganisation and the preparation for Cnova's IPO (see Section on "Significant events of the year") and (ii) restructuring expenses of €10.2 million.

In 2013, non-recurring items mainly comprises expenses totalling €77.2 million related to (i) obtaining control over GPA and defending the Group's interests in Brazil, and (ii) acquiring control over Monoprix.

NOTE 4. INCOME TAX

(€ millions)	2014	2013
Recurring profit (loss)	147.4	457.3
Non-recurring profit (loss)	(53.8)	(110.7)
Profit (loss) before tax	**93.6**	**346.6**
Tax consolidation benefit	276.7	85.4
Income tax benefit (expense)	**276.7**	**85.4**
PROFIT (LOSS)	**370.3**	**432.0**

Casino, Guichard-Perrachon is the head of the French tax consolidation group. The Company would not have been taxable had it not elected to file a consolidated tax return. The income tax benefit recorded by the Company corresponds to the tax savings from the deduction of the losses of Casino, Guichard-Perrachon and its subsidiaries from the consolidated group's profits, amounting to €286.9 million, less the 3% dividend tax due for €10.1 million.

The tax consolidation group had €883.0 million of tax loss carryforwards at 31 December 2014.

Timing differences between the recognition of income and expenses for financial reporting and tax purposes generated future tax savings of €29.3 million.

NOTE 5. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Breakdown

(€ millions)	2014	2013
Business goodwill	38.0	28.2
Other intangible assets	2.0	2.0
Accumulated impairment losses	(2.0)	(2.0)
	38.0	**28.2**
Intangible assets	**38.0**	**28.2**
Land and land improvements	1.8	1.3
Accumulated depreciation/amortisation	(0.2)	(0.2)
	1.6	**1.1**
Buildings, fixtures and fittings	6.5	3.8
Accumulated depreciation/amortisation	(3.0)	(1.8)
	3.5	**2.0**
Other property, plant and equipment	27.9	24.5
Accumulated depreciation/amortisation	(11.7)	(8.4)
	16.2	**16.1**
Property, plant and equipment	**21.3**	**19.2**
NET PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS	**59.3**	**47.4**

Movements for the year

(€ millions)	Gross amount	Accum. depr./amort. and impairm. losses	Net amount
At 1 January 2013	**44.6**	**(9.9)**	**34.7**
Increases	15.7	(2.8)	12.9
Decreases	(0.5)	0.3	(0.2)
At 31 December 2013	**59.8**	**(12.4)**	**47.4**
Increases	21.7	(4.6)	17.1
Decreases	(5.3)	0.1	(5.2)
AT 31 DECEMBER 2014	**76.2**	**(16.9)**	**59.3**

The increase in intangible assets was mainly due to the losses arising from the Chalin, Codival, Damap's, Faclair, Kéran, Mapic and Matal mergers-acquisitions.

NOTE 6. NON-CURRENT FINANCIAL ASSETS

Breakdown

(€ millions)	2014	2013
Investments	16,358.1	16,200.6
Accumulated impairment losses[1]	(76.0)	(35.6)
	16,282.1	**16,165.0**
Loans	21.2	21.9
Accumulated impairment losses	-	-
	21.2	**21.9**
Other non-current financial assets	1,120.3	1,119.7
Accumulated impairment losses	(0.5)	-
	1,119.8	**1,119.7**
NON-CURRENT FINANCIAL ASSETS	**17,423.1**	**17,306.6**

(1) In accordance with the accounting policies described in the introductory section of the notes to the financial statements, as at 31 December 2014, the Company measured the actual value of investments based on the market value assessed by an independent appraiser or on the value in use arising from expected cash flows.
The value in use is determined using the discounted cash flows method, based on estimated after-tax cash flows and the following rates.

Parameters used for internal calculations of 2014 values in use

Region	2014 perpetual growth rate[1]	2014 after-tax discount rate[2]	2013 after-tax discount rate[2]
France (retailing)[3]	1.4%	5.5%[4]	5.5%[4]
France (other businesses)[3]	1.4% to 1.9%	5.5% to 7.3%	5.5% to 7.6%
Argentina	10.2%	17.1%	18.0%
Brazil[5]	6.5%	12.0% to 14.9%	10.5% to 11.3%
Colombia[5]	4.1%	9.4%	8.2%
Uruguay	9.5%	16.2%	14.1%
Thailand[5]	1.4%	7.5%	7.7%
Vietnam	7.0%	14.0%	15.1%
Indian Ocean[6]	1.4 to 1.8%	5.5 to 15.0%	5.50 to 13.9%

(1) The inflation-adjusted perpetual growth rate ranges from 0% to +0.5% depending on the nature of the CGU's business/banner.
(2) The discount rate corresponds to the weighted average cost of capital (WACC) for each country. The WACC is calculated at least once a year during the annual impairment testing by taking account of the sector's levered beta, a market risk premium and the Group's finance costs.
(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) With the exception of Geimex, for which the after-tax discount rate is 6.0%.
(5) At 31 December 2014, the market capitalisation of the listed subsidiaries GPA, Big C, Éxito and Cnova was €8,049 million, €4,899 million, €4,531 million, and €2,875 million, respectively. For all four entities, market capitalisation was higher than the carrying amount of the interest held by Casino, Guichard-Perrachon directly or through intermediate holding companies.
(6) The Indian Ocean region includes Reunion, Mayotte, Madagascar and Mauritius. The discount rates used reflect the risks inherent in each of these regions.

The Company performed impairment tests on each of its investments by comparing their value to the recoverable value based on the value in use. The impairment tests resulted in a net reversal of impairment losses of €2.7 million, bringing the total accumulated impairment losses to €76.5 million at 31 December 2014.

Any changes impacting the calculation inputs, such as 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 would lead to the recognition of impairment losses on investments in French subsidiaries for a total amount between 0 and 7% of the total carrying amount of the investments in French companies.

A list of subsidiaries and other equity investments is provided at the end of the notes to the financial statements.

Movements for the year

(€ millions)	Gross amount	Accum. depr./amort. and impairm. losses	Net amount
At 1 January 2013	**9,953.2**	**(47.2)**	**9,906.0**
Increases	7,407.9	(7.8)	7,400.1
Decreases	(18.9)	19.4	0.5
At 31 December 2013	**17,342.2**	**(35.6)**	**17,306.6**
Increases	621.9	(45.2)	576.7
Decreases	(464.5)	4.3	(460.2)
AT 31 DECEMBER 2014	**17,499.6**	**(76.5)**	**17,423.1**

The increase in non-current financial assets can be mainly explained by:

- the subscription to the increase in Casino Finance's capital for €100.1 million;
- the acquisition of Cnova shares for €284.8 million, as consideration for the contribution of CDiscount Group shares;
- the acquisition of DTC Finance shares received as part of the transfer of all assets and liabilities of Théiadis for a gross amount of €46.0 million and a net amount of €2.4 million;
- the acquisition of Coboop shares received as part of the transfer of all assets and liabilities of Pachidis for €84.6 million;
- the acquisition of Géant Foncière shares following the merger of Coboop with the latter for €84.6 million.

The decrease in non-current financial assets can be mainly explained by:

- the contribution of CDiscount Group shares to Cnova NV for €284.8 million;
- the cancellation of Pachidis shares following the company's dissolution for €84.6 million;
- the exchange of Coboop shares during the merger of the latter with Géant Foncière for 84.6 million.

NOTE 7. TRADE AND OTHER RECEIVABLES

(€ millions)	2014	2013
Trade receivables	75.0	77.6
Other operating receivables	7.0	6.7
Other receivables	514.2	121.5
Current account advances	1,832.4	598.4
Accumulated impairment losses on other receivables	(8.1)	(2.2)
	2,345.5	**724.4**
TRADE AND OTHER RECEIVABLES	**2,420.5**	**802.0**

"Trade and other receivables" include accrued income for an amount of €415.4 million, mainly comprising the Casino, Guichard-Perrachon's share in the 2014 profits of companies whose articles of association provide for profit to be distributed at the closing date of their financial year (€222.5 million) and a dividend from Vindémia to be paid on 31 January 2015 (€175.0 million).

In 2013, accrued income amounted to €117.5 million

The current account of Casino Finance, the central treasury subsidiary for French companies since 1 January 2014, had a balance of €1,374.8 million in principal at 31 December 2014.

All receivables are due within one year.

NOTE 8. NET CASH AND CASH EQUIVALENTS

(€ millions)	2014	2013
Investment fund (FCP & SICAV) units	1.0	1.0
Treasury shares	1.5	0.7
Marketable securities	**2.5**	**1.7**
Cash and cash equivalents	**3.2**	**526.3**
Bank overdrafts	(1.1)	-
Commercial paper issued[1]	(1,295.2)	(401.9)
Short-term credit facilities	-	-
Bank credit facilities	**(1,296.3)**	**(401.9)**
NET CASH AND CASH EQUIVALENTS	**(1,290.6)**	**126.1**

(1) Roll-over notes due in less than one year.

Following the implementation of the central treasury unit, cash and cash equivalents are now managed by Casino Finance which had €1,110.6 million in net cash and cash equivalents at 31 December 2014.

The market value of FCP units held is substantially equal to their carrying amount.

Treasury shares

	2014	2013
NUMBER OF SHARES HELD		
At 1 January	**9,280**	**64,811**
Shares purchased	3,677,545	1,930,088
Shares sold	(3,667,561)	(1,985,619)
AT 31 DECEMBER	**19,264**	**9,280**
VALUE OF SHARES HELD *(€ MILLIONS)*		
At 1 January	**0.7**	**4.4**
Shares purchased	313.0	150.6
Shares sold	(311.9)	(154.3)
AT 31 DECEMBER	**1.8**	**0.7**
Average purchase price per share *(€)*	91.42	72.14
% of share capital held	0.02	0.01
Share capital held *(€ millions)*	1.4	0.6

In February 2005, Casino, Guichard-Perrachon signed a liquidity contract with Rothschild & Cie Banque authorising the bank to trade in the Company's shares on Euronext Paris on its behalf, to improve the liquidity of the shares and ensure share price stability. The Company allocated 700,000 ordinary shares and the sum of €40 million to the liquidity account. At 31 December 3014, no Casino, Guichard-Perrachon shares were held under the contract.

At year-end 2014, the Company owned 19,264 ordinary shares with a par value of €1.53 each.

At 31 December 2014, the shares had a total market value of €1.5 million. Based on the average share price in the last month of the financial year, an impairment loss of €0.3 million was recognised.

NOTE 9. ACCRUALS AND OTHER ASSETS

(€ millions)	2014	2013
Bond issue premium	112.6	81.8
Prepaid expenses	8.0	6.5
Unrealised foreign currency translation losses	3.6	1.4
TOTAL ACCRUALS AND OTHER ASSETS	**124.2**	**89.7**

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 profit

(€ millions)	2014	2013
Share capital	173.2	173.1
Share premium	4,037.6	4,033.8
Legal reserve:		
• before appropriation of profit	17.3	17.2
• after appropriation of profit	17.3	17.3
Reserve available to shareholders	207.5	207.5
Long-term gain reserve:		
• before appropriation of profit	56.4	56.4
• after appropriation of profit	56.4	56.4
Retained earnings:		
• before appropriation of profit	3,084.3	3,005.2
• after appropriation of profit	3,101.5	3,084.3
Profit (loss) for the year:		
• before appropriation of profit	370.3	432.0
• after appropriation of profit	-	-
Regulated provisions	4.8	4.3
EQUITY		
• before appropriation of profit	7,951.4	7,929.6
• after appropriation of profit	7,598.3	7,576.7

Changes in equity

(€ millions)	2014	2013
At 1 January	**7,929.6**	**7,820.9**
Profit (loss) for the year	370.3	432.0
Dividend payout for the previous year	(352.9)	(337.8)
Issuance of new shares	0.1	0.7
Increase in share premium	3.8	13.2
Other movements	0.5	0.5
AT 31 DECEMBER	**7,951.4**	**7,929.6**

Movements in share capital and number of shares

	2014	2013
At 1 January	**113,105,831**	**112,674,236**
Bonus share grants	-	235,630
Shares issued on exercise of stock options	69,232	195,756
Shares issued to shareholders of merged companies	99	209
AT 31 DECEMBER	**113,175,162**	**113,105,831**

At 31 December 2014, the Company's share capital consisted of 113,175,162 ordinary shares with a par value of €1.53 each.

Potential dilution

	2014	2013
Number of shares at 31 December	113,175,162	113,105,831
Share equivalents:		
• exercise of stock options	55,464	149,162
• bonus share grants	-	-
TOTAL NUMBER OF POTENTIAL SHARES	**113,230,626**	**113,254,993**

The Board of Directors decided on the priority allotment of existing shares in respect of bonus share plans outstanding at 31 December 2014. Consequently, the bonus share grants are no longer potentially dilutive.

NOTE 11. QUASI-EQUITY

At the beginning of 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 payments are due only if the Group pays a dividend on its ordinary shares in the preceding 12 months.

On 18 October 2013, Casino, Guichard-Perrachon issued €750 million worth of perpetual hybrid bonds on the market. The bonds are redeemable solely at the Group's discretion, possible from 31 January 2019 at the earliest. These bonds pay interest with a coupon of 4.87% until that date. This rate will then be revised every five years.

These bonds are classified as "Quasi-equity":

- issued for an indefinite term, they have no specific redemption date;
- they correspond to direct commitments with no collateral and are subordinated to all other liabilities.

Accrued interests on the bonds are reported under "Miscellaneous financial liabilities".

NOTE 12. PROVISIONS

Breakdown

(€ millions)	2014	2013
Provision for unrealised foreign currency translation losses	3.6	1.5
Provision for other liabilities	137.2	178.9
Provision for expenses	9.7	12.0
TOTAL	**150.5**	**192.4**

In 2014, provisions for other liabilities included €96.0 million corresponding to the negative fair value of GPA equity derivatives.

Other provisions for liabilities and expenses concern specifically identified liabilities and expenses.

Movements for the year

(€ millions)	2014	2013
At 1 January	**192.4**	**102.4**
Additions	111.1	131.1
Reversals	(153.0)	(41.1)
At 31 December	**150.5**	**192.4**
Of which reversals/(additions)		
• Operating	0.4	0.7
• Financial	25.1	(90.6)
• Non-recurring	16.4	(0.1)
TOTAL	**41.9**	**(90.0)**

Retirement benefit obligations

Provision for retirement benefits *(€ millions)*	Amount recognised at 1 January 2014	Movements for the period	Amount recognised at 31 December 2014	Unrecognised actuarial gains and losses	Amount at 31 December 2014
Projected benefit obligation	2.2	0.1	2.3	(1.2)	1.1
Fair value of plan assets	-	-	-	-	-
PROVISION	**2.2**	**0.1**	**2.3**	**(1.2)**	**1.1**

Movements in provisions *(€ millions)*	Accretion	Benefits/ Contributions	Current service costs	Recognised actuarial gains and losses	Cost for the period	Expected return on plan assets	Movement for the period
Projected benefit obligation	-	-	0.1	-	0.1	-	0.1
Fair value of plan assets	-	-	-	-	-	-	-
PROVISION	**-**	**-**	**0.1**	**-**	**0.1**	**-**	**0.1**

Main actuarial assumptions used in 2014:

- discount rate: 2.0% (determined by reference to the Bloomberg 15-year AA corporate composite index);
- annual salary increase rate: 1.8%;
- retirement age: 64 years;
- actuarial life table: TGH05/TGF05;
- social security contributions rate: 38%.

NOTE 13. FINANCIAL LIABILITIES

Breakdown

(€ millions)	2014	2013
Bonds	8,294.3	6,978.5
Other financial liabilities	0.2	-
Short-term credit facilities and confirmed credit facilities	-	-
Bank overdrafts	1.1	-
Commercial paper	1,295.2	401.9
Bank borrowings	**9,590.8**	**7,380.4**
Miscellaneous financial liabilities	314.7	348.9
TOTAL FINANCIAL LIABILITIES	**9,905.5**	**7,729.3**

Maturity of financial liabilities

(€ millions)	2014	2013
Due within one year	2,560.0	1,533.8
Due in one to five years	2,445.5	2,745.5
Due in more than five years	4,900.0	3,450.0
TOTAL	**9,905.5**	**7,729.3**

Net debt

(€ millions)	2014	2013
Total financial liabilities	9,905.5	7,729.3
Marketable securities	(2.5)	(1.7)
Cash and cash equivalents	(3.2)	(526.3)
NET DEBT	**9,899.8**	**7,201.3**

Total financial liabilities include €255.6 million in accrued interests on borrowings and bank overdrafts.

Details of financial liabilities

	Interest rate	Effective interest rate	Amount (€ millions)	Term	Due
2015 bonds	Fixed rate				
2009-2015	5.50%	5.60%	750.0	6 years	January 2015
2016 bonds	Fixed rate				
2011-2016	4.47%	4.58%	386.1	5 years	April 2016
2017 bonds	Fixed rate				
2010-2017	4.38%	5.85%	551.7	7 years	February 2017
2018 bonds	Fixed rate				
2010-2018	4.48%	5.25%	507.7	8 years	November 2018
2019 bonds	Fixed rate				
2012-2019	3.16%	2.83%	1,000.0	7 years	August 2019
2020 bonds	Fixed rate				
2012-2020	3.99%	4.05%	600.0	8 years	March 2020
2021 bonds	Fixed rate				
2011-2021	4.73%	5.13%	850.0	10 years	May 2021
2023 bonds	Fixed rate				
2013-2023	3.31%	3.23%	1,000.0	10 years	January 2023
2024 bonds	Fixed rate				
2014-2024	3.25%	4.16%	900.0	10 years	March 2024
2025 bonds	Fixed rate				
2014-2025	2.33%	2.37%	650.0	10 years and 2 months	February 2025
2026 bonds	Fixed rate				
2014-2026	2.80%	2.84%	900.0	12 years	August 2026
TOTAL BONDS			**8,095.5**		

Other financial liabilities

(€ millions)	Amount
Bank overdrafts	1.1
Commercial paper	1,295.2
Miscellaneous financial liabilities[1]	258.7
Accrued interest on borrowings	255.6
TOTAL OTHER FINANCIAL LIABILITIES	**1,810.0**

(1) Including a €251.7 million loan from Marushka BV (subsidiary of Casino, Guichard-Perrachon).

Liquidity risk

Casino, Guichard-Perrachon had confirmed credit facilities totalling €3,073.7 million at 31 December 2014 to guarantee its liquidity needs.

Confirmed bank credit lines		Amount of the facility	Drawdowns	Due
Syndicated credit lines[1]	Variable rate	2,023.7	-	2018-2019
Confirmed bank credit lines	Variable rate	150.0	-	2015
Confirmed bank credit lines	Variable rate	175.0	-	2016
Confirmed bank credit lines	Variable rate	225.0		2017
Confirmed bank credit lines	Variable rate	500.0	-	2024
TOTAL		**3,073.7**	**-**	

(1) Includes the €1,200 million syndicated credit line renewed in February 2014 for five years and the USD 1 billion credit line expiring in 2018.

Notes issued under Casino, Guichard-Perrachon's €9 billion Euro Medium Term Note (EMTN) programme totalled €8,095.5 million at 31 December 2014. All these borrowings are rated BBB-, the rating assigned to the Casino Group by Standard & Poor's and Fitch Ratings.

Furthermore, notes issued under Casino, Guichard-Perrachon's €2,000 million commercial paper programme totalled €1,295.2 million at 31 December 2014.

At 31 December 2014, the covenants relating to the main borrowings were as follows:

- the syndicated credit line of €1,2 billion renewed in February 2014, the club deal of USD 1 billion renewed in July 2013, as well as the bilateral credit lines for an aggregate amount of €450 million are subject to the obligation to comply with a consolidated net debt[2] to consolidated EBITDA[1] ratio < 3.5;
- a bilateral credit line of €50 million is subject to the obligation to comply with a consolidated net debt to consolidated EBITDA ratio < 3.7.

At 31 December 2014, the consolidated net debt to EBITDA ratio was 1.8.

The Group considers that it can largely comply with its covenants over the next twelve months.

Note that Casino, Guichard-Perrachon's bonds and commercial paper are not subject to any financial covenant.

Casino, Guichard-Perrachon's loan and bond agreements include the usual commitment and default provisions of this type of agreements: limitations to *pari passu* senior debt, negative pledges and cross default.

Casino, Guichard-Perrachon's loan 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 should its long-term senior debt be downgraded to non-investment grade owing to a change of majority shareholder. They also contain a coupon step-up clause, which increases the interest rate should Casino, Guichard-Perrachon's long-term senior debt rating be downgraded to non-investment grade.

NOTE 14. OTHER LIABILITIES

(€ millions)	2014	2013
Amounts due to affiliates	493.2	1,407.1
Miscellaneous liabilities	17.7	16.7
Deferred income	43.4	49.4
OTHER LIABILITIES	**554.3**	**1,473.2**
• due within one year	520.0	1,433.0
• due in more than one year	34.3	40.2

Other liabilities include €8.7 million in accrued expenses.

(1) EBITDA (earnings before interest, taxes, depreciation and amortisation) corresponds to trading profit plus net depreciation and amortisation expense.

(2) Net debt as defined in the loan agreements may differ from net debt recognised in the consolidated financial statements. 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.

NOTE 15. TRANSACTIONS WITH RELATED COMPANIES

(€ millions)	2014	2013
ASSETS		
Investments	16,179.7	16,017.6
Due from equity investees	-	-
Trade receivables	73.9	76.7
Due from affiliates	1,628.9	468.1
LIABILITIES		
Financial liabilities	277.3	337.0
Trade payables	36.4	26.4
Amounts due to affiliates	494.9	1,397.5
INCOME AND EXPENSES		
Financial income	93.8	117.5
Financial expenses	11.2	10.8
Dividends	427.9	617.6

Related companies correspond to Group companies that are fully consolidated.

NOTE 16. OFF-BALANCE SHEET COMMITMENTS

Commitments entered into in the ordinary course of business

(€ millions)	2014	2013
Bonds and guarantees received from banks	0.2	0.2
Undrawn confirmed credit lines	2,973.7	2,250.1
Total commitments received	**2,973.9**	**2,250.3**
Bonds and guarantees given[1]	1,011.0	772.3
Repayments to loss-making subsidiaries of the tax savings arising from group tax consolidation[2]	702.7	465.5
Other commitments given	1.2	-
Total commitments given	**1,714.8**	**1,237.8**
Interest rate hedges – nominal amount[3]	-	1,693.9
Interest rate swaps	-	*1,693.9*
Other reciprocal commitments	-	-
TOTAL RECIPROCAL COMMITMENTS	**-**	**1,693.9**

(1) Including €842.0 million to related companies at 31 December 2014.
(2) See note 4.
(3) Financial instruments are used solely for hedging purposes. At 31 December 2014, they were all transferred to Casino Finance, the central treasury subsidiary.

Other commitments

(€ millions)	2014	2013
Guarantees given in connection with:		
• Monoprix ORA share-redeemable bonds[1]	200.0	200.0
TOTAL COMMITMENTS GIVEN	**200.0**	**200.0**
Written put options	105.6	102.1
• Uruguay[2]	105.6	102.1
Derivative financial instruments[3]	735.9	939.4
TOTAL RECIPROCAL COMMITMENTS	**841.5**	**1,041.5**

(1) This commitment corresponds to the guarantee of Monoprix's consolidated shareholders' equity (at 31 December 2013) to CACIB in connection with the issue of the ORA bonds. This guarantee is capped at €200 million with a deductible of €20 million. This guarantee runs until 26 June 2017.
(2) 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 the Disco subgroup's consolidated operating profit, with a floor of USD 41 million plus interest at 5% per year.
(3) In December 2011, Casino, Guichard-Perrachon contracted a Total Return Swap (TRS) with a financial institution covering 7.9 million American Depository Receipts (ADRs) representing 3% of GPA's share capital. At inception, the TRS had a maturity of 2.5 years and a notional amount of €215 million. The contract will be settled in cash. Following a change to the entry price in 2012 and 2013, Casino, Guichard-Perrachon received the sum of €69.3 million and €50.1 million, respectively. At 31 December 2014, the instrument covered 7.8 million shares. The company recognised a provision for the negative fair value of this instrument for €96.0 million at 31 December 2014, compared with a negative fair value of €80.2 million at 31 December 2013. The contract was amended on 17 January 2014 to extend the TSR's maturity to July 2017.

On 27 December 2013, Monoprix issued bonds redeemable in Monoprix preference shares (ORA) in three tranches totalling €500 million to CACIB. These ORA have a maturity of three years and interest at 6-month Euribor +5.1%. The redemption parity is fixed.
Casino, Guichard-Perrachon also has a call option on these ORA that may be exercised at a parity price plus accrued interest, in part or in total, between June 2014 and October 2016.

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
Non-current liabilities	9,905.5	2,560.0	2,445.5	4,900.0
Non-cancellable written put options	105.6	105.6		
TOTAL	**10,011.1**	**2,665.6**	**2,445.5**	**4,900.0**

NOTE 17. CURRENCY RISK

(€ millions)	USD
Assets	21.9
Liabilities	95.2
Net position before hedging	**(73.3)**
Off-balance sheet positions	128.2
NET POSITION AFTER HEDGING	**54.9**

NOTE 18. EQUITY RISK

(€ millions)	2014
Carrying amount of treasury shares	1.8
Market value	1.5
Accumulated impairment losses	(0.3)
Sensitivity to a 10% fall in share price	(0.2)

NOTE 19. GROSS REMUNERATION OF DIRECTORS AND OFFICERS

(€ millions)	2014	2013
Remuneration paid	0.9	1.5
Loans and advances to officers	-	-

NOTE 20. CONSOLIDATION

Casino, Guichard-Perrachon is consolidated by Rallye SA.

NOTE 21. EVENTS AFTER THE REPORTING PERIOD

No significant events have occurred since the year-end.

4.4. FIVE-YEAR FINANCIAL SUMMARY

	2014	2013	2012	2011	2010
CAPITAL AT THE REPORTING DATE					
Share capital *(€ millions)*	173.2	173.1	172.4	169.3	169.3
Number of voting shares outstanding[1]	113,175,162	113,105,831	112,674,236	110,646,652	110,668,863
Number of preferred non-voting shares outstanding	-	-	-	-	-
RESULTS OF OPERATIONS *(€ MILLIONS)*					
Net sales	136.7	133.0	172.0	161.0	153.7
Profit before tax, employee profit-sharing, depreciation, amortisation and provisions	78.7	449.2	305.1	661.1	157.4
Income tax	(276.7)	(85.4)	(131.2)	(122.4)	(132.8)
Employee profit-sharing for the year	-	-	0.1	0.1	0.1
Accounting profit after tax, employee profit-sharing, depreciation, amortisation and provisions	370.3	432.0	412.7	731.4	371.6
Dividends paid on voting shares	353.1	352.9	338.0	331.9	307.7
Dividends paid on non-voting shares	-	-	-	-	-
Total dividends paid	353.1	352.9	338.0	331.9	307.7
EARNINGS PER SHARE *(€)*					
Weighted average number of shares outstanding during the year[2]	113,006,584	112,766,174	111,741,859	109,984,894	110,288,938
Earnings per share after tax, employee profit-sharing, but before depreciation, amortisation and provisions	3.14	4.74	3.90	7.12	2.63
Earnings per share after tax, employee profit-sharing, depreciation, amortisation and provisions	3.28	3.83	3.69	6.65	3.37
Dividend paid per voting share	3.12	3.12	3.00	3.00	2.78
Dividend paid per non-voting share					
EMPLOYEES					
Number of employees *(full-time equivalent)*	16	20	28	44	42
Employee remuneration expenses[3] *(€ millions)*	7.8	9.3	15.0	15.4	16.5
Employee benefits expenses (social security contributions, benefit plans) *(€ millions)*	2.6	3.0	5.1	7.4	6.0

(1) Increase in share capital through the issuance of 69,232 shares on exercise of stock options and 99 shares for shareholders of merged companies.
(2) Excluding treasury shares.
(3) Excluding incentive bonuses.

4.5. LIST OF SUBSIDIARIES AND OTHER EQUITY INVESTMENTS

(€ millions)

Company	Share capital	Equity	% of owner-ship	Number of shares held	Carrying amount of shares held Gross	Net	Loans and advances granted by the Company	Guarantees given by the Company	2014 net sales	2014 profit (loss)	Dividends received by the Company in the prior year
A. Detailed information about long-term investments whose carrying amount exceeds 1% of the Company's share capital:											
1. SUBSIDIARIES (MORE THAN 50%-OWNED)											
Distribution Casino France 1, Esplanade de France 42008 Saint-Étienne Cedex	107	6,107	98.83	105,509,347	7,146	7,146		2	8,480	(618)	-
Immobilière Groupe Casino 1, Esplanade de France 42008 Saint-Étienne Cedex	250	2,032	100.00	249,938,991	2,219	2,219			113	286	222
Segisor 1, Esplanade de France 42008 Saint-Étienne Cedex	1,774	1,510	100.00	1,774,479,080	1,774	1,774			-	-	-
CIT 1, Esplanade de France 42008 Saint-Étienne Cedex	134	119	100.00	133,593,485	178	178		1	127	29	-
Tevir 1, Esplanade de France 42008 Saint-Étienne Cedex	410	704	100.00	409,911,786	689	689			-	15	1
Easydis 1, Esplanade de France 42008 Saint-Étienne Cedex	63	47	100.00	3,953,968	106	106		58	548	(2)	-
Casino Finance 1, Esplanade de France 42008 Saint-Étienne Cedex	70	81	100.00	69,999,994	100	100		424	-	(19)	-
Intexa 1, Esplanade de France 42008 Saint-Étienne Cedex	2	3	97.91	990,845	7	7			-	1	-
GreenYellow 1, Esplanade de France 42008 Saint-Étienne Cedex	9	130	83.31	38,263	13	13			82	45	0
Casino Services 1, Esplanade de France 42008 Saint-Étienne Cedex	-	13	100.00	100,000	19	19			105	(1)	-
Banque du Groupe Casino 58-60, avenue Kléber 75116 Paris	23	72	50.00	117,346	107	86			88	(1)	-
Boidis 1, Esplanade de France 42008 Saint-Étienne Cedex	-	-	99.68	2,492	4	2			-	-	-
Comacas 1, Esplanade de France 42008 Saint-Étienne Cedex	-	1	100.00	99,999	3	3			24	0	-
Vindémia 5, impasse du Grand Prado 97438 Sainte-Marie	60	284	100.00	3,750,250	440	440			26	71	200
Investeur 103 1, Esplanade de France 42008 Saint-Étienne Cedex	60	60	100.00	6,003,700,000	60	60			-	-	-
Food services											
Casino Restauration 1, Esplanade de France 42008 Saint-Étienne Cedex	36	8	100.00	35,860,173	103	103		13	187	(40)	-

(1) 2013 Data.
Certain data was unavailable and is therefore not provided in this table.

Company	Share capital	Equity	% of ownership	Number of shares held	Carrying amount of shares held: Gross	Carrying amount of shares held: Net	Loans and advances granted by the Company	Guarantees given by the Company	2014 net sales	2014 profit (loss)	Dividends received by the Company in the prior year
International											
Via Artika Gabriel Otero 6603, Montevideo, Uruguay	134	135	100.00	10,000	149	149			-	-	-
DTC Finance 1 Beemdstraadt 5653 MA Eindhoven – Netherlands	-	3	100.00	275	46	2			-	-	-
Gelase 5, place du Champ-de-Mars Bastion Tower – B-1050 Brussels Belgium	520	707	99.99	28,476,254	520	520			-	5	-
2. ASSOCIATES (10 TO 50%-OWNED)											
Monoprix 14-16, rue Marc-Bloch 92116 Clichy Cedex	62	759	50.00	3,859,481	843	843			244	(32)	-
Geimex[1] 15, rue du Louvre 75001 Paris	-	58	49.99	4,999	63	63			201	6	-
Uranie 1, Esplanade de France 42008 Saint-Étienne Cedex	45	81	25.95	11,711,600	31	31			4	(3)	-
Casino Carburants 1, Esplanade de France 42008 Saint-Étienne Cedex	5	7	26.58	1,298,683	3	3			449	-	-
International											
Géant Holding BV 1 Beemdstraadt 5653 MA Eindhoven – Netherlands	1	1,834	25.00	3,900	1,278	1,278			-	329	-
Géant Foncière BV 1 Beemdstraadt 5653 MA Eindhoven – Netherlands	-	347	50.00	20,000	85	85			-	5	-
Cnova NV 1 Beemdstraadt 5653 MA Eindhoven – Netherlands	22	578	43.28	190,974,069	285	285			-	(6)	-
B. General information about all other long-term investments											
1. SUBSIDIARIES (NOT INCLUDED IN SECTION A ABOVE)											
CBD Avenida Brigadeiro Luiz Antonio, 3142 São Paulo – Brazil	2,109	3,285	2.11	5,600,052	52	52			7,129	407	2
Géant Argentina Corrientes Av.587 Piso 4 1043 Capital Federal – Argentina	31	51	18.02	387,267,369	23	16			-	4	-
Various companies					8	8					

(1) 2013 Data.
Certain data was unavailable and is therefore not provided in this table.

Company	Share capital	Equity	% of owner-ship	Number of shares held	Carrying amount of shares held Gross	Carrying amount of shares held Net	Loans and advances granted by the Company	Guarantees given by the Company	2014 net sales	2014 profit (loss)	Dividends received by the Company in the prior year
2. INVESTMENTS (NOT INCLUDED IN SECTION A ABOVE)											
Other companies					4	2					
Total investments					**16,358**	**16,282**					
Of which consolidated companies					16,350	16,279					
• French companies					13,911	13,890					
• Foreign companies					2,439	2,389					
Of which non-consolidated companies					8	3					
• French companies					8	3					
• Foreign companies											
Other long-term investments					-	-					
Marketable securities					-	-					
Casino shares					-	-					
SICAV units					**1**	**1**					
Total other long-term investments					**1**	**1**					

(1) 2013 Data.
Certain data was unavailable and is therefore not provided in this table.

All key information on foreign subsidiaries in a given country is provided in Note 6.

The fair value measurement of investments in foreign entities explains the non-systematic recognition of a provision 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, as described in Note 6.

4.6. STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS AND COMMITMENTS WITH RELATED PARTIES

ANNUAL GENERAL MEETING HELD TO APPROVE THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

To the Shareholders,

In our capacity as Statutory Auditors of Casino, Guichard-Perrachon, we hereby report to you on regulated agreements and commitments with related parties.

We are required to inform you, on the basis of the information provided to us, of the main characteristics and terms and conditions of the agreements and commitments brought to our attention or which we may have identified in the course of our audit. We are not required to comment as to whether they are beneficial or appropriate or to ascertain the existence of other agreements and commitments. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code (Code de Commerce), to assess the benefits of these agreements and commitments prior to their approval.

In addition, we are required, where applicable, to provide you with the information referred to in Article R. 225-31 of the French Commercial Code concerning the implementation, during the year under review, of the agreements and commitments already approved by the Annual General Meeting.

We performed those procedures which we considered necessary to comply with the professional guidance issued by the French auditing body (Compagnie Nationale des Commissaires aux Comptes) for this type of engagement. These procedures entailed verifying that the information provided to us was consistent with the documents from which it was extracted.

Agreements and commitments submitted to the Annual General Meeting for approval

In accordance with Article L. 225-40 of the French Commercial Code, we have been advised of the following agreements and commitments previously authorised by your Board of Directors.

1. Property development partnership agreement with Mercialys

Person concerned: Michel Savart (director of Mercialys)

Nature, purpose and terms and conditions: At its meeting of 17 October 2014, the Board of Directors authorised the signature of an amendment to the partnership agreement between Mercialys and your company signed on 2 July 2012 which had terminated the agreement signed on 19 March 2009.

Under this amendment, signed on 12 November 2014, the partnership agreement, which was due to expire on 31 December 2015, is extended until 31 December 2017 and various changes were made to facilitate the implementation of the two companies' respective strategies, while maintaining the balance between their rights and obligations (the new "Partnership Agreement").

The general principles preserving the key balances of the previous agreement have been maintained in the new Partnership Agreement:

- Continued privileged access for Mercialys to your Company's portfolio of property development projects (right of priority).
- Increased safeguarding of the projects portfolio through an early reciprocal commitment whereby your Company will only start work once the order has been confirmed by Mercialys, which will only take action once the final permits have been obtained.
- Maintenance of the current economic balances agreed between your company and Mercialys (capitalisation rates defined according to a matrix updated every six months to reflect the changes in the value of Mercialys' property portfolio and 50/50 sharing of the "upside/downside" observed upon the opening of a project in relation to estimated rents).

The scope of the Partnership Agreement in relation to Mercialys' line of business (shopping centres and medium-sized stores, excluding food stores, *i.e.* supermarkets and hypermarkets) remains unchanged.

However, the parties have redefined the three types of projects that fall within or could fall within the scope of the Partnership Agreement, with the list of projects attached to the previous agreement now being obsolete:

- "New Projects", which correspond to projects that fall within the scope of the agreement that your company may decide to launch, regardless of whether the timeframe for carrying out and completing such projects extends beyond 31 December 2017, and that your company committed to submit to Mercialys.

  In addition, Mercialys now has the option of submitting any project to your company, whether or not it falls within the scope of the agreement, and your company undertakes to examine such a project in order to determine whether it wishes to participate in its development.
- "Projects to be Confirmed", which correspond to "New Projects" approved by the governance bodies of the parties and for which the parties pledge to do their best to achieve their final approval.
- "Approved Projects", which correspond to "Projects to be Confirmed" that have been ordered.

The various steps and commitments provided for include:

- Identification of "Projects to be Confirmed" (projects under development that are not yet sufficiently visible or secure for an order to be placed).
- Placing of an order for "Approved Projects" (projects with good visibility and sufficient profitability for both parties).
- Confirmation of the order based on a final and specific project specification (except for customary flexibility/tenant requests) once the final permits have been obtained and upon achievement of a pre-marketing rate of 60% of the value covered by signed leases.
- Sale of the asset (transfer of the property upon the opening of the project and payment by Mercialys upon delivery with 50/50 sharing of the "upside/downside").

In addition, the agreement now provides for the introduction of a fast-track project approval procedure through the direct signing of the deed of sale directly after approval by the governance bodies.

Furthermore, the terms and conditions for setting and adjusting prices are as follows:

- The price is set when the order is placed, based on actual or forecast rents set by an independent appraiser, capitalised on the basis of rates approved according to the type of asset concerned.
- The price is updated when the order is confirmed to recognise any changes in marketing and the capitalisation rate.
- The price is updated when the sale is made, based on the rental situation two months before opening to the public, with the capitalisation rate remaining unchanged.

In order to account for fluctuations in market conditions, the capitalisation rates applicable under the Partnership Agreement are revised by the parties twice a year.

The capitalisation rates for the second half of 2014 were as follows:

	Shopping centre		*Retail parking lots*		
Type of property:	**Continental France**	**Corsica and French overseas departments and territories**	**Continental France**	**Corsica and French overseas departments and territories**	**City centre**
Large regional centres/Major centres (> 20,000 sq.m)	6.1%	6.7%	6.7%	7.1%	5.9%
Neighbourhood shopping centres (5,000 to 20,000 sq.m)	6.6%	7.1%	7.1%	7.5%	6.2%
Other property (< 5,000 sq.m)	7.1%	7.5%	7.5%	8.2%	6.7%

Notwithstanding the preceding provisions, the Partnership Agreement now provides that any of the parties may, for a specific project, propose that the projected sale price is calculated using a provisional internal rate of return ("IRR") for the project. This IRR will be calculated on the basis of the provisional business plan prepared for the project. For example, the parties seek to target projects likely to deliver a projected IRR of around 8% to 10%.

In return for the right of priority enjoyed by Mercialys, the Partnership Agreement also provides for a non-compete clause in favour of your company applicable for the full duration of the Agreement. This non-compete clause was strengthened in the amendment to the Agreement. As such, Mercialys may not invest in a "New Project" in competition with a Casino Group food banner without the agreement of your company. A "New Project" is defined as follows:

- Any project comprising a greenfield food store with a retail area exceeding 1,000 sq.m; or
- Any existing shopping centre with a food retail area exceeding 1,000 sq.m that is being extended over a floor area of at least 30% of the shopping centre's surface area prior to the extension; or
- Any existing shopping centre with a food retail area subject to an extension leading to a retail area after the extension in excess of 1,000 sq.m.

Furthermore, this non-compete clause will be applicable for a period of three years from the termination of the Partnership Agreement.

Terms and conditions: In 2014, the sale by your company's subsidiaries of the buildings of hypermarkets in Angers, Anglet, Fréjus, Nîmes Cap Costières, Quimper, Aix-en-Provence, Annecy Seynod and Gassin-la-Foux was made under the new Partnership Agreement. The previous agreement, whose terms came to an end when the new agreement was signed, had no impact on financial 2014.

2. Current account advance agreement with Mercialys

Person concerned: Michel Savart (director of Mercialys)

Nature and purpose: At its meeting of 17 October 2014, the Board of Directors authorised the signature of an amendment to the Current Account Advance Agreement concluded between Mercialys and your company on 25 July 2012 under which your company granted to Mercialys a credit facility for a maximum amount of €50 million in the form of A Advances (any advance for a principal amount of less than €10 million) and/or B Advances (any advance for a principal amount of €10 million or more). These advances are intended solely for the short-term financing of Mercialys' general needs.

Consequently, the Board of Directors gave full powers to your Chairman and Chief Executive Officer to extend until 31 December 2017 the Current Account Advance Agreement that was due to expire on 31 December 2015, amend the remuneration level and include a non-use fee.

Furthermore, following the creation of Casino Finance, your company's subsidiary, a central finance and treasury entity for the Casino Group, Casino Finance received authorisation to subrogate the rights and obligations of your company.

Interest: Any A Advance will bear interest at the Euribor 1 month rate plus Margin A and any B Advance will bear interest at the Euribor interest rate applicable to the drawdown period plus Margin B. These margins may change each year to reflect Casino Finance's updated refinancing costs.

Non-use fee: Mercialys shall pay Casino Finance a non-use fee calculated daily on the amount of undrawn credit at a rate of 40% of Margin B.

For 2015, it is expected that Margin A and Margin B will be 0.60% and 0.85% per year, respectively.

Terms and conditions: The previous agreement had no impact in respect of financial year 2014. The new agreement has not yet been signed and its impact will be reflected in financial year 2015.

3. Agreement regarding the transfer of the e-commerce activities of the Casino Group to Cnova NV in view of an initial public offering (Framework and IPO Agreement) concluded specifically with Companhia Brasileira de Distribuição

Person concerned: Jean-Charles Naouri (Chairman of the Board of Directors of Companhia Brasileira de Distribuição)

Nature and purpose: At its meeting of 4 June 2014, the Board of Directors authorised the signature of an agreement signed on 11 July 2014 by your company with Companhia Brasileira de Distribuição and Via Varejo SA. Cdiscount Group SAS (formerly Casino Entreprise SAS), Éxito SA and the founders of Nova Pontocom became parties to the agreement on that same day. This agreement seeks to clarify the procedures for combining the e-commerce activities of the Casino Group, mainly Cdiscount (which used to be a subsidiary of your company, held through Cdiscount Group SAS) and Novo Pontocom (which used to be a joint subsidiary of Companhia Brasileira de Distribuição and Via Varejo SA) under a newly created holding company, Cnova NV. This reorganisation was a preliminary step to the initial public offering of Cnova NV. Due to its non-current nature, this agreement was subject to the regulated agreements procedure.

Specifically, the agreement sets out the terms and conditions for the in-kind transfer to Cnova NV of all the shares of Cdiscount Group SAS held by your company and of all the shares of Cnova Comércio Eletrônico SA held by Nova Pontocom Comércio Eletrônico SA, in exchange for the newly-issued shares of Cnova NV. The equity of the financial terms and conditions of the transaction (in particular the exchange ratio: 46.5% for Cdiscount and 53.5% for Nova Pontocom) was the subject of equity statements issued by independent valuers respectively for Casino, Companhia Brasileira de Distribuição and Via Varejo SA.

This agreement also provides for the organisation of the Cnova NV's governance, a best efforts commitment to carry out the initial public offering of Cnova NV before 31 December 2015, as well as the terms and conditions for the setting of the different IPO parameters.

Terms and conditions: This agreement, authorised by the Board of Directors at its meeting of 4 June 2014, was fully implemented as the combination of Casino Group's e-commerce activities under the holding company Cnova NV occurred on 24 July 2014, the Cnova NV's IPO on NASDAQ on 20 November 2014 and a secondary quotation of Cnova on Euronext Paris on 23 January 2015.

Agreements and commitments already approved by the Annual General Meeting

Pursuant to Article R. 225-30 of the French Commercial Code, we have been informed that the following agreements and commitments, already approved by the Annual General Meeting in previous years, remained in effect during the year under review.

1. Consulting agreement with Euris

Person concerned: Jean-Charles Naouri (Chairman of Euris)

Nature and purpose: Pursuant to the terms of this agreement, Euris provides consulting and advisory services to your company to determine its strategic priorities and development.

Terms and conditions: For the year ended 31 December 2014, your company expensed the fees paid for these services, which amounted to €350,000 excluding tax.

2. Membership of Jean-Charles Naouri, Chairman and Chief Executive Officer, in a health, death and disability insurance plan

Person concerned: Jean-Charles Naouri

Nature, purpose and terms and conditions: Under this plan, the employer contributions to social security and personal risk insurance coverage amounted to €129,000 and €2,000, respectively, for financial year 2014.

Furthermore, the Chairman and Chief Executive Officer is also covered by the compulsory Group pension plans, for which contributions result from national labour-management agreements.

3. Brand licence agreement with Mercialys

Person concerned: Michel Savart (director of Mercialys)

Nature, purpose and terms and conditions: Under this agreement concluded on 24 May 2007, your company grants to Mercialys, free of charge and in France only, a non-exclusive right to use the "Nacarat" wordmark and semi-figurative trademark, the "Beaulieu" wordmark and the "Beaulieu... pour une promenade" semi-figurative trademark.

Mercialys has a right of first refusal over these three marks should your company decide to sell them.

Lyon and Neuilly-sur-Seine, 17 February 2015

The Statutory Auditors

Ernst & Young et Autres	Deloitte & Associés	
Daniel MARY-DAUPHIN	Antoine de RIEDMATTEN	Gérard BADIN

Chapter 5

Corporate governance/ Chairman's report

5.1. CORPORATE GOVERNANCE CODE

In line with the Company's policy of implementing good governance practices, the Board of Directors has adopted the AFEP-MEDEF Corporate Governance Code for listed companies published in June 2013, in particular as its reference for drafting the Chairman's report on page 305.

The AFEP-MEDEF Code is available on the Company's website: http://www.groupe-casino.fr.

The Company applies all the recommendations of the AFEP-MEDEF Code, in addition to those in the French High-Level Corporate Governance Committee's "Guide for the application of the AFEP-MEDEF Corporate Governance Code for listed companies of June 2013" *(Guide d'application du code AFEP-MEDEF de gouvernement d'entreprise des sociétés cotées de juin 2013)* published in December 2014, which are included in this document.

5.2. BOARD OF DIRECTORS

5.2.1. COMPOSITION AND OPERATION OF THE BOARD OF DIRECTORS

5.2.1.1. Composition of the Board of Directors

At 16 February 2015, the date on which the 2014 financial statements were approved, the Board of Directors had fourteen members:

- Jean-Charles Naouri, Chairman and Chief Executive Officer;
- Didier Carlier, representing Euris;
- Henri Giscard d'Estaing*;
- Gérard Koenigheit, representing Matignon-Diderot;
- Lady Sylvia Jay*;
- Marc Ladreit de Lacharrière;
- Didier Lévêque, representing Foncière Euris;
- Catherine Lucet*;
- Gilles Pinoncély;
- Gérald de Roquemaurel*;
- David de Rothschild;
- Frédéric Saint-Geours*;
- Michel Savart, represent Finatis;
- Rose-Marie Van Lerberghe*, lead director.

Non-voting director: Pierre Giacometti.

Secretary of the Board: Jacques Dumas.

The table below shows the date on which each director's current term ends:

	2015 (AGM called to approve the 2014 financial statements)	2016 (AGM called to approve the 2015 financial statements)	2017 (AGM called to approve the 2016 financial statements)
Sylvia Jay	X		
Catherine Lucet	X		
Rose-Marie Van Lerberghe	X		
Finatis	X		
Jean-Charles Naouri		X	
Henri Giscard d'Estaing		X	
Marc Ladreit de Lacharrière		X	
Gilles Pinoncély		X	
Matignon-Diderot		X	
Gérald de Roquemaurel			X
David de Rothschild			X
Frédéric Saint-Geours			X
Foncière Euris			X
Euris			X

* *Independent directors.*

In accordance with the Company's articles of association and the AFEP-MEDEF Code, a proportion of the Board members, elected for three-year terms, retires by rotation each year.

As such, the terms of four directors expire at the end of the Annual General Meeting of 12 May 2015.

In this respect and in accordance with its remit, the Appointments and Remuneration Committee conducted its annual review of the organisation and membership of the Board of Directors based on good governance criteria, mainly with regard to the international dimension of the Board, the representation of women and independent members, as well as the skills, experience and complementary profiles of members.

Representation of independent members

The Appointments and Remuneration Committee also examined the composition of the Board of Directors, specifically the independence of its members with regard to the assessment criteria set out in the AFEP-MEDEF Code, detailed in the table below. It reported on its work to the Board of Directors.

Summary analysis of the situation of each Board member with respect to the independence criteria of the AFEP-MEDEF Code

Board members	Has not been and is not an employee or executive corporate officer of the Company or employee or director of the parent company or one of its consolidated companies in the previous five years	Is not an executive corporate officer of a company in which the Company directly or indirectly holds a directorship or in which a designated Company employee or a current or former (in the previous five years) executive corporate officer holds a directorship	Is not a major customer, supplier, investment banker, investment banker for the Company or its Group, or for which the Company or its Group represents a significant part of the business activities	Does not have any family ties with a corporate officer	Has not been an auditor of the Company during the last five years	Has not been a director of the Company for more than twelve years
INDEPENDENT DIRECTORS						
Henri Giscard d'Estaing	Yes	Yes	Yes	Yes	Yes	Yes
Lady Sylvia Jay	Yes	Yes	Yes	Yes	Yes	Yes
Catherine Lucet	Yes	Yes	Yes	Yes	Yes	Yes
Gérald de Roquemaurel	Yes	Yes	Yes	Yes	Yes	Yes
Frédéric Saint-Geours	Yes	Yes	Yes	Yes	Yes	Yes
Rose-Marie Van Lerberghe	Yes	Yes	Yes	Yes	Yes	Yes
NON-INDEPENDENT DIRECTORS						
Marc Ladreit de Lacharrière	Yes	Yes	No	Yes	Yes	No
Gilles Pinoncély	Yes	Yes	Yes	Yes	Yes	No
David de Rothschild	Yes	Yes	No	Yes	Yes	No
Jean-Charles Naouri	No	Yes	Yes	Yes	Yes	No
Didier Carlier, representing Euris	No	Yes	Yes	Yes	Yes	Yes
Gérard Koenigheit, representing Matignon-Diderot	No	Yes	Yes	Yes	Yes	Yes
Didier Lévêque, representing Foncière Euris	No	Yes	Yes	Yes	Yes	Yes
Michel Savart, representing Finatis	No	Yes	Yes	Yes	Yes	Yes

- The independence criteria are fully met by six directors: Sylvia Jay, Catherine Lucet, Rose-Marie Van Lerberghe, Henri Giscard d'Estaing, Gérald de Roquemaurel and Frédéric Saint-Geours. Catherine Lucet is the Managing Director of the Editis/Nathan Group which has business transactions with the Casino Group in France; however, these transactions are immaterial (the volume of Casino's purchases and Editis/Nathan's sales is lower than the 5% materiality threshold for each party).

  As a result, the number of independent directors represent 43% of the members of the Board of Directors in service, which exceeds the one-third threshold recommended by the AFEP-MEDEF Code for controlled companies.
- Three other qualified external persons who are not deemed independent because they have business relations with the Group (Marc Ladreit de Lacharrière and David de Rothschild) or have been in office for more than 12 years (Gilles Pinoncély) also sit on the Board of Directors.
- Five directors represent the controlling shareholder: Jean-Charles Naouri, Chairman and Chief Executive Officer, Didier Carlier, Didier Lévêque, Gérard Koenigheit and Michel Savart, and therefore do not hold the majority of votes on the Board of Directors.

Representation of women

The Board currently includes three women directors (21%). This representation complies with the law on the equal representation of men and women on Boards of Directors and with the AFEP-MEDEF Code, which require a representation of 20% at minimum.

In this respect and in line with the Board of Directors' wish to strengthen the representation of women and independent members, the Appointments and Remuneration Committee has implemented a selection procedure, currently in progress, for another independent women director.

Meanwhile, this Annual General Meeting is asked to appoint, as a director, a representative of the majority shareholder (Cobivia), in order to allow the new woman director to join the Board of Directors upon completion of the procedure.

- The Board of Directors also decided, on the recommendation of the Appointments and Remuneration Committee, to submit for approval the reappointment of Sylvia Jay, Catherine Lucet, Rose-Marie Van Lerberghe and Finatis to the Annual General Meeting.

  As a result, at the end of the Annual General Meeting of 12 May 2015, the Board will comprise 15 members.

  In accordance with the recommendations of the AFEP-MEDEF Code, each director whose office is up for renewal at the Annual General Meeting of 12 May 2015 is not considered as holding several offices.
- The Board of Directors is not concerned by Articles L. 225-23, L. 225-27 and the new article L. 225-27-1 of the French Commercial Code and therefore does not include members who are employee representatives or are employed by the Company.
- According to the Board's internal rules and regulations, each director must own a number of registered shares equal to at least one year of attendance fees.

Non-voting director

Non-voting directors, appointed for a three-year term, attend Board meetings in an advisory capacity only. There cannot be more than five non-voting directors. The age limit for non-voting directors is set at eighty years.

Pierre Giacometti has been a non-voting director since 3 March 2010.

5.2.1.2. Organisation and operation of the Board of Directors

Preparation and organisation of the Board of Directors' work

The conditions for preparing and organising the Board of Directors' work are defined by the law, the Company's articles of association, the provisions of the Board's internal rules and regulations, and the charters of the Board's special committees.

Organisation and operating procedures of the Board of Directors

Chairmanship of the Board of Directors

The positions of Chairman of the Board of Directors and Chief Executive Officer were combined by the Board of Directors on 21 March 2005. They have since been held by Jean-Charles Naouri, also a controlling shareholder of the Group.

In a highly-competitive, fast-changing environment, this combination seeks to strengthen the link between strategy and operations and accordingly promote and enhance the efficiency of decision-making processes.

Duties of the Chairman of the Board of Directors

The Chairman organises and directs the Board of Directors' work and reports to the Annual General Meeting of Shareholders.

In this respect, the Chairman convenes Board meetings, prepares the agenda and writes the minutes. The Chairman ensures the proper operation of the Company's management bodies and verifies, in particular, that the directors are able to carry out their duties.

Board of Directors' internal rules and regulations

The organisation and operation of the Board of Directors are described in the Board of Directors' internal rules and regulations adopted in December 2003 and last amended by the Board of Directors on 17 February 2014. These consolidate and clarify the rules applicable to the Board by law, regulations and the Company's articles of association. They also include the corporate governance principles which the Board applies.

The internal rules and regulations describe the operation, powers, role and duties of the Board of Directors and its special committees, namely the Audit Committee and the Appointments and Remuneration Committee. They also clarify the role of the lead director. They specify the limits to the powers of the Chairman and Chief Executive Officer.

The internal rules and regulations also define the code of conduct and principles of good governance applicable to the members of the Board of Directors, especially the confidentiality obligation set forth in Article L. 465-1 of the French Monetary and Financial Code and Articles 621-1 et seq. of the AMF General Regulations on insider trading as well as the obligation to observe a blackout period in relation to all transactions in the Company's shares during the fifteen-day period preceding the publication of the Company's annual and interim financial statements.

They also mention the registration of directors on the list of permanent insiders drawn up by the Company, as required by regulations intended to better prevent insider trading and breaches.

They include provisions governing the declarations that must be made by corporate officers, individuals having close personal ties to members of the Board of Directors, and similar individuals regarding their transactions in Company shares.

The internal rules and regulations set out the principle of formal and regular assessments of the Board of Directors' work.

They also describe the terms and conditions for Board meetings and deliberations and allow directors to attend Board meetings by video conference or any other means of telecommunication.

The Board of Directors' internal rules and regulations are available on the Company's website: http://www.groupe-casino.fr.

Information provided to the Board of Directors

The Chairman and Chief Executive Officer must provide each director with all the documents and information required to carry out their duties.

The information needed for the examination of issues to be discussed by the Board of Directors is provided to Board members before the meeting. Each Board member is therefore provided with a brief containing all information and documents relating to the items on the agenda, subject to their availability and depending on the level of progress of the items.

Pursuant to the provisions of the Board of Directors' internal rules and regulations, Executive Management provides the Board of Directors, at least once a quarter, with a report on the operations of the Company and its main subsidiaries, including net sales and results, a summary of debt and of the credit lines available to the Company and its main subsidiaries, and a table showing the number of employees of the Company and its main subsidiaries.

The Board of Directors reviews the Group's off-balance sheet commitments once every six months.

The members of the Board of Directors are given a presentation on the Group's strategy and budget annually, at specific meetings or seminars.

The Chief Financial Officer and the Chairman's Advisor, who is also the Board Secretary, attend all the Board of Directors meetings. The other members of the Executive Committee and the managers of subsidiaries attend as needed.

Role and responsibilities of the Board of Directors

Pursuant to the provisions of Article L. 225-35 of the French Commercial Code, the Board of Directors determines the Company's business strategy and monitors its implementation. Subject to the powers expressly granted to the shareholders' meetings and within the scope of the Company's corporate purpose, the Board of Directors acts on all issues affecting the proper operation of the Company and deliberates on these matters.

It performs such audits and reviews as it deems appropriate.

The Board of Directors also examines and approves the annual and interim parent company and consolidated financial statements and presents reports on the business and results of the Company and its subsidiaries. It approves the Company's business plan and financial projections. It reviews the Chairman's report in view of its approval. It determines whether Executive Management should be represented by a single or combined position, appoints its Chairman and appoints and sets the remuneration of the Chief Executive Officer. It grants stock options and bonus shares and sets up employee share ownership plans. It also reviews the Company's equal opportunity and equal pay policy each year.

Some significant management transactions, due to their nature and/or their amount, are also subject to its prior approval with respect to the limitation of the powers of Executive Management, as detailed in the Chairman's report on page 306.

Activities of the Board of Directors

In 2014, the Board of Directors met nine times. The average attendance rate for members was 85.2%. Meetings lasted an average of 1 hour and 45 hours.

Approval of the financial statements – Operations of the Company and its subsidiaries

- The Board of Directors reviewed the financial statements for the year ended 31 December 2013 and for the first half of 2014 together with the business plan and financial projections of Casino, Guichard-Perrachon. It approved the reports and resolutions presented to the Ordinary and Extraordinary General Meeting held on 6 May 2014. It also reviewed the Group's operations for the periods ended 31 March and 31 September 2014 and received a quarterly presentation on the debt, financing and available cash. It specifically authorised bond issues and bond exchanges carried out during the year as well as the refinancing of the €1.2 billion syndicated credit line of August 2010.

  The Board of Directors approved the project for the creation and listing of a new Group subsidiary, Cnova, as the global, central e-commerce division.
- It was informed of the progress of sales of Monoprix stores required by the Competition Authority in France following the acquisition of control over Monoprix. The Board of Directors was also informed of the completion of the acquisition of Super Inter by Éxito in Colombia as well as Cdiscount's partnership project with the Bolloré Group. Furthermore, it gave its opinion on the purchase cooperation project with Intermarché.
- The Board received specific presentations on the financial position and operations of the Monoprix Group, property development transactions carried out with the Group subsidiaries and parent companies, and the Group gender equality policy.

Remuneration – Stock option and bonus share grants

The Board of Directors determined the Chairman and Chief Executive Officer's fixed and variable remuneration for 2014 and set his variable remuneration for 2013. It approved the allocation of attendance fees for 2014 to all the members of the Board of Directors and its technical committees and to the non-voting director and the lead director.

The Board decided on the annual grant of bonus shares to key executives of Casino and Monoprix and to the Group's senior executives in charge of the implementation and success of strategic and/or particularly complex operations.

Corporate governance

The Board of Directors conducted the annual review of the findings of the Appointments and Remuneration Committee on the Company's position with regard to corporate governance principles and more particularly concerning the composition and organisation of the Board and its committees, the independence of directors and the representation of women in the context of the renewal of expired terms of offices at the Annual General Meeting held in 2014.

The Board of Directors also received the lead director's annual report on the application of governance principles by the positions of Chairman of the Board of Directors and Chief Executive Officer in the exercise of their duties as well as on the operations of the Board and its committees. It reviewed the minutes of the meeting of independent directors.

The Board of Directors approved the Chairman's report on the organisation and operation of the Board of Directors and of Executive Management, as well as on the internal control and risk management procedures. It was informed of the bi-annual assignments performed by the Internal Audit and Internal Control Department.

The Board of Directors reviewed the observations of the Appointments and Remuneration Committee on the first report of the French High-Level Corporate Governance Committee ("HCGE"), and in particular on the position of the Company with regard to the analyses made by the HCGE, as well as the observations on the AMF's annual report on corporate governance and executive remuneration published in September 2014.

It was informed of all the work of its special committees as presented in detail below.

Special committees of the Board of Directors

The Board of Directors is supported in its work by two special committees: the Audit Committee and the Appointments and Remuneration Committee.

All committee members are directors. They are appointed by the Board, which also appoints the Chairman of each committee. The Chairman and Chief Executive Officer and their representatives are not members of a committee.

The specific duties and operating procedures of each committee were defined by the Board when the committees were created and are included in the internal rules and regulations, supplemented by committee-specific organisation and operation charters.

The Audit Committee

Membership

The Committee has four members, three of whom are independent: Frédéric Saint-Geours, Gérald de Roquemaurel and Catherine Lucet, independent directors, and Gilles Pinoncély, who is also a qualified person from outside the Group.

Frédéric Saint-Geours is the Chairman of the Committee.

All the members of the Audit Committee hold or have held corporate executive positions and therefore have the financial or accounting skills defined in Article L. 823-19 of the French Commercial Code.

Duties

The Audit Committee helps the Board of Directors fulfil its role in examining and approving the annual and interim financial statements, and examining any transaction, fact or event likely to have a material impact on the position of Casino, Guichard-Perrachon or its subsidiaries in terms of commitments and/or risk.

To this end, and in accordance with Article L. 823-19 of the French Commercial Code, the Audit Committee is in charge of matters relating to the preparation and verification of accounting and financial information. For the audit of the annual and interim financial statements, the Company strives to convene the Audit Committee at least two days before the Board meeting called to approve the financial statements.

It is thus specifically responsible for monitoring the effectiveness of the internal control and risk management systems, the auditing of the parent company and consolidated financial statements by the Statutory Auditors, and the independent status of the Statutory Auditors.

The Audit Committee organises the selection procedure of Statutory Auditors.

The Audit Committee's powers and responsibilities are defined in its organisation and operation charter, especially as regards the assessment of risks and the detection and prevention of management deficiencies.

Activities in 2014

The Audit Committee met eleven times (including seven exceptional meetings) in 2014. The attendance rate was 93.2%.

On approving the annual and interim financial statements, the Audit Committee verified the respective account closing processes and read the Statutory Auditors' analysis report, which included a review of all of the Company's consolidation transactions and financial statements. The Committee also reviewed the off-balance sheet commitments, the risks and accounting methods for provisions, and the applicable legal and accounting developments. It was provided with the audit plan and Statutory Auditors' fees for 2014.

The Committee examined the Finance and Accounting Department's memo on risks and off-balance sheet commitments, Casino, Guichard-Perrachon's risk management documents and the Chairman's report on internal control and risk management.

It was informed of the findings of the Statutory Auditors concerning the procedures for the preparation and processing of accounting and financial information, as well as the closing procedures and calendar for financial year 2014.

The Committee also interviewed the management of Internal Audit on the assignments performed in 2014 and their implementation conditions, as well on the 2015 audit plan.

It reported its observations and recommendations on the work carried out and its monitoring activities. It was also informed of the work carried out in 2014 by the Group's Internal Control Department.

The Committee met seven times following the exceptional assignment from the Board of Directors on 6 May 2014 in connection with the creation and initial public offering of Cnova, combining the Casino Group's e-commerce activities in a global, central division. In this respect, it specifically reviewed the terms and conditions of the transaction and monitored the activities of the independent valuer in charge of assessing the parity of the contributions made by Casino to Cnova.

The Chairman of the Committee reported to the Board of Directors on the work of each Audit Committee meeting.

The Appointments and Remuneration Committee

Membership

The Appointments and Remuneration Committee has four members, three of whom are independent: Rose-Marie Van Lerberghe, Henri Giscard d'Estaing and Gérald de Roquemaurel, independent members, and David de Rothschild, who is also a qualified person from outside the Group.

Rose-Marie Van Lerberghe chairs the Appointments and Remuneration Committee.

The Chairman and Chief Executive Officer participates in the work of the Appointments and Remuneration Committee concerning the process of selection and appointment of directors.

Duties

The Appointments and Remuneration Committee is specifically in charge of helping the Board of Directors review applications for Executive Management positions, select new directors, determine and monitor executive remuneration and stock option and bonus share grants, as well as implement employee share ownership plans. It also oversees the proper application of corporate governance rules and, where appropriate, the absence of potential conflicts of interest.

The Appointments and Remuneration Committee drew up a charter that sets out its powers and responsibilities, in particular with regard to the implementation and organisation of performance evaluations of the Board of Directors and verification that the corporate governance principles and the code of conduct for directors, in particular as derived from the Board of Directors' internal rules and regulations, are being properly respected and applied.

Activities in 2014

The Appointments and Remuneration Committee met three times in 2014. The attendance rate was 67%.

The Committee performed its annual review of the organisation and operations of the Board of Directors and its special committees as well as the proper application of the corporate governance principles and rules of conduct in accordance with the AFEP-MEDEF Code and the provisions of the internal rules and regulations. It reported its findings and recommendations to the Board of Directors. In this context, it analysed the assessments and observations expressed by the directors as part of the procedure for assessing the organisation and operation of the Board finalised in the first quarter of 2014. It subsequently reported its findings to the Board of Directors, which are available on page 156 of this document. It received the minutes of the meeting of independent directors for the purpose of discussing the Board of Directors' organisation and operation as well as the duties of the lead director for 2013, the first full year for her position.

It examined each director's situation with regard to dealings with Group companies that might compromise their freedom of judgment or entail conflicts of interest, in particular with respect to the reappointment of directors.

The Committee was asked to examine the procedures for determining the Chairman and Chief Executive Officer's fixed and variable remuneration for 2014 and for setting the variable remuneration for 2013, as well as the allocation of attendance fees to the members of the Board of Directors and its special committees and to the non-voting director. Furthermore, it issued a recommendation regarding the allocation of a specific attendance fee to the lead director and to members of the Audit Committee and an additional fee for the seven extraordinary meetings held in 2014 concerning the creation and listing of the Group's e-commerce activities unit.

It examined the Chairman's Report on the organisation of the Board of Directors' work, along with the corporate governance-related information mentioned in the management report.

It also reviewed the grant of bonus shares to key executives of Casino and Monoprix and to the Group's senior executives in charge of the implementation and success of strategic and/or particularly complex operations.

The Committee examined the implementation of the new recommendations of the AFEP-MEDEF Corporate Governance Code for listed companies relating to the advisory vote of shareholders on the remuneration due or paid to the Chairman in 2013, and issued its recommendations regarding the renewal of the specific annual authorisations of the Chairman and Chief Executive Officer.

The Committee assessed the Company's position with respect to the first business report of the French High-Level Corporate Governance Committee created in 2013 to monitor the implementation of the AFEP-MEDEF Code by companies, and with respect to the AMF's annual report on corporate governance and executive remuneration of September 2014.

It was given a presentation on talent development and succession plans within the Group and was informed about the corporate social responsibility policy.

The Chairman of the Committee reported to the Board of Directors on the work of each Appointments and Remunerations Committee meeting.

To perform some of its tasks, the Appointments and Remuneration Committee relied on comparative analyses and studies specifically conducted by specialist firms.

The lead director

Following the request of the Chairman and Chief Executive Officer, who requested that a lead director be appointed to ensure that the exercise of the combined duties of the Chairman of the Board of Directors and the Chief Executive Officer complies with good governance principles, the Board of Directors appointed the Chairman of the Appointments and Remuneration Committee as lead director on 11 May 2012.

The duties of the lead director include:

- ensuring compliance with good governance principles in the exercise of the combined duties of the Chairman and the Chief Executive Officer;
- ensuring the proper operation and performance of the Board's work, in particular regarding the organisation of its discussions and its information;
- preventively notifying the Chairman of any risk or potential conflicts of interest;
- convening, if necessary, the Appointments and Remuneration Committee to discuss all these matters.

In 2014, as part of her annual assignment, the lead director organised a meeting with all independent directors in order to report to the Appointments and Remuneration Committee on the exercise of the duties of the Chairman and of the Chief Executive Officer with regard to the provisions of the internal rules and regulations and the charters of the various committees, as well as on the operations and assignments performed by the Board and its committees. The lead director then informed the Chairman and Chief Executive Officer about her observations and recommendations.

Performance evaluation of the Board of Directors

As recommended by the AFEP-MEDEF Code, the internal rules and regulations provide for an annual review and regular performance evaluations of the Board of Directors by the Appointments and Remuneration Committee, assisted by an outside consultant if it so wishes.

The fifth evaluation since 2004 was carried out at the end of 2013 by the Appointments and Remuneration Committee through an internal procedure entailing a questionnaire based on a set of topics selected in advance according to good practices adapted to the specific features of the Casino Group.

The assessments and observations of the directors revealed that the Board's organisation and operation were very satisfactory and compliant with the regulations, ethics and corporate governance principles.

The directors however expressed the wish to see more women and more foreign nationals on the Board, and for the continuation of the occasional interventions of the Group's operational managers on the activities and strategy of the subsidiaries.

Changes in corporate governance

In order to better reflect the now highly international dimension of the Group as well as the presence of several listed companies, subsidiaries or parent companies both in France and abroad, the Board of Directors decided to amend or complete the procedures and/or existing bodies and accordingly strengthen the good governance policy.

On 16 February 2015, the Board of Directors decided to implement a procedure for reviewing all related party agreements and assess the potential implementation of a new committee primarily in charge of corporate governance issues.

Implementation of a prior review procedure of related-party transactions by the Audit Committee

Casino wished to pay particular attention to the agreements entered into between Casino and its 100% subsidiaries on the one hand, and Casino Group companies, parent companies and their subsidiaries, and equity-accounted entities, on the other.

In this respect and considering potential conflicts of interest and the need to protect the different non-controlling interests in the Group, the Board of Directors decided to introduce a systematic review process for related-party agreements by working with the Audit Committee. The only Group procedure relating to regulated agreements, as required by the French Commercial Code, applies primarily to agreements to which Casino is a direct party and does not cover current agreements entered into on arm's length terms, which in fact represent the majority of intra-group agreements.

This is why the Board implemented a prior review procedure by the Audit Committee for all agreements in excess of €10 million by transaction or aggregated transactions by related party occurring between (i) Casino and its wholly-owned subsidiaries, on the one hand, and (ii) the other Group companies, controlling companies and equity-accounted entities, on the other, before their presentation to the Board of Directors for information or authorisation purposes.

After consultation with the Audit Committee and the Appointments and Remuneration Committee, the Board of Directors prepared and approved a specific charter for the organisation and operation of the procedure at its meeting of 16 February 2015.

Evaluation of the proposal for a new Board committee dedicated to corporate governance

In order to better apprehend and specifically monitor all governance issues, the Board of Directors also began discussing the possibility of creating a new special Board committee dedicated to corporate governance, to work with the Appointments and Remuneration Committee.

This change in Casino's corporate governance is modelled on the best practices observed in France and abroad and in particular within the Group's subsidiaries listed in New York, CBD and Cnova.

The special Corporate Governance Committee would be required to monitor corporate governance rules, ensure they are appropriate for the Group and being properly applied, and propose improvements thereto.

To this end, at its meeting of 16 February 2015, the Board of Directors decided to create an ad hoc committee comprised of members of two existing committees, to assess the procedures for creating a new committee and define its remit consistent with that of the other two committees.

Organisation and operating procedures for the new committee will be combined in a specific charter subject to the approval of the Board of Directors.

5.2.2. OFFICES AND POSITIONS HELD BY THE MEMBERS OF THE BOARD OF DIRECTORS

Jean-Charles Naouri

Chairman and Chief Executive Officer

Date of birth

8 March 1949, 66 years
French

Business address

1, Esplanade de France – 42000 Saint-Étienne, France
148, rue de l'Université – 75007 Paris, France

Biography

A graduate of the *École normale supérieure* (sciences), Harvard University and the *École nationale d'administration*, Jean-Charles Naouri began his career as Inspector General of 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 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
Chairman of Euris

Offices and positions held in the Company

Office/Position	Date of first appointment	Term expires
Director	4 September 2003	AGM to be held in 2016
Chairman	4 September 2003	AGM to be held in 2016
Chief Executive Officer	21 March 2005	AGM to be held in 2016

Other offices and positions held in 2014 and still in effect at 16 February 2015

Within the Casino/Euris Group

- Chairman of the Board of Directors of Rallye (listed company);
- Chairman of Wilkes Participações (Brazil) and Companhia Brasileira de Distribuição (listed company – Brazil);
- Chairman of Cnova NV (listed company – Netherlands);
- Chairman and Chief Executive Officer of Casino Finance;
- Vice-Chairman of the Casino Corporate Foundation;
- Chairman of Euris.

Outside the Casino/Euris Group

- Director of Fimalac (listed company);
- Member of the Banque de France Advisory Committee;
- Chairman of the "Promotion des talents" association;
- Honorary chairman and director of the *Institut de l'École normale supérieure.*

Offices and positions held during the past five years (other than those listed above)

- Chairman and Chief Executive Officer, then Chairman of the Board of Directors, then Chairman of the Supervisory Board of Monoprix SA;
- Chief Executive Officer of Rallye (listed company);
- Chairman of the Board of Directors of Finatis (listed company);
- Member of the Supervisory Board of Monoprix SA;
- Director of Natixis (listed company);
- Manager of Penthièvre Neuilly SCI and Penthièvre Seine SCI;
- Chairman of the Board of Directors of the Casino Corporate Foundation (listed company);
- Vice-Chairman of the Euris Foundation.

Number of Casino shares held: 368

Henri Giscard d'Estaing

Independent director

Date of birth

17 October 1956, 58 years

French

Business address

11, rue de Cambrai – 75019 Paris, France

Biography

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 at Cofremca, where he worked as associate director from 1982 to 1987, specialising in the study of food consumption 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 the UK subsidiary HP Food Lea and Perrins, then Chief Executive Officer of Évian-Badoit and eventually Director of the Mineral Waters division.

Henri Giscard d'Estaing 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), and Chairman of the Executive Board (2002-2005) before being appointed Chairman and Chief Executive Officer.

Main executive position

Chairman and Chief Executive Officer of Club Méditerranée (listed company)

Offices and positions held in the Company

Office/Position	Date of first appointment	Term expires
Director	8 April 2004	AGM to be held in 2016

Other offices and positions held in 2014 and still in effect at 16 February 2015

Outside the Casino Group	
Within the Club Méditerranée Group	**Outside the Club Méditerranée Group**
• Chairman and founding director of the Club Méditerranée corporate foundation.	• Member of the Supervisory Board of Randstad (listed company – Netherlands).

Offices and positions held during the past five years (other than those listed above)

Director of ADP (listed company), Holiday Hôtels AG (Switzerland) and Carthago (Tunisia).

Number of Casino shares held: 313

Lady Sylvia Jay

Independent director
(term of office to be renewed)

Date of birth

1 November 1946, 68 years

British

Business address

38 Markham Street – London SW3 3NR, UK

Biography

Lady Sylvia Jay, CBE[1] is a graduate of the University of Nottingham (United Kingdom) and research scientist at the London School of Economics. She held various high-ranking positions in the British civil service from 1971 to 1995, particularly in the area of financial aid to developing countries. She was later seconded to the French Ministry of Cooperation and the French Treasury. She was also Assistant Director in Jacques Attali's office at the European Bank for Reconstruction and Development. In 2001, she joined the private sector as Chief Executive Officer of the UK Food and Drink Federation until 2005, when she was appointed Vice-Chairwoman, then in 2011 Chairwoman of L'Oréal UK and Ireland until August 2013.

Main position

Independent director of various companies

Offices and positions held in the Company

Office/Position	Date of first appointment	Term expires
Director	11 May 2012	AGM of 12 May 2015

Other offices and positions held in 2014 and still in effect at 16 February 2015

Outside the Casino Group

- Director of Saint-Gobain and Lazard Ltd (listed companies).

Offices and positions held during the past five years (other than those listed above)

- Chairwoman of Food from Britain;
- Vice-Chairwoman then Chairwoman of L'Oréal UK;
- Director of Alcatel Lucent;
- Trustee of Body Shop Foundation;
- Chairwoman of the Pilgrim Trust;
- Trustee of the Entente Cordiale Scholarship Scheme and of the Prison Reform Trust.

Number of Casino shares held: 400

(1) Commander of the Order of the British Empire.

Marc Ladreit de Lacharrière

Director

Date of birth

6 November 1940, 74 years

French

Business address

97, rue de Lille – 75007 Paris, France

Biography

A graduate of the *École nationale d'administration*, Marc Ladreit de Lacharrière began his career at Banque de Suez et de l'Union des Mines, which subsequently became Indosuez after merging with Banque de l'Indochine. He left his position as Head of Indosuez's Investment Banking Department in 1976 to join L'Oréal as Chief Financial Officer, later becoming Vice-Chairman and Deputy Chief Executive Officer. He left L'Oréal in March 1991 to found his own company, Fimalac.

Main executive position

Chairman and Chief Executive Officer of Fimalac (listed company)

Offices and positions held in the Company

Office/Position	Date of first appointment	Term expires
Director	4 September 2003	AGM to be held in 2016

Other offices and positions held in 2014 and still in effect at 16 February 2015

Outside the Casino Group

Within the Fimalac Group

- Chairman of the Fitch Group (United States);
- Chairman of the Executive Board of the Marc de Lacharrière Group;
- Chairman of the Supervisory Board of Webedia;
- Manager of Fimalac Participations (Luxembourg).

Outside the Fimalac Group

- Director of Gilbert Coullier Productions (SAS), the Lucien Barrière Group (SAS), Renault (listed company) and Société Fermière du Casino Municipal de Cannes (SFCMC) (listed company);
- Permanent representative of Fimalac on the Board of Directors of NextRadioTV;
- Permanent representative of Financière de l'Océan Indien SA on the Board of Directors of CIEL Ltd;
- Honorary Chairman of the *Comité National des Conseillers du Commerce Extérieur de la France*;
- Chairman of the Board of Directors of Agence France Museums (SAS);
- President of the *Fondation Culture et Diversité* and the Abbaye de Lubilhac endowment fund;
- Member of the *Fondation des Sciences Politiques* and the *Conseil Artistique des Musées Nationaux*;
- Member of the *Institut de l'Académie des Beaux-Arts*.

Offices and positions held during the past five years (other than those listed above)

- Chairman of Fitch Ratings (United States);
- Director of Algorithmics (Canada);
- Director of L'Oréal (listed company);
- Manager of Fimalac Participations;
- Member of the Bettencourt-Schueller foundation and the L'Oréal corporate foundation;
- Member of the *Musée des Arts Décoratifs* (association).

Number of Casino shares held: 600

Catherine Lucet

Independent director
(term of office to be renewed)

Date of birth

3 February 1959, 56 years

French

Business address

25, avenue Pierre-de-Coubertin – 75013 Paris, France

Biography

Catherine Lucet is a graduate of the *École polytechnique* (1979) and the *École des mines de Paris* (1984) and holds an MBA from the INSEAD Business School. Catherine Lucet 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 and Retz and the Le Robert dictionaries, and Chairwoman of Éditions Nathan. Since 2010, she has also been Vice-Chairwoman of the Cap Digital business cluster.

Main executive position

Chief Executive Officer of the Education and Reference division of Editis

Offices and positions held in the Company

Office/Position	Date of first appointment	Term expires
Director	28 February 2011	AGM of 12 May 2015

Other offices and positions held in 2014 and still in effect at 16 February 2015

Outside the Casino Group

Within the Editis Group	Outside the Editis Group
• Chairwoman of S.e.j.e.r.; • Chairwoman and Chief Executive Officer of Librairie Fernand Nathan.	• Member of the Supervisory Board of Brill (Netherlands); • Director of Cap Digital.

Offices and positions held during the past five years (other than those listed above)

- Chairwoman and Chief Executive Officer of Paraschool;
- Chairwoman of Dokeo TV;
- Director of Dictionnaires Le Robert;
- Chairwoman of the *Savoir-Livre* association.

Number of Casino shares held: 445

Gilles Pinoncély

Director

Date of birth

5 January 1940, 75 years – Descendant of the Geoffroy-Guichard family (great-grandson of the founder)

French

Business address

1, Esplanade de France – 42000 Saint-Étienne, France

Biography

A graduate of the *École supérieure d'agriculture de Purpan* in Toulouse, Gilles Pinoncély began his career at L'Épargne which was taken over by the Casino Group in 1970. Appointed Authorised Representative in 1976, he became Managing Partner of Casino in 1981, then Statutory Manager in 1990. In 1994, he was appointed member of the Supervisory Board of Casino then member of the Board of Directors in 2003.

Main position

Director of various companies

Offices and positions held in the Company

Office/Position	Date of first appointment	Term expires
Director	4 September 2003	AGM to be held in 2016

Other offices and positions held in 2014 and still in effect at 16 February 2015

Outside the Casino Group

- Director of Financière Célinor (Vie & Véranda);
- Director of the *Centre long séjour Sainte-Élisabeth*.

Offices and positions held during the past five years (other than those listed above)

Director of Monoprix.

Number of Casino shares held: 4,000 shares full title and 21,000 shares beneficial interest

Gérald de Roquemaurel

Independent director

Date of birth

27 March 1946, 69 years

French

Business address

Rue de Belle Vue, 64 – Brussels 1000, Belgium

Biography

Gérald de Roquemaurel holds a law degree, a degree from the *Institut d'études politiques de Paris* and is a former student 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 the Presse Hachette Group (which became Hachette Filipacchi Presse in 1992). From 1983 to 1985, he was responsible for the group's international development. In 1984, he became director and Chief Executive Officer of Publications Filipacchi (now Filipacchi Medias), then member of the Executive and Strategic Committee of Lagardère SCA, director of Hachette SA, and General Manager of NMPP.

On 18 June 1997, he was appointed Chairman and Chief Executive Officer of Hachette Filipacchi Médias, then Chief Operating Officer of Lagardère Group for the media division in 1998. 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 the *Club de la Maison de la Chasse et de la Nature*. At the beginning of 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 manager of BGR Partners, partner of Arjil in Belgium.

Main position

Manager of BGR Partners

Offices and positions held in the Company

Office/Position	Date of first appointment	Term expires
Director	31 May 2006	AGM to be held in 2017

Other offices and positions held in 2014 and still in effect at 16 February 2015

Outside the Casino Group

- Member of the Supervisory Board of Baron Philippe de Rothschild SA;
- Vice-Chairman of the *Presse Liberté* association.

Offices and positions held during the past five years (other than those listed above)

- Director of *Musée des arts décoratifs* (association) and of Nakama (Skyrock);
- Member of the Supervisory Board of Société Financière HR;
- Manager of *Compagnie pour la Télévision Féminine*.

Number of Casino shares held: 400

David de Rothschild

Director

Date of birth

15 December 1942, 72 years

French

Business address

29, avenue de Messine – 75008 Paris, France

Biography

David de Rothschild is a graduate of the *Institut d'études politiques de Paris* and began his career at Société Le Nickel. From 1973 to 1978, he was Chief Executive Director of Compagnie du Nord, then Chairman of the Executive Board of Banque Rothschild. In 1982, he created Orléans Banque, then became Statutory Managing Partner of Rothschild & Cie Banque and Chairman and Chief Executive Officer of Francarep, now Paris Orléans.

Main executive positions

Chairman of PO Gestion, Manager of Paris Orléans SCA

Permanent representative of PO Gestion, Chairman of RCB Gestion, leading Statutory Manager of Rothschild & Cie Gestion, Rothschild & Cie Banque, Rothschild & Cie and Transaction R

Manager of Rothschild & Cie Banque

Managing Partner of Rothschild & Cie

Offices and positions held in the Company

Office/Position	Date of first appointment	Term expires
Director	4 September 2003	AGM to be held in 2017

Other offices and positions held in 2014 and still in effect at 16 February 2015

Outside the Casino Group

Within the Rothschild Group

- Managing Partner of RCB Partenaires and Rothschild Ferrières;
- Chairman of Rothschild Concordia, Rothschild NorthAmerica (United States), Rothschilds Continuation Holding AG (Switzerland), Rothschild Europe BV (Netherlands), SCS Holding, PO Commandité, RCG Partenaires, RCI Partenaires, Cavour, Verdi, Aida, Paris Orléans Holding Bancaire (POHB) and Financière Rabelais;
- Vice-Chairman of Rothschild Bank AG (Switzerland) and Rothschild Holding AG (Switzerland);
- Director of Rothschild Concordia, Rothschild Holding AG (Switzerland), Rothschild Employee Trustees Limited (UK), Rothschild Asia Holding Limited (China) and Rothschild Concordia AG;
- Sole director of GIE Five Arrows Messieurs de Rothschild Frères and Sagitas;
- General Manager of Bero.

Outside the Rothschild Group

- Chairman of Financière de Reux and Financière de Tournon;
- Managing Partner of Rothschild Ferrières, SCI 2 Square Tour Maubourg, Société Civile du Haras de Reux;
- Director of La Compagnie Financière Martin-Maurel SA, Edmond de Rothschild SA and Continuation Investments NV (Netherlands).

Offices and positions held during the past five years (other than those listed above)

- Chairman of RCG Gestion, RCB Gestion, RCBP Gestion and RCI Gestion and Norma;
- Chairman and director of NM Rothschild & Sons Limited (UK);
- Member of the Remuneration and Nomination Committee of Rothschilds Continuation Holdings AG;
- Member of the Supervisory Board of Compagnie Financière Saint-Honoré;
- Director of De Beers SA (Luxembourg).

Number of Casino shares held: 400

Frédéric Saint-Geours

Independent director

Date of birth

20 April 1950, 65 years

French

Business address

Campus Étoiles – 2 place aux Étoiles – CS 70001 – 93633 La Plaine Saint-Denis Cedex, France

Biography

A laureate of the *Institut d'études politiques de Paris*, Frédéric Saint-Geours holds a degree in economics and is an alumnus of *École nationale d'administration*. He joined PSA Peugeot Citroën in 1986 after a career at the Ministry of Finance, in the offices of the Chairman of the National Assembly and of the Secretary of State for the budget (from 1975 to 1986). After being Deputy Chief Financial Officer of the PSA Group from 1986 to 1988, Frédéric Saint-Geours 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. From July 1998 to December 2007, he was a member of the PSA Peugeot Citroën Executive Board. On 1 January 2008, he was appointed Advisor to the Chairman of the Executive Board of PSA Peugeot Citroën and member of its Executive Committee. He was elected Chairman of the UIMM on 20 December 2007. From 17 June 2009 to March 2013, he was a member of the Peugeot SA Executive Board, Chief Financial Officer and Head of Strategic Development of the PSA Peugeot Citroën Group from June 2009 to January 2012, Brand Manager (Peugeot and Citroën) from January 2012 to March 2013, then Special Adviser to the Chairman of the Executive Board of PSA Peugeot Citroën. In September 2013, he was elected Chairman of the *Groupe des Fédérations Industrielles* (GFI) and in November 2014, Chairman of the Supervisory Board of the SNCF.

Main executive position

Chairman of the Supervisory Board of the SNCF

Offices and positions held in the Company

Office/Position	Date of first appointment	Term expires
Director	31 May 2006	AGM to be held in 2017

Other offices and positions held in 2014 and still in effect at 16 February 2015

Outside the Casino Group

- Director of BPIFrance Investissement;
- Director of BPIFrance Participations.

Offices and positions held during the past five years (other than those listed above)

- Chairman of the Board of Directors of Banque PSA Finance;
- Chairman of Automobiles Citroën and Automobiles Peugeot;
- Vice-Chairman of Dongfeng Peugeot Citroën Automobiles Company Ltd (China);
- Director of Peugeot Citroën Automobiles SA;
- Chairman and Chief Executive Officer of Banque PSA Finance;
- Chief Executive Officer and Director of Automobiles Peugeot;
- Chairman of the Supervisory Board of Peugeot Finance International NV (Netherlands);
- Vice-Chairman and Managing Director of PSA International SA;
- Director of Faurecia;
- Director of Gefco;
- Director of Peugeot España SA;
- Director of PCMA Holding BV (Netherlands);
- Permanent representative of Automobiles Peugeot on the Board of Directors of Gefco and Banque PSA Finance;
- Permanent representative of Peugeot SA on the Board of Directors of Automobiles Peugeot;
- Director of Changan PSA Automobiles Co Ltd (China);
- Member of the Supervisory Board of Peugeot Deutschland GmbH;
- Chairman of the *Union des Industries et des Métiers de la Métallurgie;*
- Chairman of the *Groupe des Fédérations Industrielles.*

Number of Casino shares held: 350

Rose-Marie Van Lerberghe

Independent director – Lead director
(term of office to be renewed)

Date of birth

7 February 1947, 68 years

French

Business address

28, rue du Docteur Roux – 75015 Paris, France

Biography

Rose-Marie Van Lerberghe is a graduate of the *École nationale d'administration*, the *Institut d'études politiques de Paris* and the INSEAD Business School. She is also an alumna of the *École normale supérieure*, with a degree in history and a post-graduate degree in philosophy. She started her career at the *Inspection générale des Affaires sociales* and subsequently became deputy director for labour defence and promotion at the employment delegation of the Ministry of Labour. She then worked for the Danone Group for ten years as the Vice-President for Human Resources. She was later Delegate General for Employment and Vocational Education, then Chief Executive Officer of Paris public hospitals. From 2006 to 2011, she was Chairman of the Executive Board of the Korian Group. From 2011 to 2015, she was a member of the French High Council for the Judiciary.

Main position

Chairman of the Board of Directors of Institut Pasteur

Offices and positions held in the Company

Office/Position	Date of first appointment	Term expires
Director	19 May 2009	AGM of 12 May 2015

Other offices and positions held in 2014 and still in effect at 16 February 2015

Outside the Casino Group

- Director of Klépierre (listed company);
- Director of Bouygues (listed company);
- Director of CNP (listed company);
- Director of the Saint-Joseph Hospital Foundation (FHSJ).

Offices and positions held during the past five years (other than those listed above)

- Member of the French High Council for the Judiciary;
- Chairman of the Korian Group Executive Board;
- Director of Air France (listed company);
- Director of the *École des Hautes études de Santé publique* (EHESP).

Number of Casino shares held: 300

Euris

Director

French simplified limited company (*Société par actions simplifiée*) with share capital of €164,806

Registered office: 83, rue du Faubourg-Saint-Honoré – 75008 Paris, France

Paris Trade and Companies Register (R.C.S.) no. 348 847 062

Offices and positions held in the Company

Office/Position	Date of first appointment	Term expires
Director	4 September 2003	AGM to be held in 2017

Other offices and positions held in 2014 and still in effect at 16 February 2015

Within the Casino/Euris Group

- Director of Finatis, Foncière Euris and Rallye (listed companies)

Offices and positions held during the past five years (other than those listed above)

None.

Number of Casino shares held: 365

Permanent representative of Euris

Didier Carlier

Appointed on 2 March 2006

Date of birth

5 January 1952, 63 years

French

Business address

83, rue du Faubourg-Saint-Honoré – 75008 Paris, France

Biography

Didier Carlier is a graduate of the *École supérieure de commerce de Reims* and a chartered accountant. He began his career in 1975 at Arthur Andersen in the Audit department, where he later became Manager. He subsequently became Corporate Secretary of Équipements Mécaniques Spécialisés, then Chief Financial Officer of Hippopotamus. He then joined the Rallye Group as Chief Financial Officer in 1994 and was appointed Deputy Chief Executive Officer in January 2002. He has been Chief Executive Officer of Rallye since 28 February 2013.

Main executive position

Chief Executive Officer of Rallye (listed company)

Other offices and positions held in 2014 and still in effect at 16 February 2015

Within the Casino/Euris Group	Outside the Casino/Euris Group
• Chairman and Chief Executive Officer of Miramont Finance et Distribution SA and La Bruyère SA; • Chairman of Alpétrol, Cobivia, Genty Immobilier et Participations, L'Habitation Moderne de Boulogne, Les Magasins Jean, Matignon Sablons and Parande; • Chairman and Chief Executive Officer of MFD Inc. USA; • Representative of Parande, Chairman of Pargest and Parinvest; • Permanent representative of Matignon Sablons, director of Groupe Go Sport; • General Manager of SCI de Kergorju, SCI des Sables and SCI des Perrières.	• General Manager of SC Dicaro.

Offices and positions held during the past five years (other than those listed above)

- Chairman and Chief Executive Officer of Colisée Finance VI;
- Chairman of Kerrous, Marigny Percier, Colisée Finance III, Omnium de Commerce et de Participations, Colisée Finance IV and Colisée Finance V;
- Managing Director of Club Sport Diffusion (Belgium) and Limpart Investments BV (Netherlands);
- Representative of Parande, Chairman of Pargest Holding;
- Permanent representative of Omnium de Commerce et de Participations, director of Groupe Go Sport;
- Permanent representative of Foncière Euris, director of Rallye (listed company);
- Permanent representative of Matignon Diderot, director of Rallye (listed company);
- Chairman of US companies Crapon LLC, King LLC, Lobo I LLC, Oregon LLC, Parker I LLC, Pointer I LLC, Sharper I LLC and Summit I LLC.

Finatis

Director
(term of office to be renewed)

French public limited company (*Société anonyme*) with share capital of €84,852,900

Registered office: 83, rue du Faubourg-Saint-Honoré – 75008 Paris, France

Paris Trade and Companies Register (R.C.S.) no. 712 039 163

Offices and positions held in the Company

Office/Position	Date of first appointment	Term expires
Director	15 March 2005	AGM of 12 May 2015

Other offices and positions held in 2014 and still in effect at 16 February 2015

Within the Casino/Euris Group

- Director of Carpinienne de Participations, Foncière Euris and Rallye (listed companies).

Offices and positions held during the past five years (other than those listed above)

None.

Number of Casino shares held: 380

Permanent representative of Finatis

Michel Savart

Appointed on 28 February 2011

Biography

Michel Savart is a graduate of the *École polytechnique* and *École nationale supérieure des mines de Paris*. He began his career at Havas in 1986, then joined Banque Louis Dreyfus as project manager in 1987. He was Adviser to the Executive Board of Banque Arjil (the Lagardère Group) between 1988 and 1994, then Managing Director in charge of mergers and acquisitions at the Dresdner Kleinwort Benson (DKB) bank from 1995 to 1999. He joined the Euris-Rallye Group in October 1999 as Director – Adviser to the Chairman, in charge of private equity investments. He is currently Adviser to the Chairman of the Rallye-Casino Group. He has also been Chairman and Chief Executive Officer of Foncière Euris since August 2009.

Date of birth

1 April 1962, 53 years

French

Business address

83, rue du Faubourg-Saint-Honoré – 75008 Paris, France

Main executive positions

Adviser to the Chairman of the Rallye-Casino Group

Chairman and Chief Executive Officer of Euris (listed company)

Other offices and positions held in 2014 and still in effect at 16 February 2015

Within the Casino/Euris Group	Outside the Casino/Euris Group
• Chairman of the Executive Board of Centrum Riviera Sp Zoo; • Permanent representative of Rallye on the Board of Directors of Groupe Go Sport; • Representative of Foncière Euris, Chairman of Marigny Foncière SAS, Matignon Abbeville SAS and Mat-Bel 2 (since 23 January 2015); • Representative of Marigny Foncière, co-General Manager of SCI Les Deux Lions and SCI Ruban Bleu Saint-Nazaire and General Manager of SCI Pont de Grenelle and SNC Centre Commercial Porte de Châtillon; • Representative of Mat-Bel 2, General Manager of SNC Marigny Fenouillet; • Representative of SNC Marigny Fenouillet, General Manager of SNC Fenouillet Participation; • Representative of Matignon Abbeville, General Manager of Centrum K Sarl and Centrum J Sarl and A General Manager of Centrum NS Luxembourg Sarl; • Co-General Manager of Einkaufzsentrum am Alex GmbH, Guttenbergstrasse BAB5 GmbH and Loop 5 Shopping Centre GmbH.	• Director of Mercialys (listed company); • Chairman of Aubriot Investissements SAS; • Chairman of EURL Montmorency.

Offices and positions held during the past five years (other than those listed above)

- Chairman of the Board of Directors of Mercialys (listed company);
- Chairman of the Executive Board of Centrum Wzgorze Sp Zoo;
- Director of Cdiscount;
- Representative of Foncière Euris, Chairman of Marigny Expansion SAS, Marigny-Élysées, Matignon Bail, Matignon Corbeil Centre and Marigny-Belfort;
- Representative of Matignon Abbeville, Chairman of Mat-Bel 2 SAS;
- Representative of Matignon Abbeville, Chairman of Centrum Z Sarl;
- Representative of Marigny Elysées, co-General Manager of SCCV des Jardins de Seine 1, SCCV des Jardins de Seine 2 and SNC Centre Commercial du Grand Argenteuil;
- Representative of Marigny Foncière, co-General Manager of SCI Palais des Marchands;
- Representative of Marigny Foncière, Chairman of Mat-Bel 2 SAS (term expires on 23 January 2015);
- Representative of Foncière Euris, General Manager of SNC Alta Marigny Carré de Soie, SCI Sofaret and SCI Les Herbiers;
- General Manager of Aubriot Investissements EURL;
- Co-General Manager of HBF Königswall, Alexa Holding GmbH, Alexa Shopping Centre GmbH and Alexanderplatz Voltairestrasse GmbH.

Foncière Euris

Director

French public limited company (*Société anonyme*) with share capital of €149,578,110

Registered office: 83, rue du Faubourg-Saint-Honoré – 75008 Paris, France

Trade and Companies Register (R.C.S.) no. 702 023 508

Offices and positions held in the Company

Office/Position	Date of first appointment	Term expires
Director	29 April 2010	AGM to be held in 2017

Other offices and positions held in 2014 and still in effect at 16 February 2015

Within the Casino/Euris Group

- Chairman of Matignon Abbeville SAS, Marigny Foncière SAS and Mat-Bel 2 (since 23 January 2015);
- Director of Rallye SA (listed company).

Offices and positions held during the past five years (other than those listed above)

- Chairman of Marigny-Élysées SAS, Marigny Expansion SAS, Matignon Bail SAS, Matignon Corbeil Centre SAS and Marigny Belfort SAS;
- Co-General Manager of SNC Alta Marigny Carré de Soie;
- General Manager of SCI Sofaret and Les Herbiers.

Number of Casino shares held: 365

Permanent representative of Foncière Euris

Didier Lévêque

Appointed on 29 May 2008

Date of birth

20 December 1961, 53 years

French

Business address

83, rue du Faubourg-Saint-Honoré – 75008 Paris, France

Biography

Didier Lévêque is a graduate of *École des hautes études commerciales*. From 1985 to 1989, Didier Lévêque was Research Manager in the Finance department of the Roussel-UCLAF Group. He joined Euris as Assistant Corporate Secretary in 1989. He became Corporate Secretary in 2008.

Main executive positions

Corporate Secretary of Euris

Chairman and Chief Executive Officer of Finatis (listed company)

Other offices and positions held in 2014 and still in effect at 16 February 2015

Within the Casino/Euris Group

- Chairman and Chief Executive Officer of Carpinienne de Participations (listed company) and Euris North America Corporation (ENAC), Euristates Inc., Euris Real Estate Corporation (EREC) and Parande Brooklyn Corp. (United States);
- Chairman of Par-Bel 2 (SAS) and Matignon Diderot (SAS);
- Director of Euris Limited (UK) and Cnova (Netherlands – listed company);
- Member of the Supervisory Board of Centrum Baltica SA, Centrum Development SA, Centrum Krakow SA, Centrum Poznan SA, Centrum Warta SA and Centrum Weiterstadt SA (Luxembourg);
- Permanent representative of Finatis, director of Euris (listed company);
- Permanent representative of Foncière Euris, director of Rallye (listed company);
- Representative of Matignon Diderot, General Manager of SCI Penthièvre Neuilly;
- Co-General Manager of Silberhorn Sarl (Luxembourg);
- Director and Treasurer of Euris Foundation.

Outside the Casino/Euris Group

General Manager of SARL EMC Avenir 2.

Offices and positions held during the past five years (other than those listed above)

- Chairman of Matimmob 1 SAS;
- Director of Park Street Investments International Ltd;
- Member of the Supervisory Board of Centrum Leto SA;
- Permanent representative of Matignon-Diderot, director of Finatis and Rallye (listed companies);
- Permanent representative of Omnium de Commerce et de Participations, director of Casino, Guichard-Perrachon (listed company);
- Permanent representative of Matignon Corbeil Centre, director of Rallye (listed company).

Matignon-Diderot

Director

French simplified limited company (*Société par actions simplifiée*) with share capital of €83,038,500

Registered office: 83, rue du Faubourg-Saint-Honoré – 75008 Paris, France

Paris Trade and Companies Register (R.C.S.) no. 433 586 260

Offices and positions held in the Company

Office/Position	Date of first appointment	Term expires
Director	17 October 2007	AGM to be held in 2016

Other offices and positions held in 2014 and still in effect at 16 February 2015

Within the Casino/Euris Group

- Director of Finatis (listed company);
- General Manager of SCI Penthièvre Neuilly.

Offices and positions held during the past five years (other than those listed above)

Director of Rallye SA (listed company).

Number of Casino shares held: 350

Permanent representative of Matignon-Diderot.

Gérard Koenigheit

Appointed on 22 April 2013

Date of birth

10 September 1949, 65 years

French

Business address

6, rue Goethe – 75116 Paris, France

Biography

Gérard Koenigheit is a civil engineer, a graduate of the *École des mines de Nancy* and holds an MBA from the University of Chicago. He began his career as Director of Citibank Paris (1975 to 1985). He then joined Midland Bank SA as Chief Financial Officer. In 1990, he was appointed Director of the Euris Group. Gérard Koenigheit was also Adviser to the Chairman of Casino, the Chairman of Guichard-Perrachon and the Chairman of Rallye. He continues to act in an advisory capacity to Casino.

Main executive position

General Manager of GK Advisor SARL

Other offices and positions held in 2014 and still in effect at 16 February 2015

Within the Casino/Euris Group	Outside the Casino/Euris Group
• Permanent representative of Miramont, Finance and Distribution, director of Groupe GO Sport; • General Manager of SNC Euriscom.	• Director of Equigest SA.

Offices and positions held during the past five years (other than those listed above)

- Adviser to the Chairman of Rallye;
- Adviser to the Chairman of Casino, Guichard-Perrachon;
- Chairman and Chief Executive Officer of Aubanne SA;
- Corporate Secretary of Sofigep;
- Chairman of the Executive Board of Leader Price;
- Chairman of the Executive Board of Franprix-Holding SA; member of the Executive Board of Leader Price Holding SA;
- Chairman of the Board of Directors of Sofigep SA, Saad and Villette Discount;
- Chairman of Franprix Leader Price Holding SAS;
- Chairman of Saris SAS;
- Member of the Supervisory Board of Jay Distribution SA;
- Director and Chairman of the Board of Directors of Gie Franleader;
- Director of Mercialys;
- Chairman of the following French simplified limited companies (SAS): Sofidis, Super Picpus, Jacodet, Jacobsons, Sogicergy, Super national, Saint-Martin Distribution, Distrivaugirard, Bertanne, SPF Distrileader Draguignan, Ansedis, Charlydis, Les Cygnes L. P. and Minimarché Val d'Oise;
- Representative of Sofidis, Chairman of the following French simplified limited companies (SAS): Aubanne, Société Alésienne de distribution, Villette Discount, Dbmh and Leader Price Magasin Quatre;
- Representative of Dbmh, Chairman of the following French simplified limited companies (SAS): M.C.M. and Romabelle;
- Representative of Sofigep, Chairman of King Super Gobelins, Super 10, Établissement Panet, Sogiquatre, Nell SP and Sofigep Finances;
- General Manager of SNC Distrouet 13, Districolbert 13 and Distrilieutaud 13;
- General Manager of Sogilourmel, Vilezor, Sogipar, Sogimaine, Super Cardinet, Distrimonge, SDHN, S.A.V.Y., Lilou, Benson Sogirennes, Sogigarches, Distribezons, Distrilevis, Sogivilliers, Immodelambre 9, Distrireaumur, Saint-Brice Distribution, Distriponthieu, Sogidourdan, Sogipontoise, Distrimahon, Distrigallieni, Aulnay Distrib, Superlidis, Sogilidis, SDS Distrib, Superodis, Sogiricher, Distribrune, Sogidiffusion 3, Sogidiffusion 4, Sogiboulogne, Distrileader Île-de-France, Distrileader Var, Distrileader Roussillon, Distrileader Nord Centre II, Distrileader Bourg Les Valence, Distrileader Davezieux, Cebadis, Sainpredis, Distrileader Héraut, Leader Grillon, Distrileader Drome, Leader Creusot, Distrileader Guillotière, Leader Morez, Distrileader Chatte, Leader Brassac, Distrileader Bron, Distrileader Villeurbanne, Distrileader Nivolas, Distrileader Chonas, Leader Neuville, Distrileader Lyon Faure, Ca Dis Saint-Genis Laval, Ca Dis Pont de Cheruy, Belleval, Leader Seynod, Leader Nîmes, Leader Belley, Leader Saint-Péray, Leader Chaintre, Leader Arbent, Leader Pontcharra, Leader Bresse, Palaidis, Leader Les Ulis, Distrileader Cergy, Leader Aubenas, Distrileader Salaise, Leader Achères, Leader Domerat, Distrileader Manosque, Leader Dagneux, Leader Cazouls, Distrileader Chatou, Leader Fontenay, Leader Pantin, Leader Nanteuil, Leader Savitemple, Leader Nemours, Leader Fontainebleau, Leader Ferté Gaucher, Distrileader Varennes;
- General Manager of the following French limited liability companies (SARL): Super Duquesne, Lecogest, Formadis, Le Webmarché, Sithem, Semd, Sogigouvion, Super Carnot, Sogesm, Sogiec, Somepp, Distriparme, Super Montedour, Sogiduban, Sogidormoy, Superant, Super Mozart, Super Alesia, Districharcot, Distribraille, Distriberger, Sodi 15, Super Delambre, Distrisserand, Établissements Chanoit et Cie, Supermont, CFD, Ava, Sogiseize, Sogibergère, Garedis, Sogimontardat, Distriparis, Virodis, Super Paradis, Districannet, Sogiforville, Reuilly Distrib, Sogibatignolles, Distripigalle, Marest, Distripyrénées, Sogirépublique, Sogitemple, Distrivisy, Distrileader Allier, Leader Saint-Étienne, Distrileader Centre Est, Distrileader Rhône, Distrileader Macon, HD Avignon, Distrileader Auvergne, Distrileader Loire, Distrileader Sud, Distrileader Aude, Distrileader Bouches du Rhône, Fossedis, Distrileader Toulon, Distrileader Lyon, Distrileader Vaucluse, Montelidis, Distrileader Marseille, Valmartin, Distrileader Puy de Dôme, Distrileader Provence, Distrileader Pierrelatte, Distrileader Narbonne, Distrileader 13, Distrileader Lunes, Distrileader Mazargues, Distrileader Lyon Berthelot, Distrileader Arles, Distrileader Les Olives, Distrileader Istres, Distrileader Grenoble, Distrileader Montpellier, Distrileader Beaucaire, Soghis, Leader Sainte Foy, Moulindis, Leader Castelette, Distrileader Roanne, Leader Bagnols sur Ceze, Leader Gardanne, Disalis, Montrodis, Leader Vendargues, Leader Babeau, Leadalis, Distrileader Choisey, Clermont Christal, Leader Seyssinet, Nord Libre-Service, Campadis, Leader Distribution Yonne, Leader Distribution Autunoise, Belfort Distribution, Montbeliard Distribution, Soultz Distribution, Leader Distribution Saône, Leader Distribution Bleni, Leader Distribution Niepce, Leader Distribution Bourgogne, Saint-Thibault Distribution, Quetigny Distribution, Franche Comte Distribution, Bas Rhin Distribution, Leader Distribution Chenove, Kembs Distribution, Leader Distribution Fontaine, Leader Distribution Neuilly, Leader Distribution Creancey, Leader Distribution Mulhouse, Leader Price Seine Maritime;
- General Manager of Super Leader and Super Temple;
- General Manager of Arina SARL;
- Representative of Sofidis, General Manager of the following French general partnerships (SNC): CP-MAG-LP, Leader Aoste, Distrileader Saint-Mars, Leader Price Val de Seine, Leader Garance, Distrileader Lognes, Leader Grenat, Leader Dionys, Leader Niort, SNC Distrileader 79, Distrileader Gruchet Le Valasse, SNC Distrileader 66, Distrileader Chateaubourg and DistrileaderLoudeac;
- Representative of Sofigep, General Manager of A La Bonne Source, Sogilouvre, CP-Mag-FP and Sogipoissonnière;
- Representative of Franprix Leader Price Holding, General Manager of Palim SCI;
- Representative of DBMH, General Manager of SCI Creancey 21, STT La Courtilière, Neuilly La Combe, Fontaine Cortots and Ama-Toltec Quetigny;
- Liquidator of Rediseo.

Pierre Giacometti

Director until 3 March 2010 then non-voting director

Date of birth

14 June 1962, 52 years

French

Business address

4, rue de la Planche – 75007 Paris, France

Biography

Pierre Giacometti is a graduate of the *Institut d'études politiques de Paris*, who began his career at BVA in 1985. He became Head of Political Research in 1986 and was appointed Executive Director in 1990, responsible for the Opinion – Institutional – Media division. In 1995, he joined the Ipsos Group as Chief Executive Officer of Ipsos Opinion and International Director in charge of developing the group's opinion studies. In 2000, he was appointed Co-Chief Executive Officer of Ipsos-France. In February 2008, he left Ipsos and created the strategy and communications consulting firm, Giacometti Peron & Associés. Pierre Giacometti is a Senior Lecturer at the *Institut d'études politiques de Paris*.

Main executive position

Chairman of Giacometti Peron & Associés

Offices and positions held in the Company

Office/Position	Date of first appointment	Term expires
Non-voting director	3 March 2010	AGM to be held in 2016

Other offices and positions held in 2014 and still in effect at 16 February 2015

Outside the Casino Group

- Member of the Supervisory Board of Fondation pour l'Innovation Politique;
- Senior Lecturer at the Institut d'Études Politiques de Paris.

Offices and positions held during the past five years (other than those listed above)

Director of Casino, Guichard-Perrachon

Number of Casino shares held: 300

5.2.3. OTHER INFORMATION ON BOARD MEMBERS

To the best of the Company's knowledge, during the last five years, none of the members of the Board of Directors have been convicted of fraud or been a senior manager in a company undergoing bankruptcy proceedings. In addition, no director has had a sentence imposed upon them and/or received an official sanction from a legal or regulatory authority, or been banned by a court from serving as a member of an administrative, management, or supervisory body, or from being involved in the management or running of a company.

There are no family ties among the directors.

5.2.4. CONFLICTS OF INTEREST INVOLVING DIRECTORS AND EXECUTIVE OFFICERS

- The Company has relations with all its subsidiaries in its day-to-day management of the Group. It also receives strategic help from Euris, the ultimate holding company, chaired by Jean-Charles Naouri, the majority shareholder. Euris provides these strategy and development consultancy services under an agreement signed in 2003. In 2014, the Company paid fees amounting to €350,000 excluding VAT for these services.
- Jean-Charles Naouri, Didier Carlier, Gérard Koenigheit, Didier Lévêque and Michel Savart, directors or permanent representatives of the Rallye and Euris Group companies, are executives and/or members of the governing bodies of companies belonging to those groups and/or the Casino Group and receive remuneration and/or attendance fees in that capacity.

The responsibilities of the Audit Committee, particularly through the recently-implemented prior review procedure for related-party agreements, of the Appointments and Remuneration Committee, both of which comprise a majority of independent directors, and of the lead director help to prevent conflicts of interest and ensure that the majority shareholder does not abuse its position.

The Statutory Auditors' special report on regulated agreements signed between the Company and (i) the Chairman and Chief Executive Officer, (ii) a director or (iii) a shareholder holding more than 10% of the Company's voting rights, or in the case of a corporate shareholder, the company controlling said shareholder, and which were not entered into on arm's length terms, is presented on page 145.

The Company has not granted or arranged any loans or guarantees to any of the members of its Board of Directors.

5.2.5. OTHER INFORMATION FROM THE CHAIRMAN'S REPORT

Information on the powers of the Executive Management and the procedures for determining corporate officers' remuneration and other benefits are detailed in Chapter 6 "Remuneration of directors and officers" on page 184 et seq. Information on the participation of shareholders in Annual General Meetings and on the factors likely to have an impact in the event of a public offering are provided in the Chairman's report on page 305.

5.2.6. INTERNAL CONTROL AND RISK MANAGEMENT

The Casino Group's internal control and risk management systems are based on the AMF (French Financial Markets Authority) Reference Framework.

The work underlying the drafting of the relevant section of the Chairman's report on internal control and risk management procedures involved interviews, reviews of audit reports and the distribution of AMF and internal questionnaires designed to identify all of the Group's internal control and risk management components.

The editorial team also relied on the 17 internal control principles of the 2013 COSO (Committee of Sponsoring Organizations of the Treadway Commission) Framework.

The section of the Chairman's report on internal control and risk management procedures was presented to the Audit Committee of 13 February 2015 for review and opinion and, in accordance with the law, was submitted to the Board of Directors of Casino, Guichard-Perrachon at its meeting of 16 February 2015.

All the information is included in the section on "Risk factors and insurance" (page 192 of this Registration Document) and in the Chairman's report (page 305 of this Registration Document).

5.3. EXECUTIVE MANAGEMENT

5.3.1. THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

At its meeting of 22 April 2013, the Board of Directors, on a proposal by the Appointments and Remuneration Committee, reappointed Jean-Charles Naouri as Chairman and Chief Executive Officer for the duration of his term of office as a director, *i.e.* three years.

The positions of Chairman of the Board of Directors and Chief Executive Officer were combined by the Board of Directors on 21 March 2005. They have since been held by Jean-Charles Naouri.

In a highly-competitive, fast-changing environment, this combination seeks to strengthen the link between strategy and operations and accordingly promote and enhance the efficiency of decision-making processes.

However, the Chairman and Chief Executive Officer requested that the powers of executive management be restricted and an independent lead director be appointed to ensure that the combined duties of Chairman of the Board of Directors and Chief Executive Officer are exercised in compliance with good governance principles. The Board of Directors thus appointed the Chairman of the Appointments and Remuneration Committee to this position on 11 May 2012.

Powers of the Chief Executive Officer

The Chief Executive Officer has broad powers to act on behalf of the Company in all circumstances, pursuant to Article L. 225-56 of the French Commercial Code. Nevertheless, these powers must be exercised within the scope of the Company's purpose and the powers expressly conferred by law to shareholders' meetings and Boards of Directors. The Chief Executive Officer represents the Company in its dealings with third parties.

In the interest of good governance, the Chairman requested to make certain management transactions, depending on their nature or the amount involved, subject to the Board's prior authorization. Thresholds have been set to ensure that the Board of Directors approves the most significant transactions, in accordance with the law and corporate governance principles. These thresholds are detailed in the Chairman's report (see page 306).

Jean-Charles Naouri is the Company's sole executive corporate officer.

5.3.2. THE EXECUTIVE COMMITTEE

Under the aegis of the Chairman and Chief Executive Officer, the Management Committee is responsible for the Group's operational management. It implements the Group's strategy as defined by the Board of Directors and the Chief Executive Officer. A strategic think-tank responsible for coordinating and promoting initiatives, as well as for monitoring cross-functional projects, it maintains consistency between the action plans undertaken by all subsidiaries and the operating divisions and makes the necessary decisions. It monitors the Group's financial results and decides on the action plans to be implemented. The Committee meets every two weeks.

The Executive Committee comprises 12 members, including the Chairman and Chief Executive Officer, representing the Group's main subsidiaries and corporate shared services departments:

- Jean-Charles Naouri, Chairman and Chief Executive Officer;
- Hervé Daudin, Merchandise and Supply Chain Director and Chairman of EMCD;
- Yves Desjacques, Human Resources Director;
- Carlos Mario Giraldo Moreno, Chairman of the Éxito Group in Colombia;
- Antoine Giscard d'Estaing, Chief Financial Officer;
- Ronaldo Iabrudi, Chief Executive Officer of GPA in Brazil;
- Stéphane Maquaire, Chairman of Monoprix;
- Jean-Paul Mochet, Chief Executive Officer of Franprix;
- Tina Schuler, Chief Executive Officer of Leader Price;
- Arnaud Strasser, Corporate Development and Holdings Director;
- Gérard Walter, Chief Executive Officer of Géant Casino Hypermarkets;
- Julien Lagubeau, Strategic Planning Director and Secretary of the Executive Committee.

5.4. AUDITING OF THE FINANCIAL STATEMENTS

5.4.1. STATUTORY AUDITORS

Principal Statutory Auditors

Ernst & Young et Autres

Engagement partner: Daniel Mary-Dauphin (since 2009).

Date of first appointment: 20 May 1978.

Current term expires: at the end of the Annual General Meeting called in 2016 to approve the financial statements for the year ended 31 December 2015.

In accordance with the French Financial Security Act of 1 August 2003, the Ernst & Young engagement partners were rotated for the first time in 2009.

Deloitte & Associés

Engagement partners: Gérard Badin (since 2011) and Antoine de Riedmatten (since 2010).

Date of first appointment: 29 April 2010.

Current term expires: at the end of the Annual General Meeting called in 2016 to approve the financial statements for the year ended 31 December 2015.

Alternate Statutory Auditors

Auditex

Alternate Statutory Auditor for Ernst & Young et Autres.

Date of first appointment: 29 April 2010.

Current term expires: at the end of the Annual General Meeting called in 2016 to approve the financial statements for the year ended 31 December 2015.

BEAS

Alternate to Deloitte & Associés.

Date of first appointment: 29 April 2010.

Current term expires: at the end of the Annual General Meeting called in 2016 to approve the financial statements for the year ended 31 December 2015.

Given that the appointment of the Statutory Auditors will expire at the end of the Annual General Meeting to be held in 2016, the Audit Committee, as part of its duties assigned by the Board of Directors and in accordance with the recommendations of the AFEP-MEDEF Code, will implement and monitor a renewal procedure for expiring appointments in 2015.

5.4.2. STATUTORY AUDITORS' FEES

Years covered: 31 December 2014 and 31 December 2013.

	Ernst & Young et Autres				Deloitte & Associés			
	Amount (excl. VAT)		%		Amount (excl. VAT)		%	
(€ thousands)	2014	2013	2014	2013	2014	2013	2014	2013
AUDIT								
Statutory audits, certifications, review of individual and consolidated financial statements								
• Issuer	386	459	7%	8%	328	409	7%	12%
• Fully-consolidated subsidiaries	4,982	4,859	89%	84%	4,219	3,062	91%	86%
Other audit-related procedures and services								
• Issuer	30	15	1%	0%	30	15	1%	0%
• Fully-consolidated subsidiaries	107	395	2%	7%	61	52	1%	1%
Subtotal	**5,505**	**5,729**	**99%**	**99%**	**4,638**	**3,538**	**100%**	**100%**
OTHER SERVICES PROVIDED BY THE NETWORKS TO FULLY-CONSOLIDATED SUBSIDIARIES								
Legal, tax, employee-related	21	0	0%	0%	5	9	0%	0%
Other	58	58	1%	1%	5	0	0%	0%
Subtotal	**79**	**58**	**1%**	**1%**	**10**	**9**	**0%**	**0%**
TOTAL	**5,584**	**5,787**	**100%**	**100%**	**4,649**	**3,547**	**100%**	**100%**

Chapter 6
Remuneration of directors and officers

6.1. METHODS FOR DETERMINING THE REMUNERATION AND OTHER BENEFITS OF CORPORATE OFFICERS

EXECUTIVE MANAGEMENT

- The Chairman and Chief Executive Officer's remuneration includes a fixed portion and a variable portion. The rules for determining the fixed and variable components are defined every year based on the recommendation of the Appointments and Remuneration Committee and, if necessary, surveys carried out by external consultants.

  His gross fixed remuneration for 2014 amounted to €480,000, unchanged compared to the previous year.

  The variable remuneration for 2014 was contingent on the achievement of four quantitative targets, up to a quarter of each, concerning consolidated net sales, consolidated trading profit, as well as profit attributable to owners of the parent and the underlying profit, at current and constant exchange rates consistent with the rates set for Executive Committee members.

  A bonus of up to 175% of the fixed remuneration may be awarded for exceeding targets. The 2014 target variable remuneration was equal to 100% of the fixed component, or €480,000.

  However, the Chairman and Chief Executive Officer only receives the variable component if the underlying profit target is achieved, either at current exchange rate or at constant exchange rate and regardless of the performance achieved for the other criteria, *i.e.* net sales and trading profit. If the profit target is achieved, the remuneration is based on the performance achieved for each of the four criteria with respect to the approved targets.

  In 2014, since profit attributable to owners of the parent was lower than in the previous year, no variable remuneration was awarded to the Chairman and Chief Executive Officer.

OTHER CORPORATE OFFICERS

- The Annual General Meeting of 19 May 2009 set the maximum total amount of attendance fees to be allocated to members of the Board of Directors and its special committees at €650,000. The Board of Directors has defined the rules below for distributing attendance fees to its members in 2014, in line with the recommendations of the Appointments and Remuneration Committee:
- At its meeting of 5 December 2014, the Board of Directors decided that the attendance fees granted by the Annual General Meeting to the members of the Board of Directors and its special committees and to the non-voting director should be distributed as follows:
  - The total amount of gross attendance fees per director, unchanged since 2007, was set at €25,000, comprising a fixed portion of €8,500 and a variable portion of €16,500 based on directors' attendance of Board meetings. Variable fees not paid to absent directors are not redistributed.
  - The total amount of gross attendance fees for the Chairman and for each director representing the majority shareholder, also unchanged, was capped at €12,500. On his appointment, the Chairman of the Board of Directors waived the additional gross attendance fee of €25,000 previously paid to the Chairman.
  - Members of the Board Committees receive an additional fee per director comprised of a fixed component (€6,500 gross) and a variable component (up to €13,500 gross for members of the Audit Committee and up to €8,745 gross for members of the Appointments and Remuneration Committee) based on attendance at meetings. Variable fees not paid to absent directors are not redistributed.

    A special additional gross fee of €10,000 was allocated to members of the Audit Committee for the seven extraordinary meetings held in 2014 to deal with the task assigned by the Board of Directors specifically concerning the activities of the independent valuer appointed in connection with the creation and listing of Cnova.
  - An additional gross fee, capped at €20,000 for 2014, was allocated to the lead director.

Under the authorisation granted by the Annual General Meeting of 29 April 2010, the Board of Directors decided to pay, as previously, an attendance fee to the non-voting director on exactly the same basis as for the other directors, *i.e.*, €25,000 comprising a fixed gross fee of €8,500 and a variable gross fee capped at €16,500. This amount is deducted from the total amount of attendance fees approved by the Annual General Meeting in 2009.

6.2. CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S REMUNERATION

6.2.1. CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S REMUNERATION PAID BY CASINO

Chairman and Chief Executive Officer Jean-Charles Naouri's remuneration, attendance fees and benefits in kind paid and due by Casino during and for 2013 and 2014 were as follows:

(€)	2013		2014	
	Amounts due[2]	Amounts paid[3]	Amounts due[2]	Amounts paid[3]
Fixed remuneration[1]	480,000	480,000	480,000	480,000
Variable remuneration[1]	515,312	-	-	515,312
Deferred variable remuneration	*N/A*	*N/A*	*N/A*	*N/A*
Multi-annual variable remuneration	*N/A*	*N/A*	*N/A*	*N/A*
Special remuneration	*N/A*	*N/A*	*N/A*	*N/A*
Attendance fees	12,500	12,500	12,500	12,500
Benefits in kind	*N/A*	*N/A*	*N/A*	*N/A*
TOTAL	**1,007,812**	**492,500**	**492,500**	**1,007,812**

(1) Gross remuneration before social security contributions and tax.
(2) Remuneration and attendance fees granted for the year regardless of the payment date.
(3) Total remuneration and attendance fees paid by the Company during the year. Variable remuneration is paid in the year after it is earned. 2012 variable remuneration (€494,000) was not paid.

Stock options and bonus shares

(€)	2013	2014
Value of stock options granted during the year	N/A	N/A
Value of bonus shares granted during the year	N/A	N/A

Employment contract, pension and death and disability plans, termination benefits and non-compete clause

Employment contract	Supplementary pension plan	Benefits due or potentially due on termination or change of position	Non-compete benefits
No	No[1]	No	No

(1) Jean-Charles Naouri is a member of the mandatory group pension plans (ARRCO and AGIRC) and the death and disability plan covering all managers employed by the Company.

6.2.2. CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S TOTAL REMUNERATION DUE AND PAID BY CASINO, GUICHARD-PERRACHON AND OTHER EURIS GROUP COMPANIES

Chairman and Chief Executive Officer's total remuneration, attendance fees and benefits in kind paid and due by Casino, Guichard-Perrachon, the companies that it controls, the companies that control it or the companies controlled by the latter during and for 2013 and 2014 were as follows:

	2013		2014	
(€)	**Amounts due**	**Amounts paid**	**Amounts due**	**Amounts paid**
Gross remuneration	1,537,812	1,022,500[1]	1,499,800	2,015,112[2]
Value of stock options granted during the year	N/A	N/A	N/A	N/A
Value of bonus shares granted during the year	N/A	N/A	N/A	N/A
TOTAL	**1,537,812**	**1,022,500**	**1,499,800**	**2,015,112**

(1) Remuneration and/or attendance fees paid in 2013 by Casino, Guichard-Perrachon (€492,500), Rallye (€10,000) and Euris (€520,000).
(2) Remuneration and/or attendance fees paid in 2014 by Casino, Guichard-Perrachon (remuneration of €995,312, including 2013 variable remuneration of €515,312, and attendance fees of €12,500), Rallye (€8,800) and Euris (€998,500).

In 2014, no remuneration or attendance fees were paid to the Chief Executive Officer by the companies controlled by Casino, Guichard-Perrachon.

In accordance with the recommendations of the AFEP-MEDEF Corporate Governance Code for listed companies, at the Company's Annual General Meeting of 12 May 2015 the shareholders will be asked for their opinion on the components of remuneration due or granted for 2014 to the Chairman and Chief Executive Officer. For this purpose, all the figures and other related disclosures are presented on page 291.

6.3. REMUNERATION AND/OR ATTENDANCE FEES PAID TO OTHER CORPORATE OFFICERS

Attendance fees and remuneration paid in 2013 (for 2012) and in 2014 (for 2013)

Total remuneration and attendance fees paid to corporate officers, other than the Chairman and Chief Executive Officer, and to the non-voting director by the Company, the companies that it controls, the companies that control it, and the companies controlled by the latter in 2013 and 2014 were as follows:

	Attendance fees and remuneration paid			
(Gross amounts in €)	in 2013 for 2012		in 2014 for 2013	
Directors	**Attendance fees**	**Other remuneration[1]**	**Attendance fees**	**Other remuneration[1]**
Didier Carlier[2]	12,500	686,667	11,125	723,222
Pierre Giacometti	23,167	-	25,000	-
Henri Giscard d'Estaing	35,497	-	38,059	-
Sylvia Jay	14,833	-	16,750	-
Gérard Koenigheit[3]	-	64,061	8,333	4,000
Marc Ladreit de Lacharrière	15,833	-	16,750	-
Didier Lévêque	12,500	654,245[4]	12,500	717,027[4]
Catherine Lucet	31,875	-	47,250	-
Gilles Pinoncély	45,000	-	50,000	-
Gérald de Roquemaurel	56,578	-	62,495	-
David de Rothschild	29,997	-	27,622	-
Michel Savart	12,500	809,344[5]	12,500	845,859[5]
Frédéric Saint-Geours	45,000	-	47,250	-
Rose-Marie Van Lerberghe	40,245	-	50,245[6]	-

(1) This consists of attendance fees and/or remuneration and benefits in kind paid by the companies controlled by Casino and/or the companies that control Casino or the companies controlled by the latter.
(2) Representative of Euris, parent of the Group which, under the strategic advice agreements for all the companies that it controls, received total fees of €4,129,047.26 excluding VAT (including €350,000 excluding VAT from Casino, Guichard-Perrachon) in 2014, compared with €3,942,465.76 excluding VAT in 2013.
(3) Gérard Koenigheit is also General Manager of GK Advisor, which received consultancy fees of €114,838 in 2013 and €297,967 in 2014.
(4) Excluding the special bonus of €245,000 in 2013 and €256,000 in 2014. Didier Lévêque was also granted 4,431 Rallye bonus shares valued at €28.47 per share on 29 July 2014, which fully vest on 29 July 2017 provided that he is still employed by the Company and that specific EBITDA to financial expense ratio and cost of debt targets are met. The shares are transferable as from 29 July 2019.
(5) Excluding the gross deferred contingent bonus of €300,000 paid in 2013. Michel Savart was also awarded 1,172 Rallye bonus shares valued at €28.47 per share on 29 July 2014, which will fully vest on 29 July 2017 provided that he is still employed by the Company and that specific EBITDA to financial expense ratio and cost of debt targets are met. The shares are transferable as from 29 July 2019.
(6) Including the additional attendance fee of €10,000 as lead director.

Amount and allocation of attendance fees paid in 2015 for 2014 by the Company to corporate officers, other than the Chairman and Chief Executive Officer, and to the non-voting director were as follows:

	Attendance fees paid in January 2015 for 2014				
	Directors		Committees		
(Gross amounts in €)	Fixed portion	Variable portion	Fixed portion	Variable portion	Total
Didier Carlier	4,250	8,250	-	-	12,500
Pierre Giacometti	8,500	14,667	-	-	23,167
Henri Giscard d'Estaing	8,500	14,667	6,500	2,915	32,582
Sylvia Jay	8,500	9,167			17,667
Gérard Koenigheit	4,250	8,250			12,500
Marc Ladreit de Lacharrière	8,500	3,667	-	-	12,167
Didier Lévêque	4,250	8,250	-	-	12,500
Catherine Lucet	8,500	14,667	6,500	23,500	53,167
Gilles Pinoncély	8,500	16,500	6,500	23,500	55,000
Gérald de Roquemaurel	8,500	16,500	13,000	29,330	67,330
David de Rothschild	8,500	9,167	6,500	5,830	29,996
Frédéric Saint-Geours	8,500	16,500	6,500	23,500	55,000
Michel Savart	4,250	8,250	-	-	12,500
Rose-Marie Van Lerberghe	28,500[1]	12,833	6,500	8,745	56,578

(1) Including the gross additional attendance fee of €20,000 allocated for 2014 as independent lead director.

Gross attendance fees paid in January 2015 for 2014 to the members of the Board of Directors and its special committees and to the non-voting director totalled €465,153. Gross attendance fees paid in 2014 for 2013 totalled €468,046.

6.4. EXECUTIVE COMMITTEE REMUNERATION

The remuneration policy strives to be competitive with respect to general market practices and the practices of the Company's peers. It also seeks to encourage and reward performance both in terms of the Group's activity and results as well as individual achievement.

Total remuneration paid to Executive Committee members comprises a fixed and a variable component.

The variable component is based on the achievement of various objectives:

- Group-level quantitative objectives identical to those set for the Chief Executive Officer;
- individual quantitative targets at the level of the operating entities or departments managed (achievement of budget, strategic plan, etc.);
- personal qualitative objectives resulting from a general appraisal based on managerial attitudes and behaviour.

The different objectives are structured in an annual "roadmap" setting the criteria used, the weight of each one of them in the assessment and the target to be reached.

The variable component can represent up to 50% of the fixed component for achieving the objectives and up to 100% for exceeding them.

Gross fixed and variable remuneration paid in 2014 by the Company and the companies that it controls to all Executive Committee members, apart from the Chairman and Chief Executive Officer and excluding special bonuses, totalled €9.08 million, including a variable component of €2.68 million for 2013 and benefits in kind of €239,400.

6.5. STOCK OPTIONS AND BONUS SHARES

- The Chairman and Chief Executive Officer is not and has never been entitled to receive stock options or bonus shares from Casino, Guichard-Perrachon, companies that it controls or companies that control it.
- As employees, the Executive Committee members may receive stock options and/or bonus shares as part of a policy to retain key people and involve them in the Group's development.

The delivery of free shares is contingent on the achievement of a performance-related condition specific to the Company and on the beneficiary's continued employment with the Group on the vesting date for bonus shares and 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 price during the twenty trading days preceding the date of grant.

Furthermore, the Company may also grant special bonus shares to employees who play a decisive role in strategic or particularly complex transactions.

In 2014, three Executive Committee members were granted 5,800 bonus shares and one member was granted 825 special bonus shares subject to continued employment and performance-related conditions.

In 2014, Executive Committee members were granted no shares and exercised 2,667 stock options.

The general rules for stock option and bonus share grants and the various plans outstanding at 31 January 2015 are provided on pages 253 and 254.

Chapter 7
Risk factors and insurance

Risk management is an integral part of the Group's operational and strategic management. It is based on a multi-level organisation which is presented in detail below.

The Group has reviewed the main risks that could have a material impact on its operations, financial position or results and which are described below.

7.1. RISK FACTORS

7.1.1. MARKET RISKS

The Group has set up an organisation to centrally monitor and, if necessary, manage its financial risks: liquidity risk, foreign exchange risk and interest rate risk. This role has been assumed by the Corporate Finance department, reporting to the Group Chief Financial Officer, which has the necessary expertise and tools. The department operates as effectively and safely as possible in the various financial markets. Regular reports are sent to the Group's executive management, who ensure that the directions taken are in line with the management strategies that it previously authorised.

Interest rate risk

Detailed information on this risk is provided in Note 11.6.2 to the consolidated financial statements. The Casino Group uses various derivative financial instruments, mainly interest rate swaps, to manage its exposure to the risk of changes in interest rates. 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. The Group's strategy consists of dynamically managing debt by monitoring and, where necessary, adjusting its hedge ratio based on forecast trends in interest rates in order to manage its exposure to the risk of changes in interest rates and optimise its finance costs.

An analysis of sensitivity to interest rate risk is provided in Note 11.6.2 to the consolidated financial statements.

Foreign exchange risk

Information about foreign exchange risk is included in the Notes to the consolidated financial statements (see Note 11.6.2).

Due to the geographic diversification of its business activities, the Group is exposed to currency translation risk, in other words the amounts reported in its statement of financial position and income statement, and consequently its financial ratios, are sensitive to changes in exchange rates with respect to the consolidation of the financial statements of its foreign subsidiaries outside the euro zone. In 2014, the currencies of the countries in which the Group operates fell significantly against the euro, compared with 2013. Average depreciation was -8.0% for the Brazilian real, -6.4% for the Colombian peso and -5.4% for the Thai baht. In 2014, the fluctuations in exchange rates had a negative impact of -5% on net sales and -6.9% on trading profit. Currency translation risk is not hedged.

The Group is also exposed to foreign exchange risk on transactions not denominated in euros. The Group's operational foreign exchange risk policy seeks to hedge highly probable budgeted exposures linked primarily to monetary flows involving purchases made in a currency other than its functional currency, particularly purchases in US dollars hedged by forward purchases of foreign currencies. Under this policy, substantially all budgeted purchases are hedged using instruments with the same maturities as the underlying transactions.

An analysis of the sensitivity of the net exposure to foreign exchange risk after hedging is provided in Note 11.6.2 to the consolidated financial statements.

Liquidity risk

The breakdown of debt and confirmed lines of credit by maturity and currency, together with additional information on debt covenants which, if breached, would trigger early repayment, are provided in Note 11.6.4 to the consolidated financial statements.

The Group's liquidity position appears to be very satisfactory: cash, cash equivalents and undrawn confirmed bank credit lines are amply sufficient to meet upcoming repayments of short-term liabilities and seasonal changes in working capital requirements.

The Group's liquidity policy is to ensure through constant strategic anticipation that it always has sufficient liquid assets to settle its liabilities as they fall due, in either normal or impaired market conditions.

Most of the Group's debt is carried by Casino, Guichard-Perrachon. Financing is managed by the Corporate Finance department. The main subsidiaries (GPA, Big C Thailand, Monoprix, Éxito) also have their own sources of financing.

The Group's loan and bond agreements include the usual covenant and default provisions, such as *pari passu* senior debt, limitations of negative pledges and cross default.

Casino, Guichard-Perrachon's bank credit line 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 should its long-term senior debt be downgraded to non-investment grade only if this downgrading is due to a change of the Company's majority shareholder.

At 31 December 2014, Casino, Guichard-Perrachon was exposed to the following covenants:

Type of covenant	Type of debt subject to covenant
Consolidated net debt[1]/consolidated EBITDA[2] < 3.5	€1.2 billion syndicated credit line
	USD 1 billion syndicated credit line
	Bilateral credit lines and borrowings totalling €450 million
Consolidated net debt[1]/consolidated EBITDA[2] < 3.7	Bilateral funding totalling €50 million
	Alaméa loan of €300 million

(1) Net debt as defined in the loan agreements may differ from net debt recognised in the consolidated financial statements (see Note 11.4 to the consolidated financial statements). It corresponds to borrowings and 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.

At 31 December 2014, these covenants were upheld.

Most of the Group's other loan agreements contain financial covenants, mainly for GPA and Big C Thailand.

Subsidiary	Type of covenant	Type of debt subject to covenant
GPA[1]	Net debt[2] may not exceed equity[3]	All bond issues and part of the bank borrowings
	Consolidated net debt/EBITDA < 3.25	
	Equity/total assets ≥ 0.3	BNDES borrowings totalling €75 million
	EBITDA/net debt ≥ 0.35	
Big C Thailand	Net debt/EBITDA	Bank borrowings (see Note 11.2.3 to the consolidated financial statements)
	Net debt/equity	

(1) All of GPA's covenants are based on consolidated amounts.
(2) Reduced by cash, cash equivalents and receivables.
(3) Consolidated equity (attributable to owners of the parent and non-controlling interests).

The liquidity risk of the Casino Group's bank is monitored under the liquidity policy of the CMCIC Group (50% co-shareholder with the Casino Group). The assessment of the bank's liquidity is therefore based on the CMCIC Group's standards, as well as early warning indicators and regulatory capital ratios.

Liquidity risk management primarily seeks to:

- secure refinancing through monthly projections of surplus cash and cash requirements based on comparing confirmed lines of credit and forecasts of outstanding receivables;
- gradually make the bank compliant with the new Basel III liquidity requirements by extending the duration of transactions to guarantee a better match between asset and liability flows.

The bank's solvency ratio, at 13.5%, significantly exceeds the current regulatory threshold as well as the minimum requirements set by its control authority. The bank will therefore have no difficulty in meeting the stricter requirements of the Basel III reform in this area.

Commodity risk

Given the nature of its business activities, the Company is not exposed to any material commodity risk.

Equity risk

Information on equity risk is detailed in Note 11.6.5 to the consolidated financial statements.

The Group does 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 shares to build a synthetic exposure to the shares of its listed subsidiaries (see Note 11.4.2 to the consolidated financial statements).

Furthermore, the Group has no exposure related to its share purchase options and its current cash management policy does not involve investments in money market instruments exposed to equity risk.

Credit and counterparty risk

The Group is exposed to various aspects of counterparty risks in its operating activities, its short-term investment activities and its interest rate and foreign exchange 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).

The Group's policy for customer credit risk (commercial credit risk) is to check the financial health of all its customers applying for credit payment terms. Customer balances are regularly monitored and the Group has no material exposure to the risk of bad debt (see Note 11.6.3 to the consolidated financial statements).

Furthermore, the age of past due receivables that are not impaired can vary substantially 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 it has no material risk in terms of credit concentration.

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 equal to the instruments' carrying amount. The Group's cash management policy consists of investing cash and cash equivalents with highly-rated counterparties and in high-quality instruments.

7.1.2. OPERATIONAL RISKS

7.1.2.1. Risks related to product procurement and marketing

Risks related to competition and the economic environment

The Group's traditional and e-commerce activities are exposed to fierce competition in their markets. Competition is particularly intense on the mature French market. Internationally, where the Group has leadership positions in most of its markets, it deals with competition from international and local players seeking to strengthen their position. The Group may therefore be compelled to adopt a lower price strategy to defend its market shares and this could negatively impact its results. The competitive environment and its trends are monitored and taken into account for each country and banner, mainly through pricing grid management and promotional and customer loyalty initiatives, as well as by identifying and carrying out development or asset arbitrage transactions.

The Group's operations and financial performance may also be affected by unfavourable economic conditions. An economic downturn in one or several markets, or in all of its markets could negatively impact its financial position, results or ability to implement its strategic decisions.

Risks related to product quality, conformity and safety

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 may even involve its liability.

From defining product specifications to running stores, the Group uses a comprehensive system to guarantee the marketing and sale of safe, healthy and impeccable quality products. The Group Quality department coordinates regular exchanges with the Quality departments of the various entities which are each responsible for guaranteeing the quality standards of private-label products and ensuring that all products sold are safe for consumers. These exchanges mainly involve sharing best practices and procedures (product quality and safety policy, traceability procedure, supplier audits, crisis management, products recalls, etc.) and have facilitated the implementation of a Group Quality Charter distributed to all entities in 2012.

Additional information is provided under the "CSR" chapter and in the Chairman's report (General principles of internal control/ Goods management processes).

With respect to e-commerce, Group entities with marketplace activities are exposed to an image and sometimes liability risk which could have an impact on the Group's results in case their marketplace merchants sell sub-standard products.

Risks related to product marketing

Various Group banners have affiliated networks and/or franchises in France and abroad. These networks represented 47% of outlets at 31 December 2014 and essentially concerned supermarket (Casino, Franprix and Monoprix), discount (Leader Price and Surtimax) and convenience (Vival and Spar) networks. As a result, the Group is mainly exposed to a payment default risk and to an image risk in case the franchises adopt practices that are not compliant with the Group's regulations, standards or values. Each of the networks has developed sustained relations with its franchises/affiliates involving regular exchanges and assistance by sales advisers. Credit risk is managed by each of the networks with permanent monitoring of outstanding payments.

Risks related to trademarks and banners

The Group owns substantially all of its trademarks and is not particularly dependent on any patent or licence, except for the "Spar" trademark which is licensed to the Group for use in France. The licence was renewed in 2009 for a further ten years. In France, 895 stores are operated under this banner, including 715 franchises.

Furthermore, the Group implements a preventive protection policy for all the trademarks that it operates and distributes and considers that a potential infringement of trademark regulations would not have a material impact on its operations and/or results.

Supplier risks

The Group is not dependent on any particular supply, manufacturing or commercial contract. Casino deals with more than 30,000 suppliers.

The Group may need to source from suppliers based in countries that could potentially present risks in terms of non-compliance with labour laws on manufacturing and the values listed in the Universal Declaration of Human Rights and the ILO's Declaration on Fundamental Principles and Rights at Work. By signing the United Nations Global Compact in 2009, the Group reasserted its values and took action to promote and encourage compliance with human rights throughout all of its international subsidiaries and by all of its suppliers. The Group has also developed several initiatives in France, aimed at small and medium-sized businesses (SME) and specifically appointed an expert in charge of facilitating relations between the Group and SMEs. The policies deployed by the Group are presented in the "CSR" chapter.

Logistics risks

The Group's various traditional and e-commerce businesses operate with tailored logistical structures to supply the various outlets – integrated or franchised – and deliver customer orders for online activities. Changes in the Group's logistical structures or any malfunction in one or several of them could lead to a temporary or extended disruption of the Group's operations and have a negative impact on its image and financial results.

The logistical organisation is not international; it is defined at local (country) level and may vary depending on the activities.

For example in France, through its specialised subsidiary Easydis, the Group has its own logistics network which currently comprises nearly 900,000 sq.m. of warehousing on 22 sites throughout France, which allows it to manage supplies to its various banners (except for Monoprix and Franprix-Leader Price which have their own logistics networks).

The Group also uses third-party service providers (shipping carriers, the French postal service) to ship goods to outlets or deliver products ordered online to pick-up points or to customers. The failure of these providers could have a negative impact on its image and financial results.

Information systems and data protection risks

The day-to-day management of the Group's activities, which particularly include buying, sourcing, distributing, online sales, billing, reporting and consolidation as well as exchanges and access to internal information, requires the smooth operation of all technical infrastructures and IT applications.

The protection and maintenance of the operational capacity of its information systems is of utmost importance to the Group. The Group runs, directly or indirectly, an extensive array of information systems (servers, networks, applications, websites, and databases) essential to the operation and proper management of its activities. Should the integrity of these systems be compromised, for example, as a result of technical failure or cyber breach, the Group's commercial transactions and assets could be seriously affected. A failure of one of these systems (hardware or software) or one of these service providers (hosting companies in particular); any disruption to the Group's critical computer services or data security failure could have a negative impact on its activities, especially the e-commerce business which is highly dependent on reliable and secure computer systems.

The Group implements comprehensive measures at each entity level to protect sensitive data and ensure business continuity.

7.1.2.2. Other operational risks

Risks related to fraud, corruption and theft

Fraud, theft, and corruption are risks that may have an impact on the Group's results and image. The various Group entities deploy internal control processes aimed at limiting the occurrence of these risks.

The Casino Group seeks to operate its businesses in accordance with ethical standards and for this purpose has defined a framework, tools and internal control systems tailored to its activities and corporate culture. Anti-corruption policies and ethical warning systems rolled out by the Group are presented in the "CSR" chapter.

The Group's anti-corruption programme is managed by the executive management of each of its entities. Through its awareness initiatives across all the Group's operating entities, the Group's Internal Control department assists them in defining their own anti-corruption action plans.

Geographic risks

Some of the Group's businesses are exposed to the uncertainties linked to commercial activities in countries that could experience or which have recently experienced periods of economic or political instability, especially in Latin America and Asia. In 2014, international operations accounted for nearly 60% of consolidated net sales and more than 80% of consolidated trading profit. The occurrence of such risks could affect business operations and potentially, the Group's financial position and the value of its underlying assets and particularly goodwill (the breakdown of goodwill by business line and region is provided in Note 10.1 to the consolidated financial statements and goodwill impairment losses are indicated 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 dedication of the Group's employees play a significant role in the development of the Group's activities. Should the Group fail to identify, attract, retain and train skilled employees, especially in emerging countries and/or in the Group's principal markets, the development of its activities and results could be affected.

The Group therefore strives to develop a nurturing, participative professional environment and to encourage attachment to its values. As a committed employer, the Group develops various initiatives aimed at fighting all forms of discrimination and promoting diversity, fostering professional and social development, promoting gender equality and improving health and safety in the workplace. The human resources policy in this respect is presented in the "CSR" chapter and in the Chairman's report (General internal control principles/Human resources policy).

Natural disaster risks

The Group may be exposed to natural disaster risks in the countries where it operates with direct or indirect impacts on its activities, assets and employees and possible consequences on the Group's financial position. The Group draws up action plans and implements measures to mitigate the impacts of these risks and ensure business continuity. Further information is provided in the section on "Adapting to climate change" (see page 231).

Industrial and environmental risks

The Casino Group's sustainable development policy is implemented by a dedicated organisation created in 2002. The Group joined the United Nations Global Compact in 2009 to take account of the international dimension of its activities. Casino created a Group CSR department in 2010 to develop its Corporate Social Responsibility (CSR) initiative with its French and international subsidiaries in order to accelerate their implementation of CSR commitments. The Group also created a network of CSR correspondents in each of these subsidiaries in France and abroad. The network holds regular meetings.

The recognition of environmental risks and the environmental management process are described in the "CSR" section below. With respect to service stations owned by the Group, their activities are subject to ongoing inspections according to very strict standards. The Group operates 279 service stations in France, 83 in Brazil and 21 in Colombia. A soil contamination prevention initiative was launched in France which consisted of surveying the underground soil and water and comprehensive monitoring of the underground environment. Service stations outside France are also monitored and inspected.

7.1.3. LEGAL RISKS

Non-compliance risks

Due to the nature of the Group's activities and its international locations, it is required to follow numerous and varied regulations, such as laws on labour, competition, consumer protection, urban planning, business operation, stock exchange, occupational health and environment. The updated versions of these regulations may sometimes be more restrictive than the previous versions, and can accordingly impact the Group's activities and results.

Accordingly, both in France and abroad, the Group is required to follow laws and regulations governing the operation of public establishments, particularly in terms of hygiene and safety, and of environmentally-regulated facilities (service stations). The same applies to product compliance and safety.

Furthermore, the opening and expansion of stores can be subject to administrative authorisation procedures.

In the Group's various host countries, the expansion of its activities through acquisitions may be subject to the approval of the local Competition Authority. Consequently, the Group may be compelled to sell off certain outlets. For instance, in connection with the acquisition of control of Monoprix and its approval by the Competition Authority, 58 stores in the Casino Group's network in France had to be sold. They represented a total retail area of some 21,000 sq.m. and less than 1% of the Casino Group's net sales in France. The full control of Super Inter by Éxito was authorised by the Competition Authority in Colombia subject in particular to the sale of four Super Inter stores.

Six of the Group's subsidiaries are listed on the stock exchange (see page 243) and are subject to different laws and regulations depending on their trading place. Such is the case in particular for Companhia Brasileira de Distribuçao (Brazil) and Cnova (Netherlands), listed in the United States, which in addition to local laws and regulations have to comply with the Sarbanes-Oxley law.

The Group's activities are also subject to specific regulations, especially in France, concerning the Casino Group's bank (Banque Casino – bank and consumer credit institution), Cdiscount (e-commerce), Sudéco (real estate agent), Floréal and Casino Carburants (service stations), L'Immobilière Groupe Casino and Green Yellow (photovoltaic energy production).

The Group has implemented the necessary legal structures and processes 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 various host countries to the business sectors of its various entities. The Group Tax department and the tax departments of the various entities are responsible for identifying, controlling and monitoring tax-related risk.

The Group is subject to periodical tax inspections in France and in the various countries where it operates. The Group recognises provisions for all accepted tax assessment adjustments, while contested adjustments are recognised on a case-by-case basis according to estimates that factor in the risk of an unfavourable outcome to any claims and appeals. Casino, Guichard-Perrachon and its main subsidiaries in France are being audited for the 2011 and 2012 financial years. These audits had no material impact on the Group's financial statements.

With respect to the tax risks linked to GPA, see Note 13.2 to the consolidated financial statements.

Claims and litigation

In the normal course of its business, the Group is involved in various legal or administrative procedures and is subject to administrative inspections. Provisions are set aside to cover these proceedings when (i) the Group has a legal, contractual or constructive obligation towards a third party at 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 claims and litigation is provided in Note 13 to the consolidated financial statements.

As of the Registration Document filing date, there were no other governmental, arbitration or legal proceedings, including any unsettled or threatened proceedings which are or were in the past twelve months liable to have material negative effects on the financial situation or the profitability of the Company and/or the Group.

- With respect to Geimex, owner of the Leader Price trademark internationally and 50% owned by the Casino Group and 50% by the Baud family, the disputes between the two shareholders specifically concern the sale of Leader Price Polska by Casino in 2006 and the Baud family's activities in Switzerland for which commercial and criminal procedures are ongoing.
- In June 2009, GPA, through one of its subsidiaries, 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 its controlling shareholders, including Wilkes (GPA's head holding company), Casino, Guichard-Perrachon and three of its other sub-holding companies, had failed to comply with the contractual terms regarding payment of the portion payable in GPA shares. The claim included a request for damages of around 160 million reals (roughly €62 million).

  At this stage, the arbitration board is being initiated. In any event, neither GPA nor its controlling shareholders believe the claim is founded. In addition, aside from GPA and Wilkes, which are parties to the share sale agreement, none of the other defendants can be bound by the provisions of the agreement, which the arbitration board confirmed on 9 July 2013. Hearings on the merits were held from 9 to 12 June 2014 and a statement of claims was filed with the arbitration board on 30 September 2014. The ruling is expected at the start of the second quarter of 2015.

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 Casino Group's internal control and risk management systems are based on the French Financial Markets Authority (AMF) Reference Framework for risk management and internal control systems. The related organisation and procedures comply with the general principles described in the reference framework and reflect the application guidelines published by the AMF in January 2007 and updated with respect to risk management in July 2010.

The work underlying the drafting of this report involved interviews, reviews of audit reports and the distribution of AMF and internal questionnaires designed to identify all of the Group's internal control and risk management components.

This report was presented to the Audit Committee of 13 February 2015 for review and opinion and, in accordance with the law, was submitted to the Board of Directors of Casino, Guichard-Perrachon at its meeting of 16 February 2015.

The editorial team also relied on the 17 reporting principles of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) 2013.

7.2.2.2. Scope

The Casino 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.

The Group has six listed subsidiaries (Intexa, Éxito, Big C Thailand, GPA, Cnova and Viavarejo), which are subject to various obligations. These subsidiaries include two Group-controlled subsidiaries traded on US stock exchanges and therefore subject to the Sarbanes-Oxley law: Grupo Pao de Açucar (GPA) on the NYSE and Cnova on the NASDAQ. After the completion of the Cnova IPO on the NASDAQ in November 2014, the Group began a process at the end of 2014 (which will continue in 2015) to ensure the compliance of Cnova by 31 December 2015 with all of the requirements of the Sarbanes-Oxley law. For the 2014 financial year, GPA chose to continue to apply the COSO 1992 standards for its internal control procedures relating to the production of its financial statements.

7.2.2.3. Parties involved

Executive management, through its Executive Committee, is responsible for defining, designing and implementing risk management and internal control procedures.

The Board of Directors of Casino, Guichard-Perrachon, the parent company, is informed of the main characteristics of the risk management and internal control systems.

The Board of Directors' Audit Committee is in charge of verifying that the Casino Group has the appropriate resources and structures to identify, detect and prevent risks, anomalies or irregularities in the management of the Group's business. Its tasks include close and regular monitoring of the risk management and internal control systems.

It makes observations and recommendations on the audit work performed and carries out or commissions any risk management or internal control analyses and reviews that it deems appropriate.

It also oversees the Company's financial reporting process and monitors the effectiveness of the internal control and risk management systems. An "Audit Committee Charter" defines and clarifies the role and responsibilities of this Committee.

The Group Internal Control department is responsible for implementing internal control best practices.

Its duties mainly include:

- helping managers to identify the major risks faced by Group entities;
- drafting general procedures and risk matrices, defining key controls to be implemented;
- assisting operational divisions and shared services departments in improving and optimising current or planned risk management and internal control systems;
- the *ad-hoc* analysis of issues identified by divisions and shared services departments involving internal control deficiencies or of significant changes in the information process or systems.

The central team works in collaboration with the internal control teams in the various entities, totalling some fifty dedicated internal control staff.

It also deploys initiatives to raise awareness to the risks of fraud and corruption, encouraging the managers of each entity to continuously reinforce their risk management systems.

The Group's Insurance department liaises with operational and shared services departments to help identify and assess insurable risks. It participates in risk mapping and reviews of legal aspects (liability and insurance) of calls for tenders and major contracts. It defines and coordinates insurance policies in order to consolidate the Group's visibility on risks and improve guarantees, while optimising insurance premium amounts. In this context, the Group strengthened its insurance policy in 2014 by reorganising master policies and diversifying insurers and providers. It is also responsible for managing or supervising, as appropriate, litigations related to the Group's operations.

The Group has purchased several global master insurance policies. Where allowed by the legislations and regulations, these insurance policies intervene directly or supplement the limits and/or coverage terms subscribed in the various countries.

Local insurance policies for construction activities, vehicle fleets or workplace accidents for example, are purchased nationally in coordination with the Group and its local insurance advisers.

The duties of the Risk Management Committee (RMC) include participating in the company-wide risk management process and ensuring the consistency of the overall prevention of 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.

It meets every two months with representatives of the Executive Committee, the major shared services departments (Legal, Human Resources, Finance, Audit and Internal Control) and operational divisions (Hypermarkets, Supermarkets, Supply Chain, Group Purchasing, Property Development).

It works in close collaboration with the Audit and Internal Control department and with the Legal Risks department, created in 2013, and also communicates with subsidiaries that have their own RMCs (Vindémia, Libertad and Monoprix).

The Group Internal Audit and the local Internal Audit units are also involved in monitoring internal control. Their roles and responsibilities are detailed in the section of this report on "Monitoring of Internal Control".

Lastly, the Group Crisis Management Unit is a special purpose unit devoted to crisis management (crisis affecting employees, consumers, the company's image and net assets). Its members include representatives of executive management (the Chairman and Chief Executive Officer depending on the event, the Human Resources Director) and, on a case by case basis, any internal staff (Heads of the branches, business lines or departments concerned, Communications, Legal and Insurance) or external experts (specialists, lawyers, etc.) necessary for its proper operation.

7.2.2. GENERAL RISK MANAGEMENT PRINCIPLES

7.2.2.1. Definition

The Casino Group's risk management system comprises a range of resources, behaviours, procedures and actions tailored to the specific needs of the Group. This system seeks to provide managers with the tools to completely eliminate these risks or at least maintain them at an acceptable level for the Company.

Employees, supervisory staff and operational heads are responsible for ensuring the smooth operating of the risk management and internal control systems by striving to continuously improve them.

7.2.2.2. Objectives

Risk management strives to:

- create and preserve the Company's value, assets and reputation;
- ensure that decision-making and the Company's processes achieve established objectives;
- ensure that actions taken are consistent with the Company's values;
- engage employees around a shared vision of major risks.

7.2.2.3. Risk management process

Within the Casino Group, risk management is decentralised under the supervision of the parent company's executive management. The subsidiaries' Management Committees are responsible for identifying, assessing and dealing with the main risks facing them.

Risk identification

The Casino Group is faced with various types of risks such as market risks, operational risks and legal risks. These risks are described in the section on "Risk factors and insurance" of the annual report.

In 2014, a dual risk-identification initiative was adopted. It entailed the definition by the Casino Group Executive Committee of a list of Group-level inherent major risks for all entities and the identification by each entity of its own specific risks. Each of the Group's entities is assisted in this task by the Group Internal Control department, which initiated and monitored the rollout of a major risks management tool for the heads of each entity, aimed at facilitating the identification of such risks, the review of internal control activities already in place and the treatment of the risks through improvements in the internal control system. This tool is designed to be used as a steering instrument and its content is defined by the Management Committee of each entity.

Risk assessment

Risks identified by the Group's Executive Committee and by the Management Committee of each entity must be assessed and quantified by that same Management Committee. Risk mapping is used as the foundation for the Group Internal Control department's work. This department's duties and activities are described in this report under the section on "Organisation".

Risks are reviewed regularly by the Group Audit and Internal Control department, which assesses them independently depending on their impact and frequency and with regard to the existing internal control system.

Risk treatment

The control activities described below in this report seek to reduce the risks, identified by the management of each entity and at Group level, whose occurrence would prevent the Group from achieving its objectives.

Furthermore, the various risk identification and assessment tools are monitored by each entity, 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 of occurrence or impact of the risk, or both; the Group Internal Control department may be asked to implement the resources required for risk mitigation;
- conservation of the risk: no measure is taken to change the probability of the risk and its impact; the risk is accepted and borne by executive management;
- avoidance of the risk: the activities at the origin of the risk are abandoned;
- transfer of the risk: the probability or impact of the risk is reduced by transferring or sharing part of the risk, particularly through insurance mechanisms.

The Group Audit and Internal Control department assesses the risks inherent in the activities of the entities and the implementation of the associated internal controls. This allows for the identification of residual, potentially material risks. Recommendations are made aimed at implementing action plans to control these risks. Audit monitoring activities are carried out to ensure that the identified risks have been mitigated.

Furthermore, with respect to the crisis risk, each entity is in responsible for establishing a business continuity plan and setting up processes to report to the Group critical information on managing these events. The local management may, in addition, rely on the Group Crisis Management Unit.

7.2.3. GENERAL INTERNAL CONTROL PRINCIPLES

7.2.3.1. Definition

Within the Casino Group, the internal control system is defined and implemented under the responsibility of each of the entities, which allows them to participate in controlling their activities, while ensuring the efficiency of their operations and the efficient use of their resources. It also strives to accurately identify the significant risks for each of the entities which could prevent them from achieving their objectives.

7.2.3.2. Objectives

In accordance with the AMF's Reference Framework, internal control seeks to ensure:

- compliance with laws and regulations;
- the application of the instructions and guidelines set by executive management;
- efficient internal processes, particularly those that help to safeguard the Group's assets;
- the reliability of financial reporting.

However, as underlined by the AMF's Reference Framework, no matter how well designed or well applied, no internal control system can provide absolute guarantee that the Group will achieve its objectives. Any internal control system has inherent limitations. These limitations are due to several factors, notably the uncertainties of the outside world, the exercise of people's judgment or malfunctions that may occur due to human failure or a simple mistake.

7.2.3.3. Internal control environment

Due to the geographic distribution and the diversity of its activities, the company is decentralised, which allows better recognition of the local characteristics of each entity and enhances the efficiency in the decision making process.

Each entity has its own support functions, which work in collaboration with the corresponding Group department.

Setting and communicating objectives

Within the Casino Group, strategic and financial objectives are set by the executive management of the parent company in a three-year plan which is fully reviewed every year. The first year of the plan constitutes the budget.

The Strategic Planning department is responsible for building and implementing the plan. Its duties include:

- coordinating the preparation of the three-year plans of the various entities and ensuring that they are consistent with and match the Group's strategy;
- liaising with the Finance departments of entities, verifying the company's key balances, especially in terms of investments, allocation of financial resources and management of financial liabilities;
- monitoring the three-year plan in conjunction with the Group Finance department and its Management Control team; the plan is periodically updated to reflect actual results;

- cooperating with the Executive Committee and the operational or shared services structures concerned to prepare key corrective actions plans and ensure 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. This charter, which applies to all of the Group's subsidiaries, covers the commitments made in 2009 when the Group signed the United Nations Global Compact. It is integrated in the reference framework of managerial attitudes and behaviours rolled out with all management teams.

Responsibility and powers

Segregation of duties

Each entity builds its organisational structure to ensure the proper segregation of duties. This organisational structure is set out in organisation charts. The organisation charts of the main operational divisions and shared services departments are available on the company's Intranet.

Delegations of powers and responsibility

The Legal and Human Resources departments of each entity manage and oversee the process governing delegations of authority and responsibility in accordance with local law. The Legal department is responsible for issuing guidelines for delegations and defining their content. The Human Resources department implements and oversees the application of these guidelines.

Human resources policy

The Casino Group's human resources policy is aimed at ensuring the proper allocation of resources within the Group through structured hiring and career management programmes to allow the achievement of the goals set by the parent company.

The Group also implements training policies specifically pertaining to management, personal development and the company's business lines.

To keep employees motivated, the remuneration policy of the Group entities is based on an analysis of the positioning of the salaries proposed by the Group relative to the market and on internal equality principles.

The compliance of managerial practice with the managerial attitudes and behaviours is assessed each year as part of the annual appraisal. This then partly determines the amount of variable remuneration awarded to managerial staff.

Lastly, in 2014, various company-wide or Group-wide agreements were signed with different scopes and subjects, such as an agreement on employee work time, benefits and working conditions for French entities signed in March 2014, which included the provision of a service on dependency and disability for employees, and a Group agreement on Corporate Social Responsibility (CSR) signed in April 2014.

Information systems

The Casino Group has developed a target model based primarily on two industry-recognised integrated management software solutions, one for administrative functions and the other for sales functions. This model encompasses IT standards and reference frameworks to ensure that the IT systems match the Group's current and future objectives. The dissemination of these best practices must also help to enhance hardware and software security, data storage, secure access management and business continuity.

Operating procedures and methods, content

The Group has internal control procedures for its key processes. These include Accounting (composed of 17 sub-procedures grouped into four processes: monitoring of standards, recording of transactions, closing and production of parent company financial statements, and production of consolidated financial statements) and Purchasing (composed of 26 sub-procedures grouped into five processes: definition of assortments; identification, negotiation and selection of suppliers; monitoring of contractual commitments; quality, hygiene, safety and environment; and operating expenditures and services). They describe the purpose of these processes, the departments and activities concerned and the principles to be respected. These procedures are disseminated on the Intranet sites and other document databases of the various Group entities.

Dissemination of information

In addition to circulating information, the Group's current information systems, Intranet sites, databases and other communication methods also serve to centralise and disseminate business operating procedures.

The release of information is carefully timed to allow the parties concerned to take appropriate action.

A special procedure provides crisis management guidelines on handling situations that could generate a Group-level crisis. Some entities use a reporting tool for swift communication with executive management.

All Casino Group employees are bound by an obligation of confidentiality with respect to the information used in the context of their professional activities. In addition, employees who have access to inside information in the course of their work are identified and given the appropriate information. Such employees are registered on a list of standing insiders prepared by the Group Legal department, in accordance with the AMF General Regulations.

7.2.3.4. Control activities

Compliance with laws and regulations

The control activities described below are designed to address the legal risks described in the section on "Risk factors" in this report.

Organisation

The Group's Legal department is responsible for the compliance of the Group's activities with applicable laws and regulations. It reports on all major legal matters to executive management. In addition, it strives to share and disseminate good practices among the various operational entities.

Each consolidated entity has its own legal department that oversees compliance with applicable laws and regulations and reports to the Group General Counsel.

Compliance with tax law is under the remit of an entity-based tax department reporting to Casino Group Finance. Its main functions and duties include providing assistance to the Group's operational entities in France and to foreign subsidiaries. It monitors regulations and tracks changes to all types of taxes and duties applicable to the Group.

More broadly the Tax department, with the assistance of the Finance department, is responsible for spreading, disseminating and implementing within the Group all the tax management best practices that it considers relevant. It also monitors tax inspections and disputes in France and abroad. However, these inspections and disputes are managed at country level.

The Tax department uses Group reporting tools (France and international) to carry out its missions. These tools are updated annually or half-yearly.

Depending on their size, the operational entities and subsidiaries have their own dedicated tax teams or tax correspondents.

Knowledge of applicable rules

Legal intelligence is handled in each entity by legal experts who may be assisted by external law firms, if necessary.

The legal experts have access to specialised databases and journals that allow them to stay abreast of new developments every day and efficiently perform their tasks.

Legal intelligence in labour law is the responsibility of the Human Resources and Legal departments.

Transcription of rules

The legal experts are responsible for circulating and ensuring compliance with legislation applicable to the various entities and their activities. To this end, they prepare opinions, standard procedures or memos on the legal and regulatory obligations applicable to the Group.

Informing and training staff on relevant regulations

The documentation prepared by the legal team is placed on an internal website to be accessed by operational heads in order to help them ensure their units' compliance with laws and regulations. Training programs for managers and/or operational teams on current issues or specific points are regularly organised by the legal teams, with the assistance of external experts if necessary.

In addition, the Group Legal and Legal Risks departments work closely with the Risk Management Committee (RMC) to design and implement action plans to raise awareness about legal risks among the Group's operational and shared services teams. They distribute procedures and provide training to employees.

Verification of regulatory compliance

The heads of entities and their deputies are responsible for the compliance of their operations with the applicable law. The operational internal audit teams are responsible for checking compliance. Disputes and litigations are monitored by each legal unit assisted by external experts and/or the Legal Risks department, if necessary. French entities send monthly reports on developments in disputes and litigations to the Group Legal department.

Applying the instructions and guidelines set by executive management

Distribution of the instructions and guidelines set by executive management

The directors of French entities and, for international entities, the Country Chief Executive Officers are responsible for implementing the defined strategy. The International Coordination department assists the international entities. It is specifically in charge of monitoring their monthly results, preparing their succession plans for top management, setting up synergies and sharing best practices among entities. For matters linked to external expansion, it is assisted by the Corporate Development and Holdings department.

Monitoring the application of instructions and guidelines

Numerous key performance indicators are used to monitor the proper application of the instructions and guidelines set by executive management and to measure the deviations from its targets. The frequency of indicator reporting is defined according to the type of information. The accounting and financial reporting systems are used to monitor the consolidated performance of the Group and the individual performance of each entity.

Executive management receives a monthly report prepared by the Group Management Control, which summarises the key performance and management indicators and includes the customary financial statements, consolidated and by entity. This monthly report includes comments on meeting targets and reports on key actions in progress.

The Management Control teams of all entities use IFRS to build the standardised monthly management report sent to the Group. These reports are consolidated by Group Management Control to steer operations and analyse deviations with respect to the forecast data and the prior year data.

The entities' management and the Group's executive management conduct formal business reviews of the monthly report data to ensure the appropriate guidance. The Group Management Control also sends regular reports to executive management on its analyses.

Working Capital Requirements are managed through a monthly review by the local Finance department of each entity and the Group Management Control.

Executive management uses the comprehensive data reports it receives to monitor the achievement of its annual targets. This process also seeks to implement corrective action plans whenever necessary.

If necessary, Group Management Control can help entities through special assistance projects, by proposing situation analyses and recommendations.

Periodically, annual forecasts are revised to take account of the specific changes in each of the entities and readjust year-end targets.

Every week, the Strategic Planning department submits for validation to executive management the investment projects of entities that exceed a defined threshold. Validated projects are then sent to the Group Investment Committee.

Internal processes for safeguarding assets

The control activities described below are designed to address the operational risks described in the section on "Risk factors" in this report.

People and property protection

The Group has a permanent control process to ensure the safety of property and people. This is the responsibility of different departments in each of the entities and in particular the technical and operational departments. These departments are assisted by external experts in the relevant fields whenever necessary.

Fixed asset management

New construction projects managed by the Group comply with specifications prepared in association with experts, in accordance with applicable regulations and the functional and operational objectives of the construction.

The entire construction process is monitored by a Group-appointed project manager specifically in charge of ensuring that contractual terms and conditions, such as time frames and the quality of services, are met and that the project stays within the forecast budget.

The Casino Group's property portfolio is monitored by a technical and administrative team and regularly maintained to allow efficient commercial use.

Fixed assets are monitored for accounting purposes in a fixed asset management software application (SAP Immo), which tracks their carrying amounts for the parent company financial statements and for consolidation at Casino Group level, as well as their tax base. SAP Immo also sends data to the property portfolio management tool and to the reporting tool to facilitate the management and control of fixed assets and verify the reliability of the production of accounting information.

Banner protection

The commercial leases of entities are drafted in accordance with the Group's requirements to ensure that they provide appropriate safeguards against the risk of eviction. Leases are monitored by property management teams whose objective is to ensure their renewal at expiry.

Since affiliation and franchising are important components of the Group's business, the Group Legal department oversees the effectiveness of contracts, while operational teams monitor franchises.

The management of risks inherent in the business, legal risks in particular, relies on a robust pre-litigation culture of the development teams and on control activities in the drafting and implementation of contracts.

Intellectual property protection

All the trademarks used by the Casino Group are registered with the appropriate bodies for their legal protection in France and in all countries where the Group operates or is likely to operate in the future.

Furthermore, the Group Legal department is responsible for the preventive and defensive protection policy. It works with external service providers to track the registration by third parties of trademarks identical or similar to those of the Group and take appropriate action in case of infringement.

Image protection

The Group's external communications are prepared and implemented by executive management. The validation process for information disseminated by the Corporate Communications department systematically includes vetting by executive management prior to publishing. The various entities, some of which have their own Communications department, work under the authority and responsibility of the Corporate Communications department on matters that could potentially impact the Casino Group's image.

The Corporate Communications department is also in charge of managing risks to the image of the Casino Group and its employees. It checks any information published about the Group on all types of media (newspapers, social networks, etc.). The response process implemented is tailored to each situation.

Merchandise management

The Purchasing strategy, both in terms of assortment and suppliers, is backed by market analyses and reflects the strategic guidelines of the entity. Action plans are defined based on internal or external analyses to ensure that product offering always matches market demand and banner positioning.

Buyers conduct regular verifications during calls for tenders, listings and delistings, to identify and reduce the risks related to the economic dependency on suppliers.

Lastly, performance indicators are used to guide the Purchasing activity and track its effectiveness.

The Group Quality department defines a quality policy for Casino private label and similar products. It provides on-demand training and/or distribution of best practices on product quality and safety for the various entities in order to involve them in the Group's quality strategy.

Since 2011, exchanges of best practices between all of the Group's countries have laid the foundation for the development of an international quality policy, including the definition of common performance indicators as well as a Quality Charter which was shared and distributed to all entities in 2012.

The Group Quality department defines and implements product and supplier control processes for Casino private label and similar products, Casino-certified value-priced products and direct imports.

Quality procedures include the performance of audits on the production sites of the Group's suppliers, particularly for Casino private label products.

Lastly, Group entities take action designed to safeguard inventories. Inventories are protected through different processes such as securing warehouses, equipment and merchandise, goods reception and shipping processes, as well as the monitoring of standards on hazardous or regulated products.

The Group carries out inventory counts, particularly as part of the accounts closing process. Inventory counts are used to monitor performance indicators and detect any anomalies in the supply chain.

Management of assets and financial flows

The control activities described below are designed to address the legal risks described in the section on "Risk factors" in this report.

Financial flows are managed through procedures aimed at securing cash inflows and outflows. Group entities have signature authorisation processes which include the obligation of dual signatures for cash outflows to third parties. Cash receipts and payments are controlled through reconciliations between bank statements and accounting data.

The Corporate Finance department liaises with the Finance departments of subsidiaries to manage financing, cash investments and financial risks. This process is based on principles of prudence and anticipation particularly with respect to counterparty management and liquidity risk. Major transactions are monitored individually, depending on the country risk.

The Corporate Finance department has issued a guidebook on financing, investment and hedging best practices which is distributed to local Finance departments. This guide clarifies financing methods for subsidiaries, preferred banking partners, appropriate hedging instruments as well as the necessary authorisation levels.

The cash positions and forecasts of the Group's French and international entities are monitored weekly. Other financial risks facing the Group, such as interest rate risk or banking counterparty risk, are quantified and assessed through monthly reports sent to executive management, as well as action plans for managing identified risks.

7.2.3.5. Monitoring of internal control

Continuous monitoring

The risk management system is regularly monitored and reviewed by the managers of each entity who ensure the day-to-day supervision of its effective implementation. The managers are specifically responsible for implementing corrective action plans and reporting to the Casino Group's executive management any significant malfunctions. This allows executive management to check that the system matches business requirements and to take any required remedial action.

Monitoring by Internal Audit

As part of their internal control assessment processes, the Group Internal Audit unit and the audit units of entities regularly review the operation of the risk management and internal control system.

The Group Internal Audit unit assists executive management and the various entities in France and abroad in the performance of their responsibilities regarding the supervision of the risk management and internal control system. It is also liaises with the Audit Committee of Casino, Guichard-Perrachon, the parent company, and responds to all its requests.

The Group Audit and Internal Control department also strives to stay abreast of the internal control best practices developed inside Casino Group entities or shared in the marketplace.

The department works with a central Internal Audit team and has a functional link with Internal Audit teams of the French and foreign entities. In total, the central and local teams comprise nearly 100 employees.

The internal audit assignments carried out by the central team are defined in an annual audit plan. This plan is prepared by the Group Internal Audit unit based on the Group's risk assessment, the application of the audit cycle principle on the Group's key business processes, and the listing of major issues identified by the managers of each of the Group entities or their department heads.

The Internal Audit units of entities also draw up formal annual audit plans which are submitted to the relevant executive managements for validation and, if necessary, to their own Audit Committee for review. These documents are also sent to the Group 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 to be performed by local internal audit teams or external service providers who will be specifically monitored by Group Internal Audit with reporting to the Group Audit Committee;
- Category C: operational audits or cross-functional audits focused on local issues only and which will not be reported to the Group Audit Committee.

The Group Internal Audit Charter, approved by the Audit Committee of Casino, Guichard-Perrachon, the parent company, describes the operating procedures of the Group Internal Audit unit. This charter has been adapted to match the requirements of the audit teams of entities. In performing its audits, the central team also relies on formal guidelines based on the professional standards published by the Institute of Internal Auditors (IIA).

All of the Group Internal Audit reports are transmitted to the Group's executive management and to the Audit Committee of Casino, Guichard-Perrachon, the parent company, in accordance with the procedures defined in the Internal Audit Charter.

Monitoring by external auditors

In the exercise of their duties, the Statutory Auditors are required to understand the organisation and operation of the current internal control procedures, report any observations on the description of the internal control and risk management procedures regarding the preparation and processing of accounting and financial information, and certify the disclosures provided as required by Article L. 225-37 of the French Commercial Code. This Chairman's report on internal control and risk management procedures has therefore been reviewed by the external auditors.

In addition, the external auditors are required to communicate regularly with the Group Audit and Internal Control department and with the Audit Committee.

7.2.4. INTERNAL CONTROL OVER ACCOUNTING AND FINANCIAL REPORTING

7.2.4.1. Objectives

Accounting and financial internal control seeks in particular to ensure:

- the compliance of reported accounting and financial data with applicable rules;
- the application of the instructions and guidelines issued by executive management for accounting and financial reporting;
- the reliability of the information circulated and used internally for steering and control when used to prepare published accounting and financial information;
- the reliability of published financial statements and other disclosures made to the market;
- protection of assets;
- the prevention and detection of fraud and irregular accounting and financial practices as much as possible.

The scope of accounting and financial internal control described below covers the parent company and companies consolidated in the Group financial statements (see page 111).

7.2.4.2. Steering the accounting and financial organisation

General organisation

The accounting and financial functions are decentralised in each of the entities to allow better recognition of local specific characteristics. However, some entities outsource some of their work to shared services centres. The Group encourages entities to organise process-specific accounting units, conducive to enhanced consistent treatments, efficient segregation of duties, implementation of controls, and application of procedures.

The Group-level Accounting, Management Control and Corporate Finance departments oversee and steer local functions. Group-level functions also consolidate Group-wide data and prepare the accounting and financial information published by the Casino Group.

The Chief Executive Officers and Chief Financial Officers of each of the controlled entities certify each year through in-house declarations, known as "compliance letters", the reliability of the accounting and financial production of their entity and the existence of an appropriate internal control system.

To be able to issue an opinion to the Board of Directors on the draft financial statements, the Audit Committee reviews the annual and interim financial statements and reads the conclusions of the Statutory Auditors about their work.

For this purpose, the Committee monitors and stays abreast of the accounting and financial reporting preparation process by:

- supervising the control system through its reviews of the internal audit work;
- ensuring a smooth closing process;
- reviewing the relevance of the accounting policies used;
- ensuring the intervention of external auditors.

Application and control of accounting and tax policies

The system implemented seeks to ensure that the locally-applied standards correspond to the regulation in force and may be accessed by all those involved in the process of preparing accounting and financial data.

As part of the consolidation process, each Group entity transmits to the Group Accounting and Management Control departments the IFRS-compliant accounting data, in particular their income statement, statement of financial position, statement of cash flows, statement of changes in equity and various key performance indicators.

The Group Accounting and Management Control departments have prepared and distributed a "Financial reporting guide" designed to ensure the production of reliable and consistent information. This guide presents the Group's significant accounting policies, base of consolidation, consolidation adjustments, complex transactions and management principles. It is regularly updated and distributed to all users of the financial reporting tool who also provide feedback.

The regulatory environment is monitored to assess and anticipate changes in accounting rules and regulations that may impact the Group's accounting policies, which are IFRS compliant; regulatory changes with an impact on the Group's accounting procedures are explained in memos.

In terms of tax policies, validation audits are carried out on the taxable profit at year end. Major transactions for the year are analysed from a tax perspective. Lastly, the team stays abreast of new legislative, jurisprudence and regulatory developments, holds briefings on tax developments and distributes procedural memos.

Tools

Each entity uses the tools necessary for processing and preparing accounting and financial information in compliance with the segregation of duties principle.

The Group entities report their accounting and financial data, restated to reflect the Group's standards and comply with IFRS, through a single financial reporting and statutory consolidation software application. The software allows the identification of the users of the tool and enhanced authentication for remote access, and has enhanced security and continuity features.

This Group reporting system is managed by a dedicated unit.

7.2.4.3. Preparation of accounting and financial information

Identification of risks affecting the preparation of published accounting and financial information

The management of each entity is responsible for identifying risks affecting the preparation of published financial and accounting information. It ensures the segregation of duties in the upstream production of accounting information and financial statements to specifically prevent accounting and financial frauds and irregularities. It also implements control activities appropriate to the assessed level of risk.

Control activities to ensure reliable accounting and financial reporting

Preparation and consolidation of accounting and financial information

The processes for producing accounting information and financial statements are organised to guarantee the quality of published accounting and financial information. These processes are based in particular on pre-closing work, the anticipation of estimates and the treatment of complex transactions, which enable to produce reporting within short deadlines while preserving the quality and reliability of information.

Most of the entries required by entities for compliance with the Group's accounting standards are based on instructions transmitted by the Group Accounting Standards department. The Group Accounting department, in charge of staying abreast of new accounting standards, has also set up training programmes to assist entities in using the "Financial reporting guide" reporting and operating tool to guarantee the quality of data collected and the reliability of financial and accounting information.

The system guarantees data consistency through automatic controls on local and consolidated data.

The Group Accounting department continuously checks changes in the ownership percentage of subsidiaries and holdings. It is responsible for implementing the appropriate consolidation treatments (scope of consolidation, change in the basis for consolidation, etc.).

In accordance with the legislation, Casino, Guichard-Perrachon has a team of two Statutory Auditors, appointed in 2010 in its current configuration. The team relies on the validation of all accounting information, including consolidation adjustments, by their local networks of external auditors involved in auditing various subsidiaries. Their duties include checking that the annual financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group and the parent company as at 31 December, and of the results of their operations for the year then ended, in accordance with the accounting principles adopted.

The Group Accounting department liaises with the external auditors of the Group's various entities. The Group's Statutory Auditors are appointed through a call for tenders launched and controlled by the Audit Committee, as required by the AFEP-MEDEF Corporate Governance Code for listed companies.

Management of external financial reporting

The role of the Group Financial Reporting department is to give the financial community a clear overview of the Group's strategy, business model and performances by distributing accurate, reliable and fair information to the public.

The financial data is prepared and validated by the accounting and management control units, prior to its publication.

The legal and accounting units also help to prepare the Registration Document and the Management Report.

Results or statements on financial and strategic transactions are sent to the Board of Directors for review and comment. Annual and interim financial statements are reviewed by the Audit Committee before release to the public. Publications of revenue and earnings are submitted to the Statutory Auditors for review and comment.

Financial reporting to all concerned parties occurs through various channels:

- financial press notices and press releases;
- conference calls for quarterly revenue publications;

- presentation meetings for annual and interim results;
- road shows, conferences, one-on-one meetings or conference calls with financial analysts and investors organised in France and abroad;
- financial information distributed at the Annual General Meetings;
- Registration Document, Annual and Corporate Social Responsibility Report;
- Group corporate website.

The Group Financial Reporting department is also involved in setting the calendar and reviewing the financial reporting of the Casino Group's controlled listed subsidiaries to ensure consistent information across all of the Group's communication channels.

7.2.5. CONCLUSION

The Casino Group implements its internal control using a continuous improvement approach aimed at ensuring that risk management and internal control best practices are shared within the Group.

The risk management and internal control systems are regularly reviewed due to the diversity of the Group's operations, business lines and locations and changes in its scope of activity.

The Casino Group's objective is to continue to optimise the current systems. Accordingly in 2014, the Group continued the efforts aimed to enhance the quality of the systems with in particular the introduction of a new risk management method.

7.3. INSURANCE – COVERAGE OF POTENTIAL RISKS

GENERAL OVERVIEW OF THE INSURANCE POLICY

The Group strengthened its insurance policy in 2014 with the aim of maintaining or improving the protection of its assets, customers and employees while keeping costs under control.

The main duties of the Insurance department which reports to the Group Finance department include:

- helping to identify, assess and quantify insurable risks;
- contributing to the technical risks prevention policy and supervision of prevention measures recommended by the technical departments of insurers, especially those applicable to establishments open to the public;
- negotiating and managing Group insurance policies (including Mercialys of which Casino is the reference shareholder);
- supervising and coordinating the insurance policies purchased by the French or international subsidiaries when the latter cannot be covered by the Group's global master policies;
- managing and overseeing the processing of claims.

The Group is assisted by world-class brokers and buys its insurance policies from leading, solvent insurance companies, known for their offerings of coverage for major risks.

ASSESSMENT OF INSURANCE COSTS AND COVERAGE

Self-insurance and insurance budget

To keep its risk financing under control, in 2014 the Group continued its self-insurance policy (deductibles and reinsurance captive), especially concerning compensation for low-frequency, small claims, which mostly involve public liability and property damage.

For situations when a claim exceeds the deductible, in 2006 the Group has set up a reinsurance subsidiary based in Luxembourg (reinsurance captive) which mainly finances property damage risks. Its commitments are capped at €10 million a year, net of reinsurance.

For 2014, including the Brazilian subsidiary, the Group's insurance budget for premiums and self-insurance (excluding Group health plans and death and disability plans) was estimated at €70 million, corresponding to 0.14% of 2014 consolidated net sales.

Overview of insurance cover

The covers presented below correspond to 2014 policies and were still valid on the date of this report. They cannot be considered as permanent owing to changing risks, new developments in activities requiring insurance and in the claims pattern, arbitrations and/or adjustments that may be decided by the Group to take account in particular of possible changes in cover capacities and pricing conditions on the insurance market.

Property damage and business interruption

This property damage policy is designed to protect the Group's assets.

It covers traditional risks associated with this type of policy such as, for example, fire, water damage, explosion, natural disasters, subsidence, electrical damage, business interruption, rental risks.

The cover is capped at €250 million per claim and per year, with cover sub-limits for some named risks, depending on the geographic location.

The policy was renewed on normal terms and conditions when it expired on 1 July 2014 and the previous cover was maintained.

At the date of publication of this document, no major and/or significant claim has made in 2014 liable to affect current terms and conditions of insurance and the cost of insurance premiums and/or the premiums and continuation of self-insurance.

Public liability

This policy covers the financial consequences (bodily injury, property damage and consequential loss) arising from losses 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.

The public liability cover is capped at €75 million per claim and per year.

Other insurance policies (mandatory and discretionary)

The Group has purchased the policies below to cover its business operations:

- public liability policy – motorised land vehicles ("fleet" policy);
- construction policies: contractor liability/owner non-builder, construction all risk, etc.;
- environmental liability policy;
- building owner and/or property manager, travel agency professional liability policies;
- transport policy to cover damage and loss of goods during transport and liability for all logistics operations linked to goods transport;
- corporate officers' public liability policies.

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 inspections of insured high-value facilities such as hypermarkets, shopping centres and warehouses;
- joint monitoring of inspection and prevention reports per site by the technical departments of both the Group and the insurers;
- monitoring of the protection per site depending on needs and priorities (sprinklers, safety, security and anti-burglary installations);
- monitoring property damage risk mapping including natural events and risks of strikes, riots, uprisings and more generally political risks both in France and abroad.

Concerning risk linked to product liability, the Group maintains and continues the quality and prevention initiative launched several years ago, upstream of outlets for both private label and other products.

Similarly, in case of crisis and or major claim, 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.

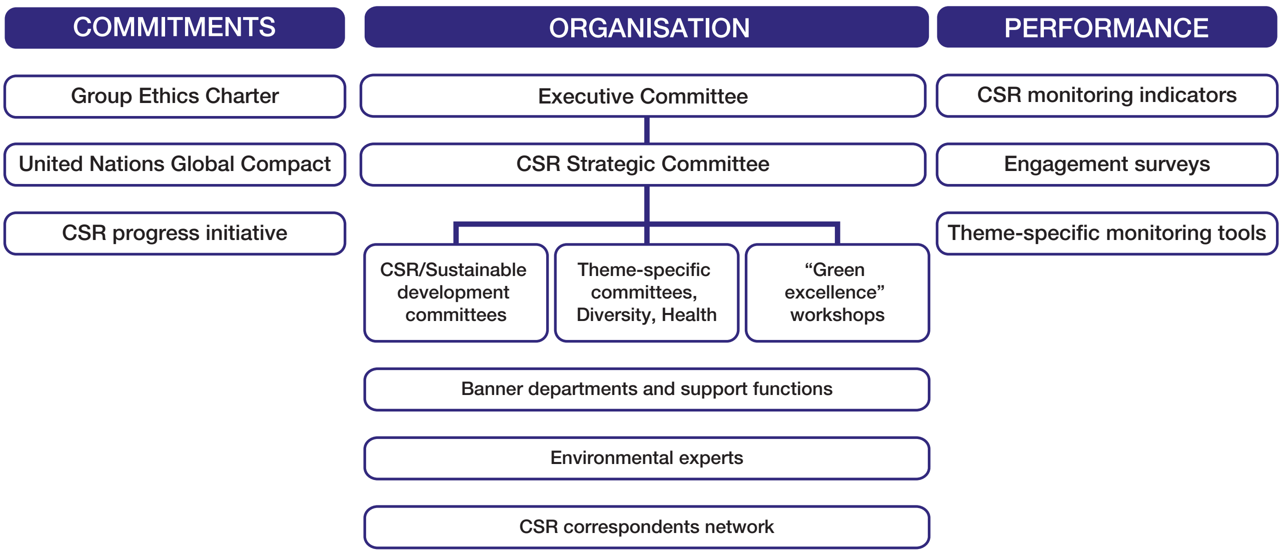
Chapter 8
Corporate Social Responsibility (CSR)



8.1. PRESENTATION OF THE CASINO GROUP'S CSR POLICY

8.1.1. ORGANISATION

The Casino Group's sustainable development policy is implemented by a dedicated organisation created in 2002. The Group joined the United Nations Global Compact in 2009 to take account of the international dimension of its activities and breathe new life into its historic initiative. A Group CSR department was created in 2010 to disseminate and coordinate its CSR progress initiative among all its subsidiaries in France and abroad. This initiative is also disseminated to countries and banners through actions carried out locally by the CSR departments of subsidiaries.



The CSR Strategy Committee, comprised of twelve members including nine members of the Executive Committee, is tasked with validating the Group's CSR commitment priorities based on the Global Compact principles and areas of application of the ISO 26000 standard and monitoring their implementation by the entities. The Casino Group has created a network of CSR correspondents in each of its French and foreign subsidiaries, coordinated by the Group CSR department. In France, this network is completed by environment officers and "diversity-promoting" *(Promotion de la diversité)* correspondents.

The following committees support the rollout of the CSR policy:

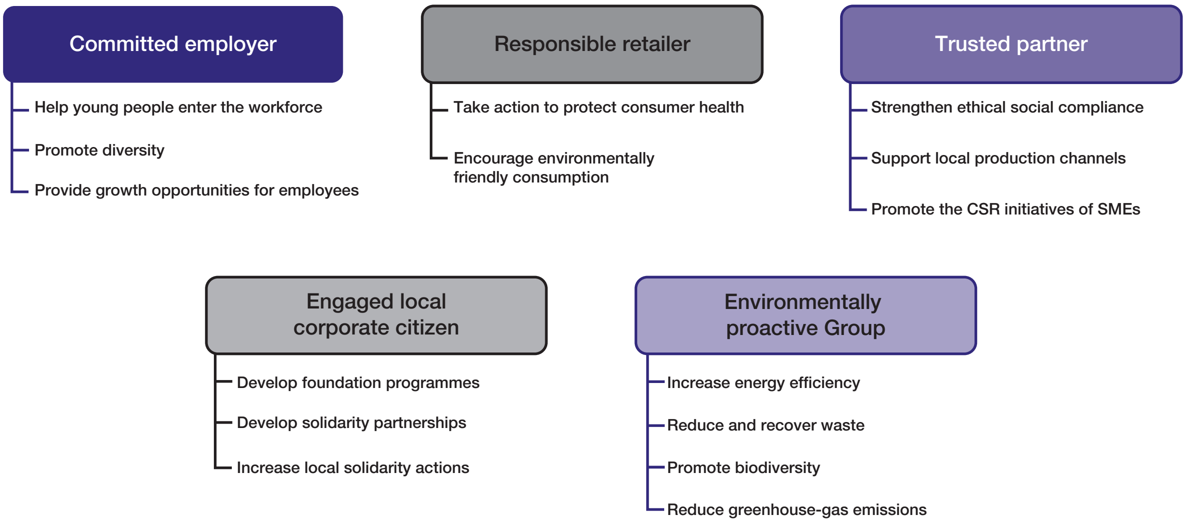
- the Human Resources Steering Committee;
- the Scientific Committee on Nutrition and Health;
- the Quality Committee for France;
- the CSR coordination and monitoring committees within Casino and Monoprix in France but also internationally, for example within GPA in Brazil, Libertad in Argentina, and Big C in Thailand.

8.1.2. IDENTIFICATION AND PREVENTION OF CSR-RELATED RISKS

The risk management systems are explained under Chapter 7 in this report. The major CSR-related risks identified by the Group concern Human Resources, procurement and product marketing, climate change and soil pollution. They are also explained in this report (see page 231).

8.1.3. CSR CONTINUOUS IMPROVEMENT PROGRAMME

A structural component of its CSR policy, the "CSR Spirit" progress initiative introduced by the Group is built on 15 priorities focused on five areas of responsibilities.



The initiative meshes perfectly with the commitments of the Group's Ethics Charter communicated to all entities in 2011. It recalls the Group's attachment to the values proclaimed in the Universal Declaration of Human Rights and the ILO's Declaration on Fundamental Principles and Rights at Work. Through the nine commitments of its Ethics Charter, the Casino Group specifically undertakes to abide by national and international laws, principles, standards and regulations; implement loyal practices in its commercial relations; encourage the development of quality employee relations, based on respect for employee representative bodies and constructive dialogue; promote equal opportunity in access to employment, training and career growth; take account of the diversity of expectations, needs and lifestyles of the stakeholders with whom the Group interacts.

The Group is using the Ethics Charter and endorsement of the United Nations Global Compact to reassert its determination to comply with and promote human rights in all its international subsidiaries and with its suppliers.

8.1.4. CSR AWARENESS AND TRAINING

To raise employee awareness of the CSR policy and of the issues at stake in their activities, the Group conveys its CSR actions in all its communications materials (in-house newsletters, Intranet). A CSR newsletter entitled "The Essence of CSR" *(L'Essentiel de la RSE)* features the significant events of the Group and its subsidiaries and is circulated by the Group CSR department. The banners also circulate their newsletters, such as "Raíces" produced by Libertad which features major CSR actions implemented during the quarter.

In 2014, an online CSR challenge was organised through its "Casino World Community" platform which brought together 177 international teams of four players over seven weeks. An online module named "Discover Casino Group" *(Découvrir le groupe Casino)*, covering the Group's CSR policy, was produced and made available to employees.

In France, Casino has rolled out an awareness programme for Casino store managers based on the "Discover CSR in stores" *(Découvrir la RSE en magasins)* training module and "CSR initiative trophies" *(Trophées de l'Initiative RSE)*, to shed a positive light on best store initiatives. CSR correspondents have access to an e-learning training module known as "CSR Passport" *(Passeport RSE)*. Casino employees also received training in sustainable consumption from the GoodPlanet Foundation. The catalogue of Campus, the Casino Group's in-house training centre, features CSR training programmes and integrates the sector's CSR challenges whenever the business modules are updated. For instance the seafood department managers' training now includes a component on the challenges of sustainable fishing.

International subsidiaries also deploy training modules for their employees mainly based on issues related to diversity, the environment and ethics. For example, a CSR training section has been included in the induction module for new Viavarejo employees, while store employees (Viavarejo and Multivarejo) have received specific training on waste sorting, diversity, and prevention, health and safety in the workplace.

8.1.5. STAKEHOLDERS DIALOGUE

For many years now, the Group has been striving to maintain regular, constructive dialogue with local and national stakeholders in all of its host countries.

Casino endeavours to promote open, productive dialogue in order to develop and jointly create projects or innovative partnerships. Dialogue occurs through various channels, depending on the parties involved, at Group level and at each entity level.

Group-level initiatives to create a more structured dialogue and better understand their expectations include inviting stakeholders to speak on important topics at meetings of CSR Strategy Committees. The topics discussed in 2013 and 2014 included the analysis of the Group's CSR challenges, the carbon impact of activities, the impact of raw materials on deforestation, and the social ethics policy.

After organising in 2013 a roundtable discussion with stakeholders on diversity, in 2014, the Group CSR Department conducted an analysis of their expectations with the support of an external adviser. The findings of this study were revealed in the presence of stakeholders and members of the Group's executive management. An agreement on CSR in Casino was signed with employee organisations and management in April 2014 (see section on page 215) to allow better recognition of the expectations of representative union organisations.

To better understand stakeholder expectations in Brazil, GPA carried out a materiality study with the support of a consulting firm specialised in sustainable development. This study entailed a documentary analysis, individual interviews conducted with the Executive 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 the GPA Executive Committee to validate the 2015-2017 strategic priorities and check their consistency with the Casino Group's five CSR pillars. This study helped to confirm employee expectations with respect to the social and solidarity commitment of GPA, the quality of life and pay equality. At the same time, it revealed the expectations of external stakeholders' about sustainable consumption and the management of waste generated by customers' operations; and of suppliers about the development of SMEs and local employment. In 2014, Libertad reasserted the strategic development priorities of its CSR policies.

The Casino Group takes part in the work of the ILO Global Business and Disability Network as a founding member of the network, in France's *Initiative Clause Sociale* (ICS) and *Entreprises pour les Droits de l'Homme*, and supports the Global Social Compliance Program (GSCP). The Group maintains regular dialogue with socially responsible investment players (rating agencies, ethical investment funds) by agreeing to interviews (nine SRI meetings in 2014) and responding to occasional requests for information.

In France, the Group belongs to several specialised associations such as ORSE (Observatory for Corporate Social Responsibility), AFOIT (French Association for the International Labour Organisation), the Parenthood Observatory and the National Business Network for Equal Opportunity in Education.

On environmental issues, it contributes to the discussions and work of "Eco-conception et Management du Cycle de Vie" (Eco-design and Lifecycle Management); Perifem (technical association for trade and retailing); and environmental organisations such as Éco Systèmes, Éco Emballages, Corepile and Recylum. In 2014, the Group responded to the solicitations of several associations and non-governmental organisations.

The foreign entities also strive to maintain productive dialogue with their stakeholders. For example in Brazil, as a member of the ETHOS institute (a pro-CSR business association), GPA supports the work of the AKATU institute which organises awareness and mobilisation actions around sustainable consumption. GPA also works with CEMPRE (*Compromisso Empresarial para reciclagem* – Corporative Commitment for Recycling), an organisation that seeks to encourage the reduction, reuse and recycling of waste and is a member of GTPS (*Grupo de Trabalho para Pecuaria Sustentavel* – Sustainable Livestock Working Group).

In Argentina, Libertad supports IARSE (CSR Institute) and Grupo Éxito in Colombia works with various national stakeholders such as the SIC (*Superintendencia de Industria y Comercio*) and the SENA (National Training Service).

Examples of identified stakeholders:

Stakeholders	Key dialogue methods
Employees	• Internal newsletters, Intranets • Alert, counselling and mediation unit • In-house commitment surveys
Employee organisations	• Regular dialogue with staff representative organisations • Company agreements
Shareholders, investors and rating agencies	• Institutional websites • Annual Report, Registration Document, Communication on Progress • Letters to shareholders, road shows • Annual General Meetings
Customers	• Banner and product websites • Social media • Consumer service • Consumer surveys
Students and young graduates	• Websites • Partnerships with schools • Attendance of job fairs
Suppliers	• Identification of a special contact inside the Group Purchasing to assist SMEs (since 2000) • SME forums
Public and local authorities	• Partnerships with public authorities (ministries and national authorities)
NGOs and associations	• Regular dialogue with local, national and international associations (answers to queries, questionnaires, meetings with NGOs) • Participation in roundtables

8.1.6. NON-FINANCIAL INDICES AND AWARDS

The Casino Group is listed in the socially responsible investment indices (SRIs) below: FTSE4GOOD, Vigeo Eurozone 120, Ethibel and Dow Jones Sustainability Index World, ECPI Indices/EMU Ethical Equity (ECPI Group). Grupo Éxito is listed in the Dow Jones Sustainability Index for Emerging Countries. These indices include the best-rated companies according to social, environmental and governance criteria.

Since 2013, the Casino Group answers the Carbon Disclosure project (CDP) questionnaire, and achieved a score of 87B, up from 75C.

The Group often receives awards in recognition of its initiatives.

In 2014, the Casino Group received the Grand Prix ESSEC award for sustainable retailing for the second consecutive time, together with several prizes for actions implemented to promote diversity in France, such as the LSA Journal award.

The international subsidiaries also received awards for their CSR initiatives: Disco in Uruguay received the National Energy Efficiency Prize in 2014 from the Uruguayan Ministry of Industry and Energy, Big C Thailand received for the third consecutive year a special prize for its policy towards people with disabilities. Grupo Éxito received the retailing industry Human Capital prize from the *Monitor Empresarial de Reputación Corporativa* (MERCO) based on a questionnaire verified by KPMG (ISAE 3000).

8.1.7. NON-FINANCIAL REPORTING

In addition to this report, the Casino Group publishes an annual corporate social responsibility report which presents the subsidiaries' key CSR indicators, activities and objectives. The report is available at: www.groupe-casino.fr.

In France, Monoprix publishes its CSR performances in a report available at: www.monoprix.fr. Cdiscount and Vindémia also publish information in their management report.

Mercialys also publishes its separate employee and environmental data in its registration document which is not included in the data reported in these pages.

Internationally, GPA, Grupo Éxito, and Libertad, also endorsers of the Global Compact, publish an annual CSR report which is available on their websites: www.gpari.com.br, www.grupoexito.com.co, www.libertadsa.com.ar.

8.2. A COMMITTED EMPLOYER

In all of its host countries, the Casino Group develops and implements innovative Human Resources and Management policies sensitive to local cultures.

These policies seek to promote professional development and the enhancement of individual talents, fight against discriminations and strengthen equal opportunity, foster productive and innovative labour and management dialogue, protect employee health, safety and well-being at work, while implementing a fair and evolving remuneration and benefits policy.

The Human Resources department of each entity is responsible for defining their policy consistent with the core principles defined by Group HR based on the development of a shared culture of economic, social and environmental performance, the development of synergies and tools to improve human resources management and respect for the identity and culture of subsidiaries.

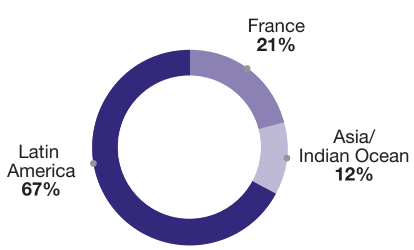
8.2.1. GENERAL PRINCIPLES AND DATA

The Casino Group is a major employer in France and in most of its host countries, especially in Brazil and Colombia. The Group's registered total workforce increased in 2014 by 2% after new stores were opened. Women account for 52% of the workforce, while 41% of employees are under 30. 21% of employees live in France, 67% in South America and 12% in the Asia/Indian Ocean region.

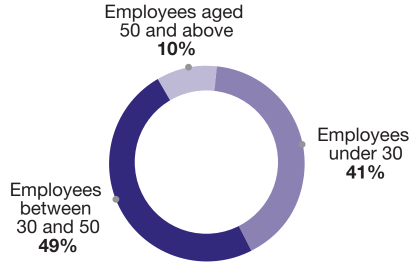
Workforce and organisation of work time

Number of employees on permanent (CDI)/ fixed-term (CDD) contracts at 31 December	Group 2013	Group 2014	France	Latin America	Asia/Indian Ocean
TOTAL INCLUDING:	**328,995**	**335,436**	**70,645**	**225,580**	**39,211**
Women	170,783	175,111	41,935	110,775	22,401
Men	158,212	160,325	28,710	114,805	16,810
Less than 30 years	133,299	137,374	17,589	98,142	21,643
From 30 to 50 years	162,818	162,716	35,613	110,485	16,618
50 years and more	32,878	35,346	17,443	16,953	950

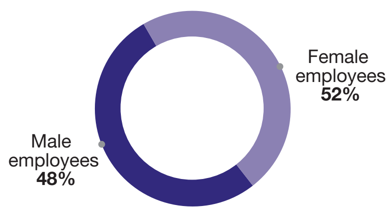
Breakdown of workforce by geographic region



Breakdown of workforce by age bracket



Breakdown of workforce by gender



	Group 2013	Group 2014	France	Latin America	Asia/Indian Ocean
New hires on permanent contracts	90,482	93,139	7,243	73,639	12,257

The duration of work time for Group employees is defined in compliance with the legal framework of each entity and the regulations of the host country.

Casino Group employees are usually employed on permanent contracts (CDI) with 92% of the work force on such contracts. Fixed-term contracts are primarily used to replace absent employees and strengthen store teams during peak seasons.

	Group 2013	Group 2014	France	Latin America	Asia/Indian Ocean
% of employees on permanent contracts	92%	92%	93%	94%	77%
% of full-time employees	87%	87%	72%	91%	88%

Casino Group employees are usually employed on full-time contracts with 87% of the workforce on such contracts.

In France, Casino has set up a proactive system which allowed 348 people to switch from a part-time contract to a full-time contract during the year.

Furthermore, an agreement on telecommuting for the 2014-2017 period was implemented inside the Casino IT teams. This agreement follows one year of experimentation at the end of which 100% of telecommuters and managers concerned said they were "satisfied" or "very satisfied".

In France, the Group reported 15 terminations for economic reasons and 3,601 terminations for other causes (which cover all cases of terminations linked to the employee's conduct such as walking out, repeated absences, professional misconduct, incompatibility with superiors, theft, unfitness for the job, etc.).

Promoting employee-management relations

The Group's human resources policies is built on regular dialogue between employees and management:

- In France, Casino maintains regular dialogue with the four representative union organisations and exchanges with 1,000 employee representative organisations and 5,500 elected officials. A new agreement covering employee-management relations within the Casino Group was signed in 2009 and renewed for the 2012-2016 period. This agreement stipulates in particular the methods for implementing employee-management relations and the professional development of employee representatives.

  More than ten agreements and action plans are currently in force pertaining to the employment of people with disabilities (Monoprix, Casino, Cdiscount), gender equality (Casino, Franprix, Leader Price, Cdiscount), and health and safety at work. These agreements are monitored and the outcomes are reported annually to the representative union organisations.

  In 2014, the four representative union organisations signed a CSR Agreement for Casino. The agreement reasserts the determination of the parties to include CSR in the company economic and social business model and covers the key corporate, social, and environmental responsibility challenges identified in the Casino Group's CSR progress initiative. The agreement also provides for the creation of a CSR commission which will bring together the union organisations and will be responsible for:

  - organising an annual dialogue with stakeholders,
  - presenting the results of CSR actions and indicators,
  - exchanging information about new issues at stake;

- Internationally, 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. In Colombia and in Brazil, Grupo Éxito and GPA have implemented collective bargaining agreements with the representative union organisations that cover topics related to the organisation of labour, remuneration, etc.

In order to take the pulse of the employee community and listen to what employees have to say, the Casino Group, through its Human Resources departments, organises employee surveys on specific topics and/or internal or external opinion polls. It also deploys systems that allow employees to express their opinions and propose suggestions:

- In France, Casino implemented action plans in 2013 and 2014 based on findings from a survey of check-out operator to assess their perception of their working conditions. In 2014, more than 800 employees were polled about discrimination linked to physical appearance.

  Monoprix organised an in-house survey to assess employee perception and commitment in relation to disability and diversity policies; it also introduced Monop'sondage, an in-house poll that gives employees the opportunity to express their opinion about the company, the store, working conditions or the daily practices of managers;

- Outside France, Grupo Éxito conducted a study of the social climate. More than 24,700 employees *i.e.* 94.5% of the workforce targeted by the survey responded. The score obtained corresponds to the "very satisfied" level. Grupo Éxito also implemented three exchange programmes with employees that allowed employees to submit their suggestions and opinions. The first programme, "360° contigo exprésate" for employees on administrative sites, collected 49,400 opinions; the second "360° contigo escribenos" was for all employees and the third "360° contigo hablemos" gave the opportunity to talk to the Chairman of Grupo Éxito (1,200 people participated in 2014).

  92% of employees participated in Libertad's "Great place to work" survey in 2014. The previous survey carried out in 2012 led to the creation of the "yo soy Libertad" (I'm Libertad) programme, which sought to improve the well-being and dedication of employees at work through concrete measures.

  In Brazil, GPA conducted a commitment survey with 149,036 employees and received a response rate of 83%. Compared to the last survey in 2012, employee commitment rate was four points higher. 74% of employees declared that they would readily recommend GPA to a friend looking for a job; 73% declared that they work in an open-minded environment where individual differences are accepted. The study led to the definition of action plans for 2015.

Managing change in the Company

In accordance with the legal provisions, the Human Resources departments provide assistance for coping with the organisational changes in the Company. Specific measures have been rolled out upstream through projects such as the 2015 plan to combine on a new site in Vitry sur Seine in the Paris region, teams from several Group entities primarily located in the eastern Paris region. As part of this plan, working groups were created in 2012 to work on topics such as maintaining a balanced professional/private life and the quality of life on the new site and to find solutions to concrete issues linked to transportation, housing and childcare. The agreement on workforce and skills planning (GPEC) for Casino is also a dialogue tool for anticipating organisational changes in business operations.

8.2.2. PROMOTING ALL FORMS OF DIVERSITY

Since 1993, the Casino Group has been dedicated to fighting all forms of discrimination. The Group believes that diversity drives financial performance and therefore pursues an assertive policy of recruiting people from diverse backgrounds, promoting professional equality at all levels and in all corporate processes and encouraging to live together.

Fighting against discrimination and stereotypes

This policy is driven by several action principles: fight against stereotypes which lead to discriminations, build policies together with representative union organisations, address all areas of discrimination and take stock of implemented actions.

The Group's actions focus on key areas such as: social background, gender, disability, age (youth and senior), sexual orientation, religious diversity, union commitments and, since 2014, physical appearance.

- In France, to fight against discrimination and promote diversity, the Group relies on tangible commitments and a network of some 50 "diversity-promoting" correspondents in charge of the day-to-day implementation of the policy.

  The banners (Casino, Monoprix, Cdiscount, Franprix, Leader Price) have all signed the Diversity Charter. Casino was the first retailing group to obtain in 2009 the Diversity Label awarded by Afnor Certification to companies with an exemplary diversity policy. The label was renewed in May 2012 for a period of four years. Casino also obtained the Professional Equality Label in 2013.

  As a signatory to the LGBT Commitment Charter, Casino has pledged to ensure equal rights and treatment for all male and female employees regardless of their sexual orientation and has accordingly strengthened its actions to fight against any discrimination linked to sexual orientation. A manager's guide was developed and distributed to managers to help them fight against stereotypes and prejudice and clarify the expected managerial behaviour.

  In 2014, Casino launched an initiative to fight and prevent discrimination linked to physical appearance. It involved the creation of an in-house working group and a questionnaire-based poll sent to 800 employees. This study shows that for 65% of polled employees it is important for the Company to have a specific action on physical appearance. A guide entitled "Physical appearance, deconstructing stereotypes, fighting prejudices" was developed and presented to around 4,000 managers.

  To fight against discrimination, Casino also relies on its existing whistle-blowing system which allows all employees to file a direct confidential report as a victim of or witness to actual or perceived discrimination. The system was approved by the CNIL on 13 October 2011.

- The Group's international subsidiaries have also rolled out policies to promote diversity while taking local challenges into account.

  In Brazil, GPA's diversity policy and its commitment to fight against discrimination, reasserted in its Code of Conduct, is based on three major priorities: disability, youth and gender equality.

  In Colombia, Grupo Éxito has rolled out its "Población vulnerable" programme on addressing issues related to disability, victims of armed conflict and their families, significantly disadvantaged young people, and the civilian adjustment of veterans. Big C has implemented policies aimed particularly at helping young people and people with disabilities to find jobs.

  Whistle-blowing systems (see. page 235) allow employees to file confidential reports especially at GPA through the "Channel of complaints – Disque Denuncia" or in Argentina under the "Libertad transparente" policy.

Key initiatives to promote the integration of people with disabilities

Each of the Group entities is involved in setting up a policy to help people with disabilities. The Group employs 7,370 people with reported disabilities (on permanent contracts, short-term contracts, as interns), representing a 6% increase compared to 2013.

In 2014, the Group deployed an information and awareness-raising campaign for its subsidiaries in France and abroad. Known as "Handino", the campaign was rolled out in four languages. Through examples and testimonies transmitted through a film and booklet, it recalls the initiatives implemented to facilitate the professional integration of people with disabilities. As a founding member, the Group continued to participate in the deployment of the ILO Global Business and Disability Network of companies committed to working with the disabled.

- In France, the Group's actions are implemented in the context of its equal opportunity and anti-discrimination policy and are developed as part of the "Handipacte" project.

  The proportion of employees with disabilities in Casino's workforces was 13%, up from 11.93% in 2013. The Group has been implementing an assertive disability policy since 1995. After exceeding the objectives of the previous agreement, Casino signed a sixth agreement on disability covering the 2014-2016 period. Under this agreement, it plans to hire 100 people with disabilities including 10% of young people under 30, involve more students on work-study programmes and accept 160 interns.

  The Group also enhanced its policy in favour of employee-family caregivers launched under the previous agreement. This initiative implemented since 2011 seeks to assist and support employees/family caregivers by offering them access to a free and confidential advice platform or by organising annual conferences. It led to the signature of a collective agreement on leave for family caregivers in 2013. As such, in 2014, 38 employee caregivers were able to benefit from leave days donated by other employees and topped up by the Group. A booklet entitled "I'm a caregiver, let's talk about it" *(Je suis aidant, parlons en)*, was also developed for employees.

Monoprix, which reached the objective of hiring 180 employees with disabilities over the 2011-2013 period, signed a fourth agreement for the 2014-2016 period, undertaking to hire 180 employees with disabilities, including 20 on work-study programmes. A film entitled "Smiles" *(Les sourires)* was screened for all employees to make them more aware of disability issues. 345 Monoprix stores were renovated to make them more accessible for people with disabilities.

	Group 2013	Group 2014	France	Latin America	Asia/Indian Ocean
Number of people with reported disabilities at 31 December (permanent contracts, fixed-term contracts, interns)	6,921	7,370	3,916	2,978	476

See methodological note on page 236 for details about the scope and the calculation method.

- All the Group entities outside France have deployed action programmes for people with disabilities.

  Big C Thailand, which received an award for the third year in a row from the national office for the employment of people with disabilities, employs 367 people with disabilities in hypermarkets, exceeding the fixed legal quota by 37%.

  This banner launched several initiatives in 2014 to promote the rights of people with disabilities, such as participating in the "Well-being of people with disabilities" fair organised by the National Office in charge of the autonomy of people with disabilities and the Thai Ministry of Social Affairs; developing specific training courses for employees with impaired hearing; and being the first and only local retailer to sign an agreement with the Universal Foundation to install telephone transmitters in 27 stores to assist people with impaired hearing.

  In Brazil, GPA continued its commitment to hire and integrate people with disabilities. In 2014, GPA developed a monthly system to track objectives and action plans involving all the Human Resource departments. Assai launched a major campaign to recruit workers with disabilities. This helped to raise the number of workers with disabilities by 75% within two years; 150 positions were proposed in 80 of the network's stores.

  In Colombia, Grupo Éxito developed its "Población vulnerable" programme, which also provides assistance for the integration of victims of armed conflict.

  In Argentina, Libertad continued its actions mainly as a member of the CEC, a Corporate Club committed to helping people with disabilities.

Key initiatives supporting young people, particularly those from underprivileged backgrounds, and seniors

41% of the Group's employees were under 30 and 10% were aged 50 and above at 31 December 2014.

The Group implements initiatives to help young people find jobs, especially those who are poorly qualified or from underprivileged backgrounds.

Pro-youth initiatives

Group subsidiaries (Casino, Franprix, Leader Price, Vindémia, Cdiscount and Monoprix) have signed "Generation contracts" or implemented action plans aimed at promoting the sustainable integration of young people and the continuing employment of older employees by ensuring the transmission of knowledge and skills to the younger generation.

Casino undertakes to ensure that 60% of hires on permanent contracts are for young people; to maintain a percentage of more than 11% of its work force under 26 years; to roll out a specific welcome itinerary "C Duo Generation" with the appointment of a mentor to facilitate the induction of young people; or again set up a housing assistance mechanism for young people on work-study programmes.

To fight against stereotypes, a guide book entitled "Changing our perception of young people" *(Avez-vous le bon regard sur les jeunes?)* was distributed to managers to help them unravel preconceived ideas about young people and encourage intergenerational dialogue.

Casino's pro-youth commitment is also reflected through an active policy to promote work-study solutions. The Group, which welcomes more than 7,530 students on work-study programmes in France, has developed a job website for young people (www.alternance-stages-casino.fr) and organised, for the third consecutive year, a full day to celebrate apprentices, tutors and apprenticeships, bringing together 600 young people. 41 partner schools of the Group came together for one day to strengthen the ties with these schools and develop work-study solutions, especially for students with disabilities. A best apprentice contest was organised for the third consecutive year.

The Group has developed several partnerships with associations such as the *Agence du Service Civique*, the *Institut du Service Civique*, the *Réseau des entreprises pour l'égalité des chances dans l'éducation*, *Nos Quartiers ont du Talent*, the Christophe Tiozzo Academy and *Talents des Cités*. For example, it organised in 2014, with *Le Réseau*, the "Cap sur Casino" day to welcome about a hundred young middle school children from underprivileged areas and introduce them to retailing business lines. A guide and a welcome charter for middle school children for their compulsory work experience internship was implemented.

Specific actions to help young people from priority areas

The Group's efforts to help underprivileged areas is first of all reflected in the hiring of local labour and through partnerships and concrete commitments. The department in charge of promoting Diversity and Community Outreach continued its actions according to the priority areas defined by the national partnership agreement signed in 1993 with the Ministry for Urban Development and renewed in 2013.

It promotes, in particular, the professional integration of poorly-qualified people and the access to managerial positions of young graduates from underserved neighbourhoods. As such, the Casino

Group has signed an agreement with the local authorities to hire as much as possible from the store's local job pool in order to promote local employment. In 2012, it stepped up these actions through the "National commitment by French companies to promote employment in priority areas" and pledged to hire 850 people, 150 young people on work-study contracts, and propose 500 internships for the 2012-2014 period to people from priority areas. In 2013, the Group signed the Companies and "Companies and Priority Areas" *(Entreprises et Quartiers)* Charter sponsored by the Ministry for Urban Development to support employment and economic initiatives in priority areas.

Internationally, GPA also widened its local hiring pool and employs 3,620 apprentices (3,236 in 2013) and had increased the number of older employees in its workforce since 2012: people aged 50 and above represent 8% of the workforce (4.4% in 2012).

Vindémia also rolled out initiatives for the professional integration of young people from difficult neighbourhoods. Libertad in Argentina and Big C in Thailand and Vietnam also participate in the deployment of work-study and vocational programmes with schools and universities. As part of its "Población vulnerable" programme, Grupo Éxito in Colombia employs highly disadvantaged young people.

8.2.3. PROMOTING GENDER EQUALITY

The Group endeavours to improve the gender diversity of teams at all levels of the organisation through an active policy on all professional equality issues: gender diversity in jobs, management of women's careers, fair human resource policies (remuneration, access to training, hiring and promotions) and parenthood.

The Casino Group ranked 37th on the list of SBF 120 companies in the second ranking of companies with women managers issued by France's Ministry for Women's Rights in 2014.

	Group 2013	Group 2014	France	Latin America	Asia/Indian Ocean
% of women managers	38%	38%	39%	23%	51%

- In France, the number of women in managerial positions has increased significantly since the first agreement signed with employee organisations in 2005 and thanks to actions implemented for more than 10 years now.

  The Group's efforts to promote gender equality at work was rewarded in 2013 with the three-year Professional Equality Label. The label, awarded by an equal representation commission headed by France's Ministry for Women's Rights in partnership with Afnor Certification, is a tribute to the Group's commitment. The Group also signed a master agreement for the 2013-2015 period with the Ministry for Women's Rights whose priorities include continuing to push for more women on corporate governance bodies.

  Since 2008, the Group updates its gender equality and equal pay policies through the Mandatory Annual Negotiations. These measures consist of setting aside an annual budget to close any unjustified pay gaps. An audit conducted by an external firm showed that the gap has been closing since 2010, with the average gap of 5% or less.

  Since the Group signed the "Working Parents Charter" *(Charte de la parentalité en entreprise)* drafted by the Parenthood and Balanced Time Observatory *(Observatoire de la Parentalité et de l'équilibre des temps)* in 2008, it has developed several initiatives to help its working parents achieve a balanced professional and family life. For example in 2014, it introduced the "Let's help parents!" *(Aidons les parents!)* workshops where employees can meet with specialised consultants to discuss their parenting issues.

  In 2010, Casino teamed up with Terrafemina to conduct a first self-assessment with its women executives and supervisors to find out about their perception of their work environment and their career growth prospects within the Group. The Group used the findings of the study to identify priority areas for action plans to promote professional equality. They also inspired the agreement signed with employee organisations in 2011.

  In 2014, the Group decided to carry out another survey of women managers (Casino, Cdiscount, Franprix, Leader Price). The new study revealed the positive impact of action plans on the representation of women (on a same-store basis); the presence of women in managerial positions was up by 3 points compared to 2010 (38% versus 35%). The number of women in managerial and directorial positions had increased from 15% to 19%. The study also provides statistics on gender equality in Human Resource initiatives regarding access to training, internal promotion and remuneration.

  Based on information culled from a questionnaire addressed to a representative panel of 375 women, the Group was able to identify professional equality areas requiring urgent action. It therefore decided to continue the fight against stereotypes (by rolling out an e-learning Diversity module and a poster campaign), improve the perception of career prospects by informing employees about jobs and mobility within the Group and develop individual and group coaching through "Performance and Gender Diversity" training programmes specifically designed for women managers.

  Lastly, the "C'avec elles" network created by the Group in 2011 to offer a platform for more than 500 men and women managers, organised ten or more events in 2014.

- Outside France, the subsidiaries also rolled out targeted actions and strengthened the representation of women inside their organisations.

  A Gender Equality scorecard was created to track changes in the representation of women in management around eight key indicators, with the support of the Human Resources departments of each country.

  Since 2013, the proportion of women on Management Committees has grown by 3 points for GPA in Brazil and Libertad in Argentina, and by 4 points for Big C Thailand.

  GPA has implemented several initiatives to bring more women on its executive and management teams. They include the obligation to present at least one qualified woman candidate for each vacancy, the launch in 2014 of the "Women in Leadership" *(Mulheres na Liderança)* programme inside Viavarejo (recruitment and support for women as store managers).

8.2.4. MONITORING HEALTH AND SAFETY AT WORK

The Group has launched a process to improve the safety and physical and mental health of its employees. The Human Resources department is responsible for implementing the action plans in each of the subsidiaries.

- In 2007, Casino created a special "Occupational Health and Safety" (OHS) business unit in charge of managing OHS-related actions and identifying business-specific risks in France. Casino's risk prevention initiative is part of its employee-management relations system and as such negotiated three agreements specifying the objectives, means of action and expected results. These include a method agreement on the prevention of Psychosocial Risks (PSR), an Occupational Health and Safety agreement and an agreement on arduous work signed in 2012 by Franprix, Leader Price and Cdiscount.

  The Group introduced an employee feedback initiative several years ago as a tool for preventing professional risks using data from employees on their perception of their working conditions. Casino calls its system "Cap Prévention", while Cdiscount refers to it as "ACTEA", a French acronym for improving working conditions through listening and action.

  This feedback-based initiative is applied by all Casino hypermarkets, supermarkets, and Casino and Cdiscount warehouses. Several prevention days were organised to educate employees about health issues. The Group also organised several awareness-raising sessions at the head office to call the attention of its staff to the ergonomics of office work stations. It also organised prevention and information workshops on retailing sites on the topics of smoking, nutrition, blood tests and diabetes.

  Monoprix signed an agreement to sustainably improve working conditions and health and safety at work through 19 identified progress areas.

  In 2014, together with the Executive Committee and assisted by an occupational well-being specialist, the Human Resources department proposed an introductory course on benevolent management to Casino managers. This course seeks to teach managers how to motivate employees by limiting stress in a demanding business environment. 600 managers (Executive Committee, Management Committees of the various group entities, etc.) participated in these courses provided by external trainers. An e-learning platform was also set up to allow all managers access to useful and practical content (videos, quizzes, etc.). The Human Resources managers of branches were also trained to encourage the dissemination of this initiative to store managers, with the support of a guidance pack. The initiative will be continued in 2015.

	Casino	Monoprix	CDiscount
Workplace accident frequency rate	39.59	39.53	24.95
Workplace accident severity rate	2.08	2.54	0.61

	Group 2014	France	Latin America	Asia/Indian Ocean
Number of hours of absence due to on-the-job accidents and illnesses (including occupational illness)	13,087,876[1]	7,431,807	4,672,017[1]	984,052
Absenteeism rate for workplace accidents and illnesses (including occupational illness)	2.69%[1]	7.43%	1.56%[1]	1.14%

(1) Partial data.
Due to changes in the consolidation scope, the 2013 data is not mentioned.
See page 236 of the methodological note for details about the scope, the calculation method and the gaps between geographic regions.

In 2014, the Group recorded a total of 256 occupational illnesses in France (255 in 2013 at equal scope).

- The deployment of employee health and safety programmes was also a priority for international entities. GPA, Big C Thailand, and Grupo Éxito implemented workplace accident prevention plans designed to identify major risks in the workplace as early as possible.

  They then deployed targeted training programmes in all subsidiaries to cope with identified risks. In 2014, Big C Thailand organised 117 training sessions on this topic. The subsidiaries also strive to optimise equipment to ensure better ergonomics and minimise the arduousness of certain tasks.

  GPA has rolled out health and nutrition awareness educational programmes for its employees working in warehouses and at the head office. 3,000 people received health care in the workplace under GPA's "VIVA SAUDE – VIVA HEALTH" programme. Under this programme, GPA set up in-house clinics on large facilities (warehouses) to provide healthcare to employees. Grupo Éxito continued its job-related risk prevention programme and training for employees in at-risk jobs in stores and warehouses.

Concerned about the health of its employees outside the workplace, Group entities implemented actions to encourage employees to adopt healthier lifestyles particularly by exercising, provided access to advice from nutritionists or helped them to quit smoking. For example, 1,727 GPA employees joined the "GPA Clubs" which propose activities and events and 4,500 employees used the sports facilities offered by the 20 GPA Academia sports centres. These structures are open to employees interested in sports activities.

8.2.5. PROMOTING PROFESSIONAL DEVELOPMENT

Since its inception, the Casino Group has focused on the professional development of both its men and women employees who drive its operating performance. To strengthen a managerial culture that upholds the Group's values and is instrumental in achieving this objective, a reference system was developed to assess "Managerial Attitudes and Behaviour".

Also known as L.I.D.E.R.S. (Leadership, Innovation, Decision, Engagement, Customer Responsibility, Synergies), the system was deployed in France and in certain parts of the Group's host countries. It has also been incorporated into the annual performance review of managers.

Training for Group employees

Training is a key factor for developing and preserving the employability of employees. In accordance with the Group's objectives, the Human Resources departments of each subsidiary define training plans.

	Group 2013	Group 2014	France	Latin America	Asia/Indian Ocean
Total hours of training	4,536,405	5,217,496	354,057	3,895,219	968,220
Total hours of training per person	N/D	16.1	4.9	18.3	25.1

See page 236 of the methodological note for details about the gaps between geographic regions.

- In France, more than 29,900 employees received training (Casino, Monoprix, Franprix, Leader Price and Cdiscount). The Group's training activities are centralised in "Campus Casino", an in-house training centre that proposes a variety of both classroom-based and e-learning training programs (My Campus Platform) designed to address all the Group's needs with respect to employee skills development. Campus Casino offers more than 150 training programmes linked to the retailing industry, the acquisition of technical skills or personal development.

  In 2014, Campus Casino deployed various specific programmes to coach employees with literacy challenges by offering them the opportunity to acquire the basics in French and mathematics and to promote Accreditation for Prior Experience (APE). A communication campaign allowed 1,694 employees to notify their interests in APE and 142 of them to join the implemented coaching processes.

  As a key component of Monoprix's human resources policy, training is essential for supporting the company's projects and enhancing the skills of employees. 47% of Monoprix employees received training in 2014. The Group's third APE class included 41 graduates and 31 employees in the process of accreditation.
- The Group's international subsidiaries 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.

  GPA entities have rolled out individual training plans. For example, Assai in Brazil has an in-house university that proposes courses particularly on the specific features of the "cash and carry" model. Casas Bahia and Ponto Frio have developed the "Prove" programme which helps to improve the performance of sellers, while Multivarejo trained 61,000 employees during the year. Some banners rely on in-house training structures, such as the "Big C Academy" and "E-Academy" in Thailand, to offer courses in the company's various business lines, especially through e-learning modules.

  Big C Vietnam, which has an in-house structure for training butchers, also created a vocational training certificate in bakery in 2013 and continues to develop training programmes specific to "fresh produce" jobs.

Grupo Éxito has rolled out more than a hundred programmes for all employee categories, at the head office and in stores. In 2014, it also launched training schools for apprenticeships in specific crafts: the Clothing school (326 people trained), the Surtimax school (2,155 people trained) and the Bakery school which will be deployed in 2015.

Remuneration, employee profit-sharing and incentive plans

Remuneration policy

The Group's remuneration policy examines the skills, the level of responsibility and the acquired experience of both men and women employees to offer them fair and competitive pay equal to observed market practices for similar jobs and tailored to the specific local characteristics of the Group's host country.

Remuneration surveys are carried out regularly in France and abroad to assess the competitiveness of the remuneration packages proposed by the Group compared to those proposed by companies operating in the same business sectors. These surveys mainly concern management positions and skill shortage jobs.

A large number of managers and store employees are paid according to a variable system based on quantitative and/or qualitative objectives to encourage performance.

Annual performance reviews are used to manage the career development of employees and define the variable component of their pay. Managers' pay is contingent on the Group's objectives, quantitative and qualitative individual objectives and an assessment of managerial conduct known as "Managerial Attitudes and Behaviour" (ACM – L. I.D.E.R.S). The managerial reference system was deployed throughout subsidiaries in France and abroad and adapted to match specific local situations whenever necessary (Libertad, Grupo Éxito, GPA and Big C Vietnam). The reference system guarantees that set objectives are achieved in accordance with the defined managerial principles, while ensuring the existence of a single, strong human resource culture shared by all employees.

In addition to the basic remuneration, most Group entities propose employee benefits to their staff. This may include a discount on their shopping in the store (Grupo Éxito, GPA, Vindémia, Libertad, Disco Devoto) in addition to financial help (meal, transport allowances, etc.).

The principles of Group executive remuneration are presented in Section 5.2 of this document.

Employee benefits

Casino Group proposes employee benefits (which may include pension, medical care, death and disability insurance) and other benefits compliant with the legislation and practices of each country and which top up the compulsory plans.

For example in France, more than 90% of the Group's employees are covered by a health, death and disability benefits plan co-financed by the employer. In Colombia and in Brazil, employees are covered by a death and disability insurance and have access to health insurance, co-financed by the employer.

In Vietnam and Thailand, Big C proposes a death, invalidity, medical care and hospitalisation cover to all its employees. The cost of this cover is fully financed by the employer.

Employee savings

Profit sharing

In France, the initial profit-sharing agreement signed in 1969 is frequently updated. Monoprix, Franprix, Leader Price and Cdiscount have their own profit-sharing agreements.

Incentive plans

The first incentive plan was signed in 1986 in France. A new plan covering 2013, 2014 and 2015 applies to Casino. As the previous plan, it combines a solidarity incentive and a local incentive. 80% is allocated in proportion to the annual remuneration of each employee and 20% in proportion to length of service. The local incentive is directly linked to the performance of the retailing outlets and allocated in proportion to the remuneration of each beneficiary.

Other Group companies have also implemented employee incentive plans.

In total, more than 68,000 employees in France are covered by an incentive and/or profit-sharing plan.

The following sums have been allocated for employee profit-sharing and incentive plans in the last five years:

(€ thousands)	Profit sharing	Incentive plans	Total
2009	20,448.4	14,474.4	35,922.8
2010	19,294.8	12,280.3	31,575.1
2011	18,198.5	11,897.6	30,096.1
2012	13,998.5	6,457.1	20,455.6
2013*	27,678.1	4,676.2	32,354.3

* *Including Monoprix.*

Savings plan

In France, the employees of the Casino Group (except Franprix, Leader Price) are offered the opportunity of joining a Savings Plan to build employee savings. Employees may arrange for their bonuses and profit sharing awards to be paid into the Savings Plan and may also make monthly or discretionary voluntary payments. Group companies participate in these savings by matching the payments made by their employees. Each company has its specific terms and conditions for paying this matching contribution.

At 31 December 2014, 48,488 employees and 52,449 former employees of the Casino Group in France were members of a Savings Plan (PEE, PEG or PERCO), for total assets of €250 million representing approximately €2,500 per employee. In 2014, the Group's French companies paid more than €3.8 million in matching contributions into the employee savings plans.

8.3. A RESPONSIBLE RETAILER

The Casino Group's corporate motto "Nourishing a world of diversity" *(Nourrir un monde de diversité)* reflects the Group's commitment to offer quality products to as many people as possible and give its customers the opportunity to be responsible consumers. As part of its CSR progress initiative, Casino has defined two priorities: acting for the health of its consumers by offering them more balanced food and encouraging them to adopt more eco-friendly consumer habits.

Food is a key component of healthcare and societal issues and a major concern for the Casino Group which develops a product policy that reconciles safety, nutritional balance, health, pleasure and environmental friendliness.

8.3.1. SUPPORTING CONSUMER HEALTH

Providing safe, quality products

The quality and safety of products is an absolute priority for the Group for all its private-label product range. From defining product specifications to running stores, the Group uses a comprehensive system to guarantee the marketing and sale of safe, healthy and impeccable quality products.

The Group Quality department coordinates regular exchanges with the Quality departments of the various entities which are each responsible for guaranteeing the quality standards of private-label products and ensuring that all products sold are safe for consumers. These exchanges mainly involve sharing best practices and procedures (product quality and safety policy, traceability procedure, supplier audits, crisis management, product recall, etc.) and have facilitated the implementation of a Group Quality Charter distributed to all entities in 2012.

Both in France and internationally, private-label suppliers are audited regularly every year to ensure that all product manufacturers meet regulatory requirements for product safety and the Group's internal requirements. Food supplier audits are conducted in accordance with International Featured Standards (IFS). Inspections are made all year long on private-label products. Product recall and crisis management procedures are defined, set up and applied whenever necessary.

The Group Quality department promotes the IFS inside subsidiaries. This standard is an integral part of the Global Food Safety Initiative (GFSI) of the Consumer Goods Forum.

- In France, collaborative management tools have been developed with food product manufacturers to ensure compliance with specifications and product tracking. Audits are regularly performed in Casino Group warehouses to ensure the implementation of best practice procedures and guidelines. 100% of Casino warehouses now have higher-level certification based on the IFS Logistic standards.
- Internationally, GPA has been developing for several years now a programme known as "Quality from the source" aimed at improving the traceability of fruits, vegetables and eggs in order to check upstream the use of pesticides, transport conditions and product storage. This programme was extended to beef.

  The PEQ *(Programa evolutivo de qualidade)* programme also assesses industrial product suppliers and since 2014, fruit and vegetable suppliers with the goal of encouraging them to apply for internationally-recognized external certification.

  In 2014, a training programme on the challenges of food safety was set up for private-label pork and poultry suppliers. The suppliers were introduced to the GFSI initiative of the Consumer Goods Forum.

  In Colombia, Éxito organised a supplier forum on the topic of quality to promote the IFS standard. 12 suppliers pledged to begin the certification process after the forum. In collaboration with the Group Quality department, the quality and safety plan for Casino private-label products was presented to more than 80 Éxito suppliers.

  Libertad in Argentina and Disco in Uruguay launched a programme to encourage their suppliers to become GFSI-certified by 2016.

Improving the nutritional balance of products

As a pioneer of the private-label concept *(marque distributeur – MDD)* with the launch of the Casino brand as far back as in 1901, the Group has developed since 2005 numerous initiatives to improve the nutritional balance of Casino products, one of the Group's leading private labels. The private-label expertise accumulated by Casino has served as a springboard for subsidiaries to launch their own private labels.

The Group created a Scientific Committee on Nutrition and Health in 2010. The Committee meets four times a year to analyse scientific data and trends on health issues and consumer concerns and expectations about health. In France, it also develops action plans to support private-label products, such as the development of an antibiotics-free poultry offering. Lastly, the Committee issues recommendations on controversial ingredients such as aspartame, endocrine disruptors, Bisphenol, pesticides, and more.

The Group's Nutrition and Health plan launched in 2005 was confirmed in 2008 with the signing of a charter of nutritional progress voluntary commitments with the French Ministry of Health, under the National Health Nutrition Plan (PNNS).

Its main actions in France concerned:

- for Casino brands:
  - improving the nutritional profile of products by reducing salt, simple sugar and fat content, in addition to replacing certain fats with more nutritional alternatives; developing a more legible nutritional labelling; providing consumers with information; developing a range of health foods,
  - developing specific products: the "Casino Bien pour Vous!" (Casino is good for you!) private label proposes products such as "gluten-free" or "sugar-free" to address the nutritional requirements of consumers with special needs,
  - launching in 2014 the "Casino Bio" and "Terre et Saveurs" poultry products from animals raised on antibiotic-free diets.
- For the Leader Price brands: the development of the "Fine Ligne" dietary range offering products with less salt, sugar and fat, and the promotion of "Leader Price Bébé" products offering recipes developed with the advice of child nutrition experts;
- for the Monoprix brands: the introduction of a Sustainable Nutrition Charter updated in 2012 which requires controlled salt content, removal of hydrogenated fats, limited use of preservatives and prohibition on use of azo dyes. Monoprix also develops products to address specific needs such as low lactose milk.

Internationally, the banners have launched similar initiatives and sell private-label well-being and health products. The "Taeq" brand distributed in Colombia and Brazil comprises a line of products with health and well-being benefits.

Libertad and Big C Thailand have launched an initiative to reduce the salt content of certain food product ranges. Éxito endeavoured in 2014 to redefine the nutritional framework of its products for children under the "Troopx" brand and launched 25 "Taeq" products to address the needs of people with special nutritional requirements, in the wake of the nutritional assessment in 2013.

Informing consumers about the nutritional value of products

The Group supports the introduction of nutritional labelling on private-label products to provide better information to consumers.

The Casino Group has deployed a nutritional label which indicates the energy value, quantity of proteins, carbohydrates, sugars, lipids, saturated fatty acids, dietary fibres and sodium in Casino products.

To stay a step ahead of new regulatory requirements applicable at year-end 2014, the two-year collaboration between the purchasing, marketing and quality teams led to an overhaul of the Group's labels. In addition to the data already mentioned, the food products of French banners (Casino, Leader Price and Monoprix) clearly display the presence of allergens in the list of ingredients and the origin of the meat in prepared meals. Casino has decided to exceed this new regulation by applying it to exempted product families. The Leader Price Fine Ligne range displays nutrition advice prepared on the recommendations of dietary experts and nutritionists.

Big C in Vietnam voluntarily displays a nutritional label on 100% of "Big C" private-label food products. All Libertad private-label food products in Argentina also carry detailed nutritional labels.

GPA has enhanced its nutritional labelling on its "Taeq" private label which now indicates saturated fat, fibres, sodium and vitamin content. It is also working on highlighting the presence of allergens in the list of ingredients.

In 2014, Éxito worked more specifically on identifying the fatty acid content of private-label products in order to display this information on the product nutritional profile from 2015 onwards.

8.3.2. ENCOURAGING MORE ECO-FRIENDLY CONSUMPTION

To encourage its customers to adopt more eco-friendly consumer habits, the Casino Group has developed several initiatives to reduce the environmental impact of products. These measures including optimising and reducing packaging used; developing more environmentally-friendly product ranges; displaying the environmental footprint on the packaging of food products; organising communication campaigns to encourage consumers to return used products for recycling.

More environmentally-friendly products

To allow its customers access to more environmentally-friendly products, Casino Group stores carry over 15,170 products certified as environmentally responsible.

Organic farming and Good Agricultural Practices

The Group offers a vast range of organically-farmed produce with more than 13,240 products sold in Casino Group stores. In France, the stores carry over 11,170 AB-certified organic produce (excluding clothing) including 1,115 private-label products.

Outside France, GPA sells more than 1,200 organically-farmed produce including Casino Bio organic produce. Libertad also promotes in its stores organically-farmed produce in specially arranged spaces.

	Group	France	Latin America	Asia/Indian Ocean
Number of organically-farmed private-label produce	1,602	1,116	405	81
Number of organically-farmed national brand produce	11,639	10,055	1,320	264

of which:

	Casino Bio	Naturalia Monoprix Bio	Leader Price Bio	Taeq Brazil	Taeq Colombia
Number of organically-farmed produce by private label	424	550	142	336	69

The Group's banners also carry product ranges produced through Good Agricultural Practices. In France, Casino sells 119 references under the "Terre et Saveurs" brand (such as fruits and vegetables, bakery, fishery, poultry and butchery products), grown on carefully-tended land by producers committed to Good Agricultural and Livestock Farming Practices (alternative growing methods, little or no post-harvest treatment, attention to the genuine needs of plants, preservation of aquatic environments, etc.).

Outside France, Grupo Éxito has set up a certification programme for Good Farming Practices for fruits and vegetables suppliers: some twenty of them are certified every year. Big C Thailand launched a certification process on certain products to obtain the Green Label awarded after assessing the environmental impact and sells 205 fresh produce certified for using Good Agricultural Practices (GAP).

GMO

The Casino Group's policy on GMOs was formalised in 1997. The Group's private-label products sold in banners in France (Casino, Monoprix, Leader Price and Franprix) are guaranteed GMO-free with respect to the ingredients used, additives and flavours. Outside France, private labels comply with applicable regulations and the rules of labelling as in Brazil where products are inspected and indicate the presence of GMOs if they exceed 1%.

Palm oil

The Casino Group is one of the first retailers to have pledged to reduce the impact of palm oil since 2010. 81% of the Casino Group's private-label food products which used to contain palm oil are palm-oil free. For the 19% of Casino food products that contain palm oil, 92% use RSPO-certified palm oil, endorsed by the Group since 2011. 100% of Casino-brand non-food items and Hygiene/Perfumery items use RSPO-certified palm oil. The Leader Price and Monoprix banners also have similar policies.

In 2014, an additional process was launched to obtain transparency on the palm oil used in private-label brands in France and abroad. The goal is to identify in 2015, as a first step, the refiner or the first seller in order to have a comprehensive overview of the palm oil supply chain down to the plantation.

Sustainable fishing

For many years now, the Group has been endeavouring to improve its seafood offering. Casino has taken numerous measures since 2007 to protect fishery resources such as gradually stopping the sale of major endangered deep-sea species (emperor fish, blue ling, cutlass fish, grenadier and tusk). It has also stopped selling other endangered species such as dogfish, eel, elver and white grouper.

This policy is shared and supported by the other Group banners such as GPA in Brazil and Big C in Thailand.

Casino and Monoprix stores propose MSC (Marine Stewardship Council) certified products, as a guarantee of sustainable fishing.

In 2014, the GoodPlanet Foundation and the Casino banners teamed up to educate employees about the issues at stake in fishing. They produced a training-information pack for the Group employees and an e-learning module.

Local produce

The Group's banners are committed to developing and showcasing produce from local suppliers (see Supporting local production channels, page 228). In France, Casino develops its "Le Meilleur d'ici" (Fine local products) concept comprised of products produced less than 80 km from the store. In 2014, Vindémia rolled out this concept in Score hypermarkets and Jumbo Score supermarkets. The banner also promotes local produce under the "Nou la fé" (We did it) range.

In Vietnam, Big C relies on expanding its local sourcing especially whenever stores are opened in rural areas; the range of products sold in these stores are partly derived from local contracts signed at meetings organised with producers.

Optimising the packaging of private-label products

The cardboard packaging of "Taeq" products and certain "Qualitá" products sold in Brazil by GPA use recycled material from packages collected from customers. Under the "Novo de Novo" programme initiated in 2009, GPA recycled and reused several millions of packages (more than 2,700 metric tons). At each product creation, GPA ensures that the packaging is reduced and also uses FSC (Forest Stewardship Council) certified cardboard for its packaging.

In Colombia, Grupo Éxito helps its suppliers of "Taeq", "Carulla" and "Cautivia" brand products to reduce their packaging. In addition, Éxito develops products with 100% recyclable packaging.

To reduce and limit their impact on biodiversity and deforestation, the Casino banners prioritise the sale and use of PEFC (Programme for the Endorsement of Forest Certification) or FSC (Forest Stewardship Council) certified paper, hallmarks of sustainable forest management, and products covered by the European Ecolabel.

8.3.3. EDUCATING CUSTOMERS ABOUT SUSTAINABLE CONSUMPTION

Promoting sustainable products

To educate customers and suppliers, the Casino Group deploys information and awareness-raising campaigns in its stores primarily about sustainable consumption, the recycling of used items (bulbs, batteries, small electrical appliances) and food wastage.

In France, a major "Choosing is acting" *(Choisir, c'est agir)* information campaign on sustainable consumption was rolled out again by the GoodPlanet Foundation in more than 2,500 stores (Casino and Petit Casino hypermarkets and supermarkets). The campaign involved the distribution of information booklets to customers, an in-house radio announcement, a supplier forum, etc.

The ambition of this operation supported by ADEME, Max Havelaar, MSC, Corepile and the UNEP (United Nations Environmental Programme) is to inform customers about responsible labelling, encourage better consumption habits (www.choisircagir.com) and promote more sustainable products.

A training module was rolled out for employees on the challenges of sustainable consumption and sustainable fishing. At a forum attended by more than 80 suppliers, organised to highlight their actions to promote sustainable products, the best initiatives received the "Choisir, c'est Agir" Award. Leader Price launched the "What's for dinner?" *(Qu'est-ce qu'on mange ce soir?)* initiative proposing to customers a meal cooked in 20 minutes and promoting a healthy, varied diet at an affordable price.

Monoprix rolled out its "Good for you!" *(C'est bien fait pour vous)* campaign to explain its sustainable development commitments and promote sustainable consumption with its customers.

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. This labelling launched in 2008 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 470 products, including 448 private-label products (373 "Casino", 75 "Monoprix"). This process provides the Group with more insight into the environmental impact of products to inform and educate customers and encourage suppliers to implement improvement actions. An EI calculation tool is also deployed with 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 is involved in a process that seeks to reduce the distribution of single-use plastic bags in stores.

- In France, since 2008, the number of free check-out bags distributed by Casino has fallen by 93%. Since 2012, Franprix proposes biodegradable bags for unpacked fruits and vegetables to its customers.
- Outside France, the Group's subsidiaries have launched several actions to encourage the use of reusable bags (information in stores, encouragement through loyalty programmes, etc.) and reduce the use of disposable bags. Under its "Juntos en Acción" CSR programme, 13 of the 15 Libertad hypermarkets have "green cash registers" where customers are not given disposable plastic bags, in an effort to raise awareness. Big C Vietnam proposes recyclable bags. Grupo Éxito has extended its policy to promote the use of reusable bags to its Éxito Express convenience format.

8.3.4. FIGHTING FOOD WASTAGE

In connection with the National Pact to Fight Food Wastage set up by the French Ministry of Agriculture and Food, which has been signed by the Group, Casino, Monoprix and Franprix have rolled out several actions.

To educate its customers and employees, Monoprix stores distributed a guide on food wastage entitled "Nothing is lost, everything is transformed" *(Rien ne se perd, tout se transforme)* and organised in-store awareness-raising actions. Casino developed a guidebook entitled "Eco-friendly actions in stores" *(Eco gestes en magasins),* focused on several themes such as Wastage and conveyed through the "Choisir, c'est agir" campaign.

To encourage customers to pick fruits and vegetables that would otherwise be discarded because of substandard appearance, Monoprix and Franprix launched the "Do you have a problem with me?" concept. These misshapen, deformed fruits are measured by the same gustatory quality standards as the other standard produce and sold at a cheaper price.

Internationally, GPA launched in 2014 a major communication campaign entitled "Why throw away?" *(Pq jogar fora?)* on wastage and plans to roll it out for its 100,000 employees and their families in 2015. The content was developed together with AKATU, an institute that seeks to educate the public about food waste and provide tools for limiting wastage.

The Group's banners and warehouses continue to support the donation of products with short expiry dates to food bank networks (see page 233).

8.3.5. BEING ATTENTIVE TO CUSTOMER EXPECTATIONS

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, booth in stores). They also use social media and have developed specific pages to facilitate and promote dialogue.

- In France, each of the banners carries out customer surveys and organises store visits by specialised service providers. The questionnaires address a wide variety of issues with an impact on customer satisfaction, ranging from store cleanliness to service quality and products sold.

  The Group's banners propose a toll-free number for customers to call the Consumer Service. Casino is supported by an integrated call centre that manages customer requests. Monthly reports are prepared and transmitted to the relevant departments (purchasing, marketing, stores). Nearly 50% of calls received are made through Casino's toll-free number and the number of queries have fallen by nearly 6% compared to 2013. Customer complaints usually concern the quality of products, then in-store service.

  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 provides a toll-free number available from Monday to Friday to its customers. Franprix has a similar system.

  The Casino Group has also created the "C'Vous" community website for consumers interested in talking about products and services in their local store. They can vote for their preferred products and propose ideas to the community. The topics are grouped in six categories, of which one is sustainable development. The most popular ideas are implemented in the stores.
- Outside France, GPA has numerous customer satisfaction survey tools. It has set up the "casa do cliente" system where customers can express their concerns, suggestions or comments. In 2013, Extra and Pão de Açúcar had customer satisfaction rates of 90%. In Colombia, Éxito carries out about 100 customer surveys per store, in addition to online surveys, to define and track satisfaction level which in 2014 was more than 4 over 5 (best score). Big C Thailand customers can submit their complaints or suggestions by store on a special customer page on the banner's website.

8.4. 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 policies deployed to address social and environmental impacts strive to strengthen the Group's social ethics initiative specifically with suppliers of private-label products based in at-risk countries, support local production channels and encourage the CSR initiatives of SMEs.

8.4.1. STRENGTHENING THE SOCIAL ETHICS POLICY

The Group supports the implementation of harmonised, stringent standards at national and international level. Involved since 2000 in France's Social Clause Initiative (*Initiative Clause Sociale* – ICS) comprising 20 retailing banners, the Group also supports international initiatives such as the Global Social Compliance Program (GSCP) in its work to harmonise standards.

Since 2002, the Casino Group has deployed a social ethics initiative for its suppliers in an effort to improve the social conditions in which its private-label products are manufactured. The initiative managed by the Casino Group CSR department in liaison with the Purchasing departments is based on:

- the Supplier Ethics Charter: supplier endorsement of the Ethics Charter is a key step in the listing process.

  By signing the Charter which is modelled on the Group Ethics Charter, the supplier acknowledges the superiority of the principles proclaimed in the Universal Declaration of Human Rights and in the ILO's Declaration on the Fundamental Principles and Rights at Work.

  The supplier pledges to observe the eight requirements of the Ethics Charter especially with respect to the prohibition of child labour and forced labour. The endorsement also implies that the supplier accepts inspections to verify compliance with these commitments;
- an annual social audit programme: every year, more than a hundred production sites are audited to check compliance with the requirements set out by the Supplier Ethics Charter.

  The audits are planned and monitored by the Group's CSR department and are implemented first in factories which manufacture high-risk product categories and are based in countries considered as most likely to present risks of violation of Human Rights and working standards. Regular audits are carried out in China, India and Bangladesh.

  The audits are performed by specialised independent firms in accordance with 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 with banners that are members of ICS a common database for integrating and discussing the results of the audits performed;
- support for suppliers: audit reports, followed by a corrective action plan if necessary, are drafted after a production site audit. Suppliers have to pledge to implement the corrective action plan within a given period to avoid the downgrading of their rating.

  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 the that the corrective action plan is properly implemented;
- awareness raising and training activities: the CSR department conducts regular awareness-raising activities among purchasing teams, local offices and suppliers, including the introduction of the Ethics Charter to the suppliers. In 2014, the Group's social ethics policy and the audit follow-up tools were introduced again to clothing buyers. A course on the pre-listing process was given to Global Sourcing Quality engineers.

In 2014, 190 ICS social audits were conducted. 166 of these audits were conducted directly by the Group and 34 by other ICS members (shared factories). 46% of the factories audited by the Group are located in China and 28% in Bangladesh, while 77% of the audits were initial audits and 23% follow-up audits.

An analysis of the results of ICS audits is published in the ICS Activity Report (www.ics-asso.org). Since 2003, the Group has performed a total of more than 1,700 ICS audits.

In Bangladesh, the Group audited 100% of preferred factories producing its private-label products based on more stringent safety inspections designed to address the country's specific situation. It has developed systematic, unannounced pre-listing audits and strengthened its inspections on the safety conditions in factories.

Although Casino had no connections with the Rana Plaza workshops, Casino Global Sourcing endorsed the "Accord on Fire and Building Safety" in July 2013, to support the collective and collaborative process initiated and help to improve safety conditions in factories. Factories producing for CGS were audited by the Accord in 2014 and are now implementing corrective actions. The teams attended the Accord meetings organised in London, Amsterdam and Dhaka.

In addition to these audit programmes, the international subsidiaries have developed Ethics Charters for local suppliers: For example, GPA is a member of the local Brazilian initiative "Associação Brasileira do Varejo Têxtil" (ABVTEX) which carries out inspections of suppliers and sub-contractors of the Brazilian textile sector based on 13 evaluation topics with 18 requirements, including the prohibition of child labour and forced labour.

Grupo Éxito has drafted a Supplier Code of Conduct that includes ethical, transparency and good governance requirements. Libertad has rolled out an Ethics Code of Ethics Charter for its local suppliers. Big C in Thailand is educating all local textile suppliers about the Group's ethics policy.

To ensure optimum compliance with human rights in all its business operations, Casino Group joined the EDH (*Entreprises pour les Droits de l'Homme* – Businesses for Human Rights) association in order to identify business-specific risks and brainstorm with other international groups. It supported and participated in the preparation of a training module on the topic of human rights in the company and the creation of a guide to evaluating human rights-specific risks. In 2014, it supported the development of an e-learning module which will be provided to managers.

8.4.2. ENCOURAGING THE CSR INITIATIVES OF SMES

Since its inception, the Casino Group has maintained a close relationship with its suppliers (SMEs, farmers, cooperatives).

- In France, to improve supplier relations, as a party to the differentiated platform set up between the FEEF *(Fédération des entreprises et industriels de France) and the FCD (Fédération du Commerce et de la Distribution)*, the Casino Group has developed several Initiatives for SMEs such as appointing an SME officer to facilitate relations and organising annual buyer immersion courses in SMEs.

  It also works with the FEEF and ANIA *(Association Nationale des Industries Alimentaires)* and with the *Club d'Entreprise Agro-développement*. In 2014, it organised an SME Forum which was attended by heads of companies and a supplier forum with the GoodPlanet Foundation on the topic of sustainable consumption which attracted some 80 businesses. Four prizes were awarded to highlight the best CSR initiatives of the suppliers. It also developed a guide featuring the Group's CSR commitments with buyers.

To better address CSR issues and in particular environmental impact by local SMEs, the Group's Quality department together with the Purchasing and Marketing departments rolled out several supplier support plans to:

- encourage the use of fewer pesticides and develop more environmentally and animal friendly production, cultivation and livestock practices by providing assistance to "Terre et Saveurs" suppliers, producers, cooperatives and livestock farmers;
- obtain one of the official certifications/labels below for the "Casino Avenir" product range: "European Ecolabel" (official European label delivered in France by Afnor), "NF Environnement" (the French ecolabel), "FSC" (Forest Stewardship Council) or "PEFC" (Programme for the Endorsement of Forest Certification);
- obtain the "AB" and European certification for organically-farmed produce (Casino, Leader Price or Monoprix);
- provide a tool for them to measure the environmental footprint of products and identify alternatives to improve this footprint (see Section 8.3. "A responsible retailer").

In France, Casino evaluates the policies and actions taken by sub-contractors (service companies, etc.) to fight against discrimination and promote diversity as required by its commitments under the Diversity Label. In 2014, the Group issued guidelines to service providers to promote its diversity commitments to SMEs.

- Outside France, the Group organises an annual gathering of private-label local suppliers based in the Group's major host countries (Brazil, Colombia) for a one-week seminar on the Group's requirements.

  In Colombia, Grupo Éxito continued to roll out its Good Agricultural Practices certification programme for its fruit and vegetable suppliers with 21 suppliers certified to date and 20 or more integrated in the programme this year.

  In Brazil, GPA continued the rollout of its "Quality from the source" programme. The programme involves fruit, vegetable and egg suppliers and seeks to check upstream the use of pesticides, transport and storage of products.

  In Thailand, Big C implements actions with SMEs and fresh produce suppliers to improve the quality of their products and production practices by training them in Good Manufacturing Practices (GMP) and Good Agricultural Practices (GAP). 28 major local suppliers were audited in 2014 under this Quality programme.

  In Vietnam, Big C meets and evaluates vegetable producers to promote the use of GAP.

8.4.3. SUPPORTING LOCAL PRODUCTION CHANNELS

Most of the Group's banners source their products from small producers or SMEs based in their host countries.

The Group helps local suppliers to make their production and logistics, manufacturing standards and administrative management more professional, to enable them expand their business operations beyond their commercial relationship with the Group.

- In France, in addition to the actions implemented, the Casino stores continued to shed a positive light on local producers through the "Le Meilleur d'ici" concept that seeks to support local producers based within a radius of less than 80 km from the store by sourcing from them and showcasing their products. "Le Meilleur d'ici" label is carried by 421 Casino supermarkets and hypermarkets in France. The banners also showcase the "Terre et Saveurs" and "Club des sommeliers" brands through special relations with the agricultural sector (cooperatives, livestock farmers, oyster breeders, etc.) and agreements with the lamb and beef sectors.

  To support dairy farmers, Casino has been selling since 2013 the "Lait des Monts du Forez" label to provide an outlet for 65 dairy farmers in serious economic and financial difficulty following the shutdown of an AOC cheese manufacturing facility. Similarly, Franprix continues to promote the dairy farmers from the Lot Valley region and has developed its local products offering inside the Franprix market area.

Casino continued to support small-scale fishing through the deployment of the "La Criée" concept by partnering with numerous Atlantic and Mediterranean ports. Daily distribution channels were specifically implemented to directly offer the catch of the day to consumers in the various stores. In 2014, Monoprix rolled out its "Monoprix coastal fishing" *(pêche côtière Monoprix)* initiative which involves the sale of fish from environmentally-friendly fishing practices that promote species renewal.

- Banners outside France are also taking action to support local producers. Grupo Éxito is developing its commercial relations with small-scale fruit and vegetable producers, which began in 2013 in various regions of Colombia, and supported 57 suppliers in 2014 through a programme set up with the "EAFIT" University for training in supply chain quality and improvement.

GPA continues to support the "Caras do Brasil" programme which allows small-scale cooperatives to sell their products *via* "Pão de Açúcar" stores. Social and environmental criteria were included in the selection of producers for this programme, whose products are showcased in stores especially during the "Produto feliz" campaign carried out during the end-of-year holiday season.

Vindémia in Reunion promotes local produce under the "Nou la fé" range and rolled out the "Le meilleur d'ici" concept in its Score hypermarkets and Jumbo Score supermarkets.

In Vietnam, SMEs and local suppliers are a major pillar of commercial development especially with respect to store openings in rural areas; six SME seminars were organised this year to mark the opening of four new stores. A dedicated SME department was created to manage SME-specific supplier contracts. So far, 205 contracts have been signed with producers from nine regions in Vietnam.

8.5. AN ENVIRONMENTALLY-COMMITTED GROUP

8.5.1. GENERAL ENVIRONMENTAL POLICY

The Casino Group defined its environmental commitments in 2003 and reasserted them by endorsing the United Nations Global Compact and unveiling its CSR progress initiative designed around four environmental priorities.

To prevent and manage the environmental risks linked to the Group's business lines, the Environmental department, which reports to the CSR department, oversees environmental priorities, coordinates the sharing of best practices and monitors action plans. The Environmental department implements a continuous improvement plan to drive the environmental performance of the Group's activities. In France, this plan is based on "environment officers" who meet in "Green excellence" working groups and share a collaborative platform where best environmental protection practices are centralised and published.

International subsidiaries have also developed their local organisations focused on addressing their specific environmental challenges and achieving Group-defined objectives.

The Group's identified priorities concern:

- reducing greenhouse gas (GHG) emissions;
- improving energy efficiency;
- reducing and recovering waste;
- protecting the biodiversity of ecosystems.

The environmental policy is tailored to each business line and entity to address specific local issues.

8.5.2. RAISING AWARENESS

To raise employee awareness of environmental issues and share best environmental protection practices, the Group's various internal media such as the Intranet and the Regards newsletter regularly report on topics such as waste management, preservation of natural resources, energy savings, biodiversity and food wastage.

In 2014, the Group developed a guidebook entitled "Eco-friendly gestures in stores" *(Guide des écogestes en magasins)* to inform managers and employees about environmental impacts, the initiatives implemented to reduce them and the expected actions. This guide book tackles subjects such as energy, waste, greenhouse gases and food wastage.

The Group continued its initiatives to reduce food waste, especially in partnership with the French Food Bank Federation (see Section 2.8.6) and the "Choisir, c'est agir" campaign implemented with the GoodPlanet Foundation (see Section 2.8.3).

In the context of the CSR Agreement, Casino pledged to address environmental issues when updating its business training courses to improve employee awareness: for example in 2014, the "seafood" training was updated to include sustainable fishing issues with the provision of an e-learning module and an educational graphic novel.

Outside France, GPA organised a seminar which attracted 85 managers from different banners to improve their awareness of environmental issues and the related good practices implemented. Multivarejo and Viavarejo rolled out environmental training courses for stores with a particular focus on the recycling programme.

Vindémia rolled out the "Together, let's recycle more and better" *(Ensemble recyclons plus, recyclons mieux)* campaign in Casino stores in metropolitan France in 2012 and 2013 to encourage customers to return their used items for recycling.

Libertad in Argentina takes advantage of Environment Week or Arbor Day to educate customers and employees. For example, the subsidiary organised in 2014 the second edition of the "My green world" *(Mi mundo verde)* competition for children of employees and customers to reward the best environment-related drawing.

Grupo Éxito continued to improve its employees' awareness of best environmental practices.

8.5.3. SUSTAINABLE CONSTRUCTION AND CERTIFICATION

In France, more than 500 stores (Géant and Casino supermarkets) are ISO 50001 certified for the energy management system deployed by GreenYellow. In addition, four warehouses are ISO 14001-certified for their environmental management and four shopping centres are labelled "BREEAM in use" for the environmental efficiency of the buildings.

Outside France, three Pão de Açúcar stores obtained the North American LEED (Leadership in Energy and Environmental Design) certification. In Vietnam, the "Green Square" shopping mall is certified "LEED GOLD" and "LOTUS SILVER", a building certification system that guarantees compliance with the environmental standards developed by the Vietnam Green Building Council (VGBC) and recognised by the World Green Building Council and the Vietnam Construction Ministry.

8.5.4. REDUCING GREENHOUSE GAS (GHG) EMISSIONS TO FIGHT GLOBAL WARMING

Measuring greenhouse gas emissions

Given the globalisation of its business operations, the Group standardised the carbon reporting practices of its subsidiaries in 2012, the very year in which the Environment department began tracking GHG reduction plans.

Every year, the Group's subsidiaries perform their Scope 1 and Scope 2 GHG inventories to track the effectiveness of their reduction plans, using this methodological framework.

The main sources of emission in the Group's scope of operations include:

- refrigerant discharges linked to leaks in refrigerating units which account for more than 50% of Scope 1 and Scope 2 emissions;
- energy use of facilities;
- fuel combustion required for the transport of goods.

(in metric tons CO_2e)	Total Group 2013	Total Group 2014	France	Latin America	Asia/Indian Ocean
Scope 1 GHG = direct emissions from combustions (gas and fuel) and refrigerant discharges	1,350,000[a]	1,430,000	440,000	810,000	180,000
Scope 2 GHG = indirect emissions from energy use (electricity, steam, heat and cold)	940,000	880,000	90,000	260,000	530,000
TOTAL SCOPE 1 AND SCOPE 2 GHG	**2,290,000**	**2,310,000**	**530,000**	**1,070,000**	**710,000**

(a) Adjusted scope includes transport of goods under operational control.
See methodological note on page 236 for details about the scope of reporting and the calculation method.

Reducing greenhouse gas emissions

The Group encourages its subsidiaries to focus on the reduction of their direct emissions.

The Group focuses on the reduction of GHG emissions from leaks of refrigerants which contribute to global warning. Measures taken by subsidiaries include designing strong containment for the circuits of existing facilities and setting up pilot refrigeration systems that use fluids with low global warming potential (hydrocarbons, CO_2, NH_3).

In order to identify the appropriate technical solutions for the safety conditions, the climate and regulations of its host countries, the Group organises the sharing of experience from pilots implemented by its subsidiaries. In France, ten or more Casino supermarkets produce part of their refrigeration with installations that operate with CO_2; three warehouse platforms are cooled with installations powered by ammonia. In Brazil, GPA is testing CO_2 refrigeration with pilot facilities.

In 2014, the Group implemented, with the support of ADEME (the French Agency for the Environment and Energy) and a specialist firm, a study to consolidate best practices feedback on experience gained from the maintenance of existing installations and pilot installations operating with reduced loads or zero HFC; compare the eco-efficiency of the main identified solutions; and develop a calculation tool that can be used to compare the proposed refrigerating solutions.

To reduce greenhouse gas emissions linked to the transportation of goods, the Group is prioritising the development of action plans to reduce mileage and optimise the truck load factors through partnerships aimed at pooling transport capacities upstream and downstream of Casino's facilities.

In 2014, the Group Transport departments in France and abroad adopted a common method to calculate their CO_2 performance by metric ton-kilometre of activity. This indicator for measuring the impact of transports between the Group's warehouses and its stores tracks the GHG reduction plans rolled out by the supply chain teams.

- In France, the Group has developed a multi-modal strategy which uses river transport to deliver goods to Franprix stores in Paris and stackable handling equipment to optimise truck space. The Citygreen programme promotes the use of transport solutions that meet the most demanding standards of air and noise pollution, especially through the use of Piek-Nitrogen trucks.
- Outside France, Grupo Éxito continues its actions to reduce emissions linked to the transport of goods by optimising truck load factors and raising loading capacities and by centralising import flows in order to use containers more efficiently; Big C Vietnam developed its deliveries by using waterways for stores located in the centre and northern regions of the country; GPA continues to develop its programme launched in 2006 aimed at reducing the number of trucks returning empty to warehouses after deliveries by having them carry the load of other suppliers. 57 suppliers were involved in the initiative in 2014. Big C Thailand also developed a programme to optimise truck loading.

Improving the energy efficiency of stores (see the "Energy" section below) helped to reduce the greenhouse gas impact of electricity use, with varying carbon performance depending on the carbon intensity of electricity in each country.

Adapting to climate change

To reduce vulnerability to climate change, the adaptation policy of subsidiaries focuses on addressing the risks of increase in the number of extreme climate events, such as the risk of cyclones for operations in Reunion Island and flooding in Thailand.

The Group strives to abide by applicable regulations and has built the infrastructures required to manage rainwater and contain overflows. It also endeavours to implement innovative solutions (green roofs for example) to these problems. Companies exposed to this type of risk develop and maintain business continuity plans in collaboration with suppliers and public authorities in case of extreme weather events.

8.5.5. SUSTAINABLE USE OF RESOURCES

Energy

	Total Group 2013	Total Group 2014	France	Latin America	Asia/Indian Ocean
Total electricity used – MWh	4,785,537	4,603,474	1,506,265	2,060,961	1,036,248
Natural gas – MWh NCV	268,475	193,543	133,156	60,387	0
Water consumption – m^3	15,910,757	15,204,612	1,399,381	5,855,839	7,949,392

The total coverage rate in retailing area was 91% for energy and 79% for water.
See methodological note on page 236 for details about the scope of reporting and the calculation method.

All the Group's entities seek to cut down operating expenses primarily by improving the energy efficiency of their stores. Store lighting and food refrigeration are the two major energy-intensive (mainly electricity) operations.

The concern to reduce energy use is addressed in a continuous improvement process based on monitoring consumption, energy audits of sites and an energy renovation programme (Energy Efficiency Contracts), implemented by GreenYellow (Group subsidiary in charge of energy savings).

The Group entities are urged to define reduction targets and action plans to identify the most eco-efficient solutions.

- In France, 90% of Géant hypermarkets and 45% of Casino supermarkets operate under energy efficiency contracts. Furthermore, in accordance with the sector's commitment taken with the Government to equip 75% of positive-temperature refrigerant cabinets with doors before 2020, 93% of hypermarkets and 44% of Casino supermarkets installed such equipment in 2014.
- In international subsidiaries, actions to reduce the energy use of stores were implemented in all the entities in order to regularly check consumption, train employees and optimise operating processes in stores and at the head office.

  In Vietnam, new stores are built according to Green Building standards and are equipped with the latest low-consumption equipment (low-energy lighting, enhanced insulation of buildings, doors on chilling units, etc.) and with a building management system (BMS) which helps to optimise the use of lights and air-conditioning.

  In Brazil, the construction of three pilot stores validated the energy savings solutions tested by GreenYellow which will be deployed by GPA in 2015, especially with respect to lighting and air-conditioning.

  In Colombia, 53 stores are managed under energy efficiency contracts deployed in partnership with GreenYellow. Vindémia also adopted this initiative which covers eight stores.

The Group's electrical use in France fell by 6.7% in absolute value compared to 2013.

To support the development of renewable energy, in 2007 GreenYellow launched a solar installation development programme on car park canopies and hypermarket rooftops, mainly in the Indian Ocean region with Vindémia.

In 2014, 58 power plants were connected with a photovoltaic panel surface area of around 489,470 sq.m. for an installed capacity of 97 MWc generating 112,127 MWh per year.

Water

The Group operates in regions with low to medium water stress risk and mostly uses water from municipal networks, primarily for cleaning purposes.

The Group is aware of the importance of water management and therefore encourages initiatives to reuse rainwater and limit consumption from drinking water networks.

- In France, since 2013, the Easydis warehouses implement a responsible water management policy which entails collecting rainwater (five warehouses have the necessary equipment) and monitoring water consumption in real time by remote metre reading to detect water leaks. In 2014, 58% of Casino supermarkets and 10% of hypermarkets were fitted with flow regulators. The new construction projects include, whenever possible and right from the design phase, rainwater collection and treatment systems.
- The Group's international subsidiaries monitor their consumption and have developed leak detection systems. GPA's Pão de Açúcar and Extra banners have installed a system for the continuous tracking of water consumption levels in all their stores.

8.5.6. REDUCING AND RECYCLING WASTE AND CONTROLLING POLLUTION

Operational waste

The operation of Casino stores mainly generate cardboard, plastic, paper and biodegradable waste.

Subsidiaries have set targets to reduce their waste and increase the recovery rates and accordingly help to develop and sustain local recycling networks. More than 230,000 metric tons of waste (cardboard, plastics, organic) were recovered by the Group's sites. The subsidiaries continued to train their employees in sorting techniques in stores and in warehouses mostly with respect to plastics and organic waste.

- In France, stores and warehouses sorted over 122,400 metric tons of waste for subsequent recovery by accredited service providers.
- Outside France, Grupo Éxito recovered more than 20,000 metric tons of waste from its operations. GPA continues to roll out its integrated waste management system which includes sorting (composting of organic residues, recovery of recyclable residues) in its food stores and warehouses. In 2014, this system was applied in 147 stores (an 86% increase over 2013). Libertad continues to implement its recycling programme for cardboard, paper, and pallets used to carry goods.

Customer waste collection services

To encourage the recycling of used products, the Casino Group implements actions to educate customers about sorting and provides collection bins in its stores.

At Group level, 396 metric tons of batteries, 67 metric tons of light bulbs, 2,565 metric tons of electrical appliances, 10 metric tons of ink cartridges, 5,666 metric tons of cardboard and around 8,000 metric tons of other waste were collected for recovery.

- In France, thanks to communication campaigns and collection units provided in Casino stores, the Group collected in 2014: 202 metric tons of used batteries in Casino Group stores and warehouses, 32 metric tons of light bulbs, 10 metric tons of printer consumables (ink cartridges) and 248 metric tons of waste electrical and electronic equipment (WEEE). Monoprix stores collected 98 metric tons of batteries, 24 metric tons of light bulbs and 7 metric tons of WEEE. Cdiscount collected 1,971 metric tons of used electrical household appliances.
- Outside France in Brazil, GPA proposes to customers of Pão de Açúcar and Extra stores various types of collection services for recycling packaging (cardboard, glass and plastic) at the 266 recycling stations provided, telephones under the "Alô Recicle" programme, batteries and expired medication. More than 14,000 metric tons of waste were collected from customers who are regularly informed of good recycling practices through communication campaigns.

  Big C in Thailand is gradually installing cellphone collection bins in stores. It also collects milk boxes which are recycled and used in its Green Roof programme which entails manufacturing roofs for the homes of victims of natural disasters.

  In Colombia, Éxito and Carulla have installed roughly 230 in-store collection points where batteries, electrical and electronic appliances, and medication are collected for recycling.

  Libertad in Argentina also installed bins in its stores to collect customer wastes such as glass, certain packaging or used oil.

Limiting air and noise pollution

In France, to reduce the noise from delivery trucks, Easydis, a Casino Group subsidiary, now uses a fleet of Citygreen brand trucks compliant with the Piek standard, *i.e.* with a certified noise level below 60 decibels, and hybrid vehicles which switch to silent mode one kilometre away from their delivery point.

These trucks reduce day-time traffic in city centres and suburban areas through their clean and silent night-time deliveries. Franprix's choice to deliver goods to its 80 stores in France using waterways results in the avoidance of more than 450,000 km of truck transport in urban areas every year and less noise pollution. Monoprix stores receive their deliveries from silent trucks running on CNG, thus contributing to reducing fine particles, which are harmful to health.

Preventing soil contamination

The operations of service stations owned by the Group undergo ongoing inspections according to very strict standards. A soil contamination prevention initiative was launched in France which consisted of surveying the underground soil and water and comprehensive monitoring of the underground. Outside France, service stations owned by Grupo Éxito and GPA are also inspected regularly to prevent any risk of contamination.

8.5.7. PROTECTING BIODIVERSITY

The Casino Group reasserted its commitment to promote biodiversity in its Group Ethics Charter under commitment no. 8: "Helping to protect biodiversity".

Reducing the impact of buildings on biodiversity

Casino Développement drafted and circulated a good practices guide on managing areas and protecting biodiversity. The property development management teams have trained in these practices.

Protecting biodiversity in Brazil

GPA has implemented a traceability approach on the lamb and beef sectors of its Brazilian suppliers to guarantee their provenance and avoid participating in deforestation linked to livestock farming. GPA primarily checks that the meat does not come from animals reared in regions protected by the Brazilian Institute for the Environment and Renewable Natural Resources (IBAMA).

Protecting the forests

The Group has launched various initiatives to encourage the protection of forests and reforestation. In France, the funds raised by the operation rolled out between 2011 and 2013 in partnership with SOS Sahel in Casino, Franprix and Monoprix stores and one of its suppliers were used to finance the planting of around 3.4 million trees in the Sahel. Under its "Mi planeta" programme, Grupo Éxito in Colombia helped to plant more than 190,000 trees.

Libertad launched the "Marcas Verdes" programme together with a supplier, which raised funds to protect endangered animal species in the Gran Chaco region.

The Group implements targeted actions to reduce the impact on biodiversity of its private-label products and those of its food suppliers in Brazil (see Section 2.8.3).

8.6. A ENGAGED 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 progress initiative, 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.

8.6.1. SUPPORTING FOOD BANKS

The Group encourages partnerships with food banks in its host countries.

- In France, the Group strengthened its commitment towards the most vulnerable populations by galvanising its stores to support the French Federation of Food Banks (FFBA). The Group signed a partnership with the FFBA in 2009, which was renewed in 2013 for three years.

Under this agreement, the Group undertakes to increase the number of stores involved in daily pick-up and during the food bank national collection day each November. The Group also pledged to implement innovative operations to raise funds for the Federation.

- In France, 5,444 metric tons of products were collected in 2014 under the daily pick-up programme and 1,187 metric tons were collected from customers.
- Outside France, GPA organised in Brazil for the second consecutive year a large-scale collection day in 820 stores with the support of 1,000 voluntary employees for several charities, including *Amigos de Bern, Banco de Alimentos and Mesa Brasil*. 500 metric tons of food products delivered to partner institutions were collected during this day by GPA, including the 145 metric tons donated by Instituto GPA.

  In Argentina, Libertad pledged in 2013 to support the Argentinian food bank network for three years *(Red Argentina de Bancos de Alimentos)* and organises in-store collections twice a year (13 metric tons collected in 2014).

  In Colombia, Grupo Éxito continued the partnership initiated several years ago with 24 local food banks and collected more than 2,350 metric tons of goods in 2014. It also supports a programme to recover agricultural surplus from rural areas.

  Lastly, Vindémia collaborates with the *Réseau Réunionnais d'Aide Alimentaire* (2R2A), the food bank network in Reunion, to pick-up products in Casino Group stores and organise collections from customers.

In 2014, the Group thus donated more than 12,980 metric tons of products, or the equivalent of 25.9 million meals to the food banks network from its collection and pick-up operations.

Tonnage of goods for food banks	France	International
Donations in stores and warehouses (pick-up) – metric tons	5,444	5,326
Collection from customers – in metric tons	1,187	1,025

8.6.2. NATIONAL AND LOCAL OUTREACH PROGRAMMES

To support national and local associations, the Group's stores and warehouses organise non-food donation and collection operations. The Group also encourages the participation of its suppliers.

- In France, illustrating its commitment to respond to the diversity of needs, the Group supported through its actions several charities such as Secours Populaire, the Red Cross, *Les Apprentis d'Auteuil, Agence du Don en Nature, Emmaüs, Dr Souris, Gol de Letra, and Handi'Chien* in 2014.

  Franprix rolled out in all its integrated stores the "Rounding-up" *(L'arrondi)* initiative which offers customers the opportunity to round up their check-out bill to the next euro as a way of collecting funds for the Secours Populaire and the Red Cross; Monoprix organised the fifth annual large collection of clothes for *Emmaüs* (378 metric tons of clothes have been collected since 2011).

  During the World Cup, Casino organised a fundraising operation for the Franco-Brazilian charity *Gol de Letra*, chaired by the former football player Rai, to support children from favelas, and continues to support through non-food product donations the solidarity flea markets of *Apprentis d'Auteuil* and *Agence du Don en Nature*.

  The banners also support associations through shared product campaigns conducted with suppliers.

  For example, Géant Casino, Casino supermarkets, Franprix and Monoprix with Danone rolled out the "Let's put a smile on the faces of sick children" *(Offrons un sourire aux enfants malades)* operation by the *Dr Souris* association which resulted in equipping five additional hospitals and 2,000 beds with computers, internet connection and learning content to help sick children stay in touch with the outside world.

  Stores and warehouses are encouraged to organise operations to support local associations, especially under the "A socially-responsible local operator" programme (www.acteurlocalengage.com). Every year, Casino stores roll out several hundreds of actions to support these associations. Monoprix introduced a "microDon" (micro donation) card to customers in 59 stores to collect funds for 45 local associations.
- Outside France, reflecting the diversity of banners and needs and the Group's solidarity commitment, numerous outreach programmes were rolled out by all banners.

  Big C Vietnam financed 12 projects (construction of a kitchen for a nursery school, medical equipment, etc.) under the "Big C Community" programme, renewed for the fourth year. In association with a supplier, the banner organised an outreach operation to support low-income families by giving them staples, and also makes direct donations through the local Red Cross association.

  Big C Thailand, which in 2013 celebrated 20 years of outreach initiatives to local communities, continues to implement initiatives to support the communities living near hypermarkets and is still active in the area of emergency help by supporting the local Red Cross and donating staples to families in need. It also supports the Slum Child Foundation with food donations. Together with its suppliers, Big C Thailand has set up a shared products operation to support children suffering from heart conditions.

  Under its "Juntos en Acción" CSR programme, Libertad continues to develop various solidarity actions for children's associations and organises an annual collection of clothes (2,627 kg collected) and toys (1,728 kg collected).

  The Disco Group banners in Uruguay support various foundations which primarily support hospitals (financing of medical equipment) or the education of disadvantaged young people (financing given to educational structures and programmes).

8.6.3. THE ACTIONS TAKEN BY FOUNDATIONS

The Casino Corporate Foundation liaises with other Group foundations such as Instituto GPA and the Viavarejo Foundation in Brazil, the Éxito Foundation in Colombia and the Big C Foundation in Thailand to help children in need. In France, the Monoprix Foundation focuses its activities on providing access to food and staples and fighting isolation in cities.

The Casino Corporate Foundation, which celebrated its five years in 2014, expanded its two key programmes:

- "Artists at School", launched in 2011 in partnership with France's Ministry of National Education and the Odéon theatre, supports ten artistic and cultural education projects given to 2,100 children in cut-off urban or rural areas; 300 students had the opportunity to attend shows at the Odéon and Saint-Étienne theatres;
- "Local initiatives", which in 2014 supported local projects proposed and sponsored by Group employees. Out of all the projects, the Foundation picks one as its favourite. In 2014, it selected *Les Tréteaux Blancs*, an association comprising a drama group of children acting in plays for hospitalised children, and granted it extra funding for its educational initiative.

The Monoprix Foundation, which also celebrated its fifth year in 2014, supported 13 charity projects, including seven projects sponsored by employees. A solidarity week was organised to encourage employees to participate in community outreach activities.

The Éxito Foundation in Colombia specialises in initiatives to fight infant malnutrition and its expertise is recognised by stakeholders. It supports local associations to guarantee healthy and balanced nutrition for children and future mothers from underprivileged backgrounds and educate them about better nutrition. It implements its initiatives under the "Gen Cero" programme which has the ambition of wiping out malnutrition in Colombian children under five years by 2030. The Foundation cooperates with major Colombian national bodies to implement its project. More than 35,500 children, 3,500 pregnant women and 7,600 families benefited from these programmes in 2014.

The Big C Foundation in Thailand focuses its work on promoting education for young people by giving financial support to those from modest backgrounds (more than 6,000 scholarships granted in 2014) and by co-financing the construction of schools (four new schools were built in 2014, a total of 41 built to date) or sports facilities (11 basket ball courts financed to date). The foundation also assists schools by giving them books or sponsoring their drinking water network.

The GPA Institute develops educational programmes to help young people from modest backgrounds find jobs in Brazil. Through eight centres, it offers free English classes and training for jobs such as store attendants, check-out workers and call centre workers. In partnership with the Rio de Janeiro government, the Foundation supports the NATA vocational training centre which gives students from modest backgrounds the opportunity to receive training in bakery and dairy trades. Instituto GPA is also recognised for its musical apprenticeship programme: created in 1999, the "Musica & Orquestra Instituto GPA" programme has trained 13,000 disadvantaged young people aged between 10 and 18 in the States of São Paulo, Brasilia and Rio de Janeiro over a period of 15 years. The programme proposes free musical theory and practice classes over an average period of two years to young people from underprivileged backgrounds. The orchestra plays in stores, but also in theatres, at festivals, in Brazil and abroad and was invited to play at the Carnegie Hall in New York (US) in 2014.

Lastly, Instituto GPA had developed a partnership with the Getulio Vargas Foundation to roll out a merit-based scholarship programme known as "Prosperar" which received its first ten scholarship students in 2014.

8.7. ANTI-CORRUPTION POLICY

The Casino Group signed the United Nations Global Compact in 2009 and rolled out its Group Ethics Charter in 2011 with nine commitments.

The Charter has been translated into four languages and circulated to all Group Human Resources departments and is available on the Group's Intranet. It reasserts the Group's commitments to "prohibit any form of corruption or financial malfeasance" (commitment no. 2) and "apply fair practices in all its business relations and ensure fair treatment for all" (commitment no. 7).

The signature of the Global Compact in 2009 and the Ethics Charter underline the Group's determination to fight corruption and address human rights issues within its area of influence.

The Group's anti-corruption programme falls under the aegis of the executive management of each of its entities. Through awareness initiatives, the Group's Internal Control department assists the Group's business units in defining their anti-corruption action plans.

In particular, it distributed a guide identifying stakeholders' expectations together with good practice guidelines for subsidiaries in France and abroad, grouped into four segments: awareness, prevention, detection and reaction. The department also performed an audit of anti-corruption systems based on information reported by all Group entities.

Actions plans were defined by the entities to address any risk areas. The Internal Control Newsletter, issued monthly since 2010 to the Finance departments of the Group entities, has dealt in particular with topics related to business ethics and anti-corruption.

In France, the Group circulated its Business Code of Conduct which reminds employees of the rules to be followed in their professional activities and covers the protection of the Group's interest, conflicts prevention, competition, corruption and insider trading.

The ethical whistle-blowing systems rolled out by Casino include the creation of a unit for reporting discrimination. Employees may contact the unit confidentially and report an actual or presumed discrimination as a victim or witness. The system was approved by the CNIL on 13 October 2011.

The Group's key international entities such as Big C Thailand, Big C Vietnam, Éxito, Libertad and GPA deploy Codes of Ethics or Codes of Conduct and ethical whistle-blowing systems. These systems are part of a comprehensive policy for compliance with the ethical principles defined at Group level and transmitted locally.

Grupo Éxito rolled out a "Transparencia" (transparency) programme in 2012 under which employees, as well as customers, suppliers, shareholders and third parties with business or contractual relations with the Group can report by email or phone any facts in violation of Éxito's principles of integrity, transparency, dignity and equity (conflict of interests, embezzlement, etc.).

In 1999, GPA implemented an ethical whistle-blowing system ("LigAçao") available both internally (to employees and managers) and externally (to customers, suppliers and shareholders), which allows anyone to report actual or presumed cases of fraud, corruption, theft, or facts related to employment law. The reports are analysed and processed by Internal Audit.

Viavarejo also implemented such a system in 2008. In 2012, Libertad launched its "Libertad Transparente" programme with the objective of highlighting all Libertad initiatives related to compliance with ethical standards and transparency (Code of Conduct, Conduct Analysis Committee and whistle-blowing email address).

Big C in Thailand also introduced a system in 2008 for its employees, customers, suppliers and shareholders for reporting any case of fraud or corruption by people in positions of responsibility. The reports can be sent by email or by post.

8.8. LOBBYING

Through its Public Affairs department, the Casino Group lobbies in its host countries to talk to, discuss with and inform elected officials involved in making legislation and participates in the work of the various federations representing its sector.

The Group strives to maintain regular and open dialogue, essential for building public policy. In France, the Group reported its activities as a representative of an interest group to the French Parliament *(Assemblée Nationale)* and the European Parliament and is a member of the Trade and Retail Federation in France (*Fédération du Commerce et de la Distribution* – FCD), and of the AFEP (*Association Française des Entreprises Privées* – the Association of Private Sector Companies in France). The Group follows the applicable laws in its host countries relating to corporate financing for political parties.

8.9. CSR INDICATORS REPORTING METHODOLOGY

8.9.1. REPORTING SCOPE

Unless otherwise specified, CSR data concerns all business activities under the operational control of the Casino Group or its majority-owned subsidiaries in France and abroad. The data does not cover affiliates, franchises and business leases. 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:

- "France" comprises the activities under the Casino, Monoprix, Cdiscount, Franprix and Leader Price banners and shared services (logistics, purchasing, human resources, etc.);
- "Latin America" encompasses GPA and its entities (Multivarejo, Viavarejo, Assai and CNova Brasil), Libertad SA, Grupo Éxito and Disco Devoto;
- "Asia/Indian Ocean" comprises Big C Thailand, Big C Vietnam and Vindémia and its entities (in Reunion, Mayotte, Maurice, and Madagascar);
- "the Group" includes the consolidated data.

For data availability reasons, certain indicators still do not cover all the scopes mentioned above. Work is underway to enable the CSR reporting to cover all of the Group's activities.

8.9.2. REPORTING PERIOD AND ACCOUNTING PRINCIPLE

The data collected covers the activity of the concerned entity or entities for the period starting on 1 January and ending on 31 December of the reference year, except for workplace accident frequency rates, workplace accident severity rates and the number of lost hours for Casino, which cover the period from 1 December 2013 to 30 November 2014.

Unless otherwise specified, all non-environmental data reflects the full range of activities carried out by the concerned entity or entities and therefore covers facilities opened or closed during the year.

Unless otherwise indicated, the environmental data covers administrative and logistics sites, as well as stores in service between 1 January and 31 December of the reference year.

8.9.3. DATA GATHERING

The procedures for gathering, calculating and consolidating corporate social responsibility (CSR) indicators were formally defined in 2003 in a Reporting Protocol distributed to all those involved in reporting in France and in foreign subsidiaries. Since then, 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.

8.9.4. CONSOLIDATION AND DATA MANAGEMENT

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 Group subsidiary designates its CSR contributors (one per indicator), who are responsible for gathering, 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 is then gathered and consolidated centrally by the Group CSR department, which also conducts a series of controls to check its consistency and compliance with the calculation methods and the reporting scope.

8.9.5. EXTERNAL AUDIT

The reporting procedures and tools, as well as selected key indicators, were audited by Ernst & Young, our Statutory Auditors.

The conclusions of this audit are reported on page 239 of this Registration Document.

8.9.6. 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 has operations, especially for the following indicators:

- Total number of lost hours
- Total number of training hours
- Number of employees with reported disabilities

8.9.7. SPECIFIC METHODS

Employee data

- Workforce: indicators about workforce are recognised at 31 December 2014 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.
  - 2013 scope: the data includes a group of entities representing 95% of the Group's workforce.
  - 2014 scope: the data includes a group of entities representing 97% of the Group's workforce.
- Number of lost hours due to workplace accidents and illnesses (including occupational illnesses): commuting accidents are not included in this category.
  - 2014 scope: the 2014 data includes a group of entities representing 75% of the Group's workforce. The data for Viavarejo is incomplete.
- Absenteeism rate due to workplace accidents and illnesses (including occupational illnesses): number of lost hours due to workplace accidents and illnesses (including occupational illnesses) per total hours worked. Hours worked include contractual hours, overtime and additional hours.

- Training:

  Includes the following:

  - Initial training and continuing training hours as well as distance learning (e-learning) programmes. For French entities, deductible training (on the tax return for helping to develop continuing education or training) and non-deductible training (compulsory fire safety or safety training, short-term training such as familiarisation with a workstation and hygiene training)

  Does not include the following:

  - Training hours spent in school under a vocational training contract (apprenticeship or work-study); 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 data

- Organic agriculture: organically-farmed products are compliant with the local regulations applicable in each country. "Textile" 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 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 product" categories were reported in 2014. 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 products that carry the Fairtrade/Max Havelaar label only.
- "Sustainable certified" products include private-label products or national brand products produced through organic farming (excluding textiles made with organic cotton) or fair trade and labelled MSC, FSC, NF Environnement, PEFC, European ecolabel, or ECOCERT.

Environmental data

All the arrangements described under "Consolidation and data management" are designed to create a secure process for gathering and building the indicators. However, as this process undergoes continuous improvement, corrections may be applied from one year to another, resulting in "revised indicators".

The 2013 and 2014 environmental data does not cover Mayotte, Maurice and Madagascar (0.3% of the Group's net sales in 2014).

- GHG emissions: a methodology guide published by the French Ministry of Ecology, Sustainable Development and Transports 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 emission from mobile combustion engine sources (fuel for own 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.
  - 2013 water consumption scope: consumption of a group of entities representing 95% of the Group's net sales in 2013.
  - 2014 water consumption scope: consumption of a group of entities representing 91% of the Group's net sales in 2014.
- 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.
  - 2014 data: the tonnage disclosed concerns a group of entities representing 99% of the Group's net sales in 2014.
- 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. It is therefore not included in the quantity of recovered waste.

8.10. INDEPENDENT THIRD-PARTY ORGANISATION'S REPORT ON CONSOLIDATED CORPORATE SOCIAL RESPONSIBILITY INFORMATION PUBLISHED IN THE REGISTRATION DOCUMENT

Year ended 31 December 2014

To the Shareholders,

In our capacity as an independent third party organisation accredited by the French accreditation body, COFRAC[1], under number 3-1050 and as a member of the network of one of the Casino, Guichard-Perrachon's Statutory Auditors, we hereby report to you on the consolidated corporate social responsibility information for the year ended 31 December 2014 (hereafter the "CSR Information"), which is incorporated in Chapter 8 of the 2014 Registration Document pursuant to the provisions of Article L. 225-102-1 of the French Commercial Code.

Responsibility of the company

It is the Board of Directors' responsibility to prepare a Registration Document including the CSR information provided for by Article R. 225-105-1 of the French Commercial Code, in accordance with the company's CSR reporting protocol dated December 2013 (hereafter the "Reporting Protocol") a summary of which is provided in Chapter 8, the "Reporting scope" section of this Registration Document.

Independence and quality control

Our independence is defined by regulations, the Code of Conduct for our profession and the provisions of Article L. 822-11 of the French Commercial Code. In addition, we have implemented a quality control system which includes documented policies and processes intended to ensure compliance with the rules of ethics, professional standards and applicable legal and regulatory texts.

Responsibility of the independent third-party organisation

Based on our work, it is our responsibility:

- to certify that the required CSR information is included in the Registration Document or, in the event of omission, that an explanation is provided in accordance with the third paragraph of article R. 225-105 of the French Commercial Code (Statement of completeness of CSR information);
- to draw a conclusion expressing moderate assurance on the fact that the CSR information, taken as a whole, is presented in all material aspects in a true and fair manner, in accordance with the Reporting Protocol (Reasoned opinion on the true and fair presentation of the CSR information).

Our work was conducted by a team of five people between October 2014 and March 2015 over a period of approximately fourteen weeks.

We conducted our work as described hereinafter in accordance with the professional standards applicable in France and the decree of 13 May 2013 defining the way in which the independent third-party organisation is to conduct its engagement and in accordance with the ISAE 3000[2] international standard regarding the opinion on the true and fair presentation.

1. Statement of completeness of CSR Information

Based on interviews with the individuals responsible for the relevant departments, we examined the report on the policy directions in relation to sustainable development, taking into account the social and environmental impact in connection with the company's business activity and its societal commitments and, where applicable, the resulting actions or programmes.

We compared the CSR Information presented in the Registration Document with the list specified by Article R. 225-105-1 of the French Commercial Code.

In the event of the absence of certain consolidated information, we verified that the relevant explanations were provided, in accordance with the provisions of paragraph 3 of article R. 225-105 of the French Commercial Code.

We verified that the CSR Information covered the consolidation scope, namely the company and its subsidiaries as defined by Article L. 233-1, and the companies that it controls within the meaning of Article L. 233-3 of the French Commercial Code, within the limits defined by the note on methodology contained in the "Reporting scope" section of the Registration Document.

Based on this work and given the limits mentioned above, we certify that the Registration Document includes the required CSR information.

(1) Scope of the accreditation available at www.cofrac.fr
(2) ISAE 3000 – Assurance engagements other than audits or reviews of historical information.

2. Reasoned opinion on the true and fair presentation of the CSR Information

Nature and scope of work

We conducted fifteen interviews with those responsible for preparing the CSR information within the departments[1] in charge of the processes for collecting information and, if necessary, with those responsible for the internal control and risk management processes, in order to:

- assess the appropriateness of the Reporting Protocol based on its relevance, its completeness, its reliability, its neutrality and its clarity, taking into account, if necessary, best practices in the sector;
- verify that a process had been set up for the collection, compilation, processing and control of the CSR information to ensure its completeness and consistency and to understand the internal control and risk management processes in relation to the preparation of the CSR information.

We defined the nature and the scope of our tests and controls based on the nature and the importance of the CSR information with respect to the company's features, the social and environmental issues in relation to its business activities, its policy directions regarding sustainable development and best practices in the sector.

For the CSR information that we deemed to be the most important[2]:

- at the level of the consolidating entity and divisions, we examined the related documentary sources and conducted interviews in order to corroborate the qualitative information (organisation, policies, actions), we implemented analytical procedures on the quantitative information and, based on sampling, verified the calculations and the consolidation of this data and its consistency and conformity with the other information included in the Registration Document;
- at the level of a representative sample of entities which we selected[3] based on their activity, their contribution to the consolidated indicators, their location and a risk analysis, we conducted interviews to verify that the procedures were correctly applied and implemented detailed tests on the sample base which consisted in verifying the calculations and reconciling the data with the supporting documents. The sample selected therefore represented on average 31% of the total workforce and 38% of the published quantitative environmental information.

Concerning the other consolidated CSR information, we assessed whether it was consistent with our knowledge of the company.

Lastly, we assessed the relevance of the related explanations in the event of the total or partial absence of certain information.

We believe that the sampling method and size of the samples we used based on our professional judgment enable us to draw a conclusion expressing moderate assurance; a higher level of assurance would have required more extensive verification work. Due to the use of sampling techniques and other limitations inherent in the functioning of any information and internal control system, the risk of not detecting a significant irregularity in the CSR information cannot be completely eliminated.

Conclusion

Based on our work, we found no significant irregularity that would call into question the fact that the CSR information, taken as a whole, is presented in a true and fair manner, in accordance with the Reporting Protocol.

Observations

Without qualifying the above conclusion, we draw your attention to the points below:

- As stated in the methodological note published in Chapter 8 of this Registration Document, the information below does not cover all activities:
  - The "workplace accident frequency rate" and the "workplace accident severity rate" are reported for France alone;
  - The "absenteeism rate due to workplace accidents and illnesses" covers 75% of the Group's workforce; it does not include information from GPA Multivarejo (Brazil). Data from Viavarejo (Brazil) is partially included.

Paris-La Défense, 16 March 2015

Independent Third-Party Organisation

ERNST & YOUNG et Associés

Eric Mugnier
Sustainable Development Partner

Bruno Perrin
Partner

(1) In charge of the areas below: the CSR department, the Casino France Foundation, the Quality department and the Purchasing department.

*(2) **Environmental and social information:** the general environmental policy (organisation, employee training and information), pollution and waste management (recycled tonnage, waste prevention, recycling and disposal measures), the sustainable use of resources and climate change (energy use, measures taken to improve energy efficiency, GHG emissions), water consumption and sourcing adapted to specific local constraints, measures taken to improve the efficient use of raw materials; regional, economic and social footprint, stakeholder relations (conditions for dialogue, partnership or sponsoring initiatives), measures taken to protect consumer health and safety. **Employee data:** employment (total workforce and breakdown), absenteeism, health and safety conditions in the workplace, workplace accidents (especially their frequency and severity), implemented training policies and total training hours.*

(3) Monoprix (France) and GPA Multivarejo (Brazil).

Chapter 9
Casino and its shareholders



9.1. MARKET FOR CASINO SHARES

9.1.1. CASINO, GUICHARD-PERRACHON – PARENT COMPANY

The Company's shares (code ISIN FR0000125585) are admitted for trading on NYSE Euronext Paris and are eligible for the Deferred Settlement Service.

From 1 January each year to the dividend payment date, shares issued on exercise of stock options are also traded on NYSE Euronext Paris.

The Company has also carried out several bond issues which are listed in Luxembourg. In 2014, Standard & Poor's confirmed Casino, Guichard-Perrachon's BBB- long-term and A-3 short-term ratings with a stable outlook. Fitch also confirmed its BBB- long-term and F3 short-term ratings.

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 NYSE Euronext Paris)*

		High and low prices		Number of shares traded	Amount traded
		High *(€)*	**Low** *(€)*	*(in thousands)*	*(in € millions)*
2013	August	79.41	71.08	4,546	344
	September	78.07	71.62	5,576	422
	October	85.53	75.35	5,458	440
	November	85.56	81.33	3,172	264
	December	85.71	78.82	4,272	347
2 014	January	85.05	75.79	6,718	550
	February	83.66	72.66	5,915	465
	March	86.54	79.28	4,089	339
	April	92.19	83.00	4,922	431
	May	95.73	87.72	5,572	509
	June	97.53	92.14	4,636	439
	July	97.47	90.16	4,785	452
	August	91.37	86.58	3,290	294
	September	92.51	85.17	4,062	363
	October	85.72	72.60	7,702	612
	November	85.06	77.06	5,472	448
	December	78.94	70.02	5,033	378
2015	January	83.00	70.72	6,656	511

Five-year stock market performance

	2010	2011	2012	2013	2014
Share price *(in €)*[1]					
High	75.10	76.55	75.94	86.80	97.53
Low	57.06	51.35	61.69	68.50	70.02
31 December *(closing price)*	72.95	65.08	72.10	83.77	76.46
Market capitalisation at 31 December *(in € millions)*	8,073	7,201	8,124	9,475	8,653

(1) Source: NYSE Euronext.

9.1.2. OTHER LISTED COMPANIES

Almacenes Éxito *(Colombia)*

The company's shares are listed on the Colombia Stock Exchange (Bolsa de Valores).

	2010	2011	2012	2013	2014
Share price *(in COP)*[1]					
High	25,000	28,500	37,100	36,340	33,280
Low	16,020	21,100	24,000	27,800	24,400
31 December *(closing price)*	19,500	25,460	35,500	30,000	29,200
Market capitalisation at 31 December *(in COP millions)*	7,786,674	11,396,007	15,889,953	13,428,130	13,088,612
Market capitalisation at 31 December (in € millions)	*3,036*	*4,536*	*6,814*	*5,064*	*4,552*

(1) Source: Bloomberg.

Big C Supercenter PLC *(Thailand)*

The company's shares are traded on the Stock Exchange of Thailand.

	2010	2011	2012	2013	2014
Share price *(in THB)*[1]					
High	90.75	136.00	238.00	252.00	268.00
Low	40.00	74.00	116.50	171.00	171.50
31 December *(closing price)*	90.75	120.00	207.00	184.00	237.00
Market capitalisation at 31 December *(in THB millions)*	72,726	96,166	170,775	151,800	195,525
Market capitalisation at 31 December (in € millions)	*1,810*	*2,350*	*4,230*	*3,365*	*4,910*

(1) Source: Bloomberg.

Cnova *(Netherlands)*

The company's shares are traded on the NASDAQ since 20 November 2014.

	2014
Share price *(in USD)*[1]	
High	8.27
Low	6.71
31 December *(closing price)*	7.91
Market capitalisation at 31 December *(in USD millions)*	3,472
Market capitalisation at 31 December (in € millions)	*2,869*

(1) Source: Bloomberg.

Since 23 January 2015, the company's shares have also been traded on NYSE Euronext Paris.

Companhia Brasileira de Distribuiçao *(Brazil)*

The company's shares are traded on the Sao Paolo Stock Exchange (BM&FBOVESPA) and on NYSE (USA) through a level 3 ADR programme.

	2010	2011	2012	2013	2014
Closing price *(in BRL)*[1]					
High	71.96	82.09	98.90	115.59	115.46
Low	53.37	54.29	67.69	87.90	91.52
31 December *(closing price)*	69.26	66.99	90.50	104.91	98.63
Market capitalisation at 31 December *(in BRL millions)*	17,860	17,623	23,796	27,719	26,142
Market capitalisation at 31 December (in € millions)	*8,050*	*7,298*	*8,802*	*8,509*	*8,163*

(1) Source: Bloomberg.

Viavarejo *(Brazil)*

The company's shares have been traded on the Sao Paolo Stock Exchange (BM&FBOVESPA) since 13 December 2013.

	2013	2014
Closing price *(in BRL)*[1]		
High	25.32	26.49
Low	23.21	18.71
31 December *(closing price)*	25.15	20.77
Market capitalisation at 31 December *(in BRL millions)*	9,696	8,777
Market capitalisation at 31 December (in € millions)	*2,976*	*2,741*

(1) Source: Bloomberg.

9.2. DIVIDEND AND TAX

2014 profit available for appropriation amounts to €3,455 million, taking into account unappropriated retained earnings from prior years and an increase in the legal reserve. The proposed dividend is €3.12 per share.

This dividend entitles individual shareholders who are tax residents of France to claim the 40% tax reduction referred to in paragraph 2 of Article 158-3-2 of the French Tax Code.

It will be paid on 18 May 2015. The dividend amount corresponding to Casino shares held by the Company at the dividend payment date, which are not entitled to dividends, would be transferred to "Retained earnings".

Dividends paid over the past 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
2011	110,646,652[1]	€3.00	€3.00	-
2012	112,674,802[2]	€3.00	€3.00	-
2013	113,105,831[3]	€3.12	€3.12	-

(1) Including 21,030 shares held by the Company.
(2) Including 64,841 shares held by the Company.
(3) Including 2,644 shares held by the Company.

The following table shows the total dividend payouts for the past five years (in € millions) and their respective percentages (%) of consolidated profit attributable to owners of the parent:

Year	2009	2010	2011	2012	2013
Total dividends paid	292.2	307.5	331.9	337.8	352.9
% of consolidated profit attributable to owners of the parent	49.4	55.9	58.4	31.8	41.5

In accordance with Articles L. 1126-1 and 1126-2 of the French Public Property Code (*Code général de la propriété des personnes publiques*), unclaimed dividends are forfeited to the French Treasury five years after they become payable.

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 adviser for information specific to their situation.

Individual shareholders tax resident in France

Dividends are subject to the sliding income tax scale, after a 40% uncapped tax reduction has been applied.

When they are paid, the paying institution withholds social security contributions (15.5%) and estimated income tax (21%) from the gross dividend amount. The withholding tax on dividends paid in 2015 is waived for taxpayers who requested it from their financial intermediary before 30 November 2014. Only taxpayers whose 2014 reference taxable income, as confirmed by the tax notice received in 2014, was less than €50,000 for a single return or €75,000 for a joint return, are eligible for this waiver. The withholding tax will be deducted from the income tax due in 2016 on 2015 income. If the withholding tax exceeds the income tax due, the excess will be refunded.

Dividends on shares registered under an Employee Share Ownership Plan (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 tax resident outside France

In principle, dividend payouts are subject to a 30% tax[1] withheld by the paying institution on the payment date.

However, this withholding tax may be reduced in application of the international tax conventions signed by France.

To benefit from direct payment at the reduced rate provided by the tax agreement between France and the country of tax residence, the non-resident shareholder is required to give the payer institution, before the dividend payment, a tax residence certificate signed by the tax authorities of their country of residence.

Otherwise, a 30% withholding tax is applied to the dividends[1]. The non-resident shareholder may then request the reimbursement 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 6 May 2014 authorised the Board of Directors to buy the Company's shares, in accordance with the provisions of Articles L. 255-209 *et seq.* of the French Commercial Code, primarily for the following purposes:

- to increase the liquidity of Company shares through an independent investment services provider acting in the name and on behalf of the Company under a liquidity agreement compliant with a Code of Conduct recognised by the Financial Markets Authority in France (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 or any bonus share grant under the provisions of Articles L. 225-197-1 *et seq.* of the French Commercial Code;
- to deliver shares upon exercise of rights attached to securities carrying rights to Company shares through redemption, conversion, exchange, presentation of warrants or debt securities convertible or exchangeable into Company shares, or any other means;
- to hold shares for subsequent use as a means of payment or exchange in a merger or acquisition transaction, in compliance with market practice as permitted by the Financial Markets Authority in France (AMF);
- to cancel shares in order to optimise earnings per share as part of a capital reduction plan;
- to implement any future market practice authorised by the Financial Markets Authority in France (AMF) and generally carry out any transaction in compliance with applicable regulations.

The shares may be bought, sold, transferred or exchanged by any means, particularly on a regulated market or over the counter and through block trades. These means include the use of any derivative financial instrument traded on a regulated market or over the counter and the implementation of optional strategies under the conditions authorised by the competent market authorities, provided that such means do not contribute to a significant increase in the volatility of the shares. The shares may also be loaned, pursuant to Articles L. 211-22 *et seq.* of the French Monetary and Financial Code.

The purchase price of the shares may not exceed €120 per share.

The use of this authorisation may not result in the Company holding more than 10% of the total number of shares, When Company shares are purchased under a liquidity agreement, the number of these shares taken into account for the calculation of the 10% threshold referred to above shall correspond to the number of these shares purchased, with a deduction made for the number of shares resold under the liquidity agreement during the period of authorisation.

The Company may not use this authorisation to continue implementing its share buyback programme in the event of a public offering for shares, bonds or other securities issued by the Company or at the Company's initiative.

(1) The rate is 21% for dividends received by individual tax residents in a European Union country, Iceland, Norway or Liechtenstein.

TRANSACTIONS COMPLETED IN 2014 AND UNTIL 31 JANUARY 2015

Liquidity agreement

To improve the liquidity of the transactions and ensure price stability for Casino shares, in February 2005 the Company selected Rothschild & Cie Banque to implement a liquidity agreement. This agreement is compliant with the Code of Conduct drawn up by the Association of Financial Market Professionals in France (*Association Française des Marchés Financiers* – AMAFI) and approved by the AMF on 1 October 2008. The Company allocated 700,000 shares and the sum of €40 million to the liquidity account for the implementation of the liquidity agreement. In 2014, 3,564,545 shares were purchased at an average price of €85.00 per share and 3,564,545 shares were sold at an average price of €84.80 per share. At 31 December 2014, the following resources were allocated to the liquidity account: zero shares and €84.2 million.

From 1 January 2015 to 31 January 2015, 221,100 shares were purchased at an average price of €75.61 per share and 211,100 shares were sold at an average price of €75.61 per share. At 31 January 2015, the following resources were allocated to the liquidity account: 10,000 shares and €83.5 million.

Other transactions

To cover any Company stock option plan, savings plan or bonus share grant, in 2014 the Company purchased 113,000 shares at an average price of €88.45 per share through an independent investment service provider acting in the name and on behalf of the Company.

No share was cancelled between 1 February 2013 and 31 January 2015 (24-month period).

Between 1 January and 31 January 2015, the transactions described above notwithstanding, Casino performed no other transaction in its own shares.

Summary of transactions

The table below summarises the transactions completed by the Company in its own shares between 1 January and 31 December 2014 and between 1 January and 31 January 2015, and indicates the number of own 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 2013	**9,310**	**N/S**
Shares purchased under the liquidity agreement	3,564,545	
Shares sold under the liquidity agreement	(3,564,545)	
Shares purchased	113,000	
Shares sold	0	
Shares cancelled	0	
Bonus shares granted	(103,016)	
Number of shares held at 31 December 2014	**19,294**	**0.02%**
Shares purchased under the liquidity agreement	221,100	
Shares sold under the liquidity agreement	(211,100)	
Number of shares held at 31 January 2015	**29,294**	**0.03**

At 31 December 2014, the Company still had 19,294 shares in treasury (purchase value: €1.76 million) with a par value of €1.53 each. The portfolio had a market value of €1.47 million based on the closing price at 31 December 2014 (€76.46).

At 31 January 2015, the Company had 29,924 shares in treasury (purchase value €2.57 million) with a par value of €1.53 each. The portfolio had a market value of €2.36 million based on the closing price at 30 January 2015 (€80.72).

Treasury shares are held for the following purposes:

- 10,000 shares for implementing the liquidity agreement;
- 19,294 shares for implementing any Casino stock option plan, savings plan or bonus share grant to Group employees and officers.

Germinal SNC, a 100% indirectly-controlled company, owned 928 ordinary shares in the Company at 31 December 2014.

9.3.2. SHARE BUYBACK PROGRAMME SUBMITTED TO THE ANNUAL GENERAL MEETING FOR APPROVAL

The Annual General Meeting of 12 May 2015 will be asked to renew the authorisation granted to the Board of Directors to purchase Company shares under Article L. 225-209 of the French Commercial Code, primarily for the following purposes:

- to increase the liquidity of Company shares through an independent investment services provider acting in the name and on behalf of the Company under a liquidity agreement compliant with a Code of Conduct recognised by the Financial Markets Authority (AMF) in France;
- 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 or any bonus share grant under the provisions of Articles L. 225-197-1 *et seq.* of the French Commercial Code;
- to deliver shares upon exercise of rights attached to securities carrying rights to Company shares through redemption, conversion, exchange, presentation of warrants or debt securities convertible or exchangeable into Company shares, or any other means;
- to hold shares for subsequent use as a means of payment or exchange in a merger or acquisition transaction, in compliance with market practice as permitted by the Financial Markets Authority (AMF) in France;
- to cancel shares in order to optimise earnings per share as part of a capital reduction plan;
- to implement any future market practice authorised by the Financial Markets Authority in France (AMF) and generally, carry out any transaction in compliance with applicable regulations.

The shares may be bought, sold, transferred or exchanged by any means, particularly on a regulated market or over the counter and through block trades. These means include the use of any derivative financial instrument traded on a regulated market or over the counter and the implementation of optional strategies under the conditions authorised by the competent market authorities, provided that such means do not contribute to a significant increase in the volatility of the shares. The shares may also be loaned, pursuant to Articles L. 211-22 *et seq.* of the French Monetary and Financial Code.

The purchase price of the shares shall not exceed €120 per share.

The use of this authorisation may not result in the Company holding more than 10% of the total number of shares. Based on the share capital at 31 January 2015, less the 30,222 shares held in treasury or in the liquidity account at 31 January 2015, and unless previously cancelled or sold, the Company may thus purchase up to 11,287,302 shares for a maximum amount of €1,354 million. When Company shares are purchased under a liquidity agreement, the number of the shares taken into account for the calculation of the 10% threshold referred to above shall correspond to the number of the shares purchased, with a deduction made for the number of shares resold under the liquidity agreement during the period of authorisation.

This authorisation shall be granted to the Board of Directors for a period of 18 months.

In the event of a public offering for shares, bonds or other securities issued by the Company, the Company may only use this authorisation for the purpose of meeting the securities delivery commitment, especially under bonus share grant plans or strategic transactions initiated or announced before the launch of this public offering.

9.4. SHARE CAPITAL AND SHAREHOLDERS

9.4.1. CHANGES IN SHARE CAPITAL

At 31 December 2014, the share capital amounted to €173,157,997.86 divided into 113,175,162 shares with a par value of €1.53 each. At 31 January 2015, the share capital amounted to €173,158,130.97 divided into 113,175,249 shares with a par value of €1.53 each.

Changes in share capital over the past five years

From 1 January 2010 to 31 January 2015		Number of ordinary shares issued/cancelled	Amount of change in share capital *(in €)*		Successive amounts of the share capital *(in €)*	Total number of ordinary shares
			Par value	Premium		
2010	Share subscription option grants	281,725	431,039	15,892,922	169,283,349.36	110,642,712
	Merger by absorption of a subsidiary	46	70	1,948	169,283,419.74	110,642,758
	Bonus share grants	51,550	78,871	(78,871)	169,362,291.24	110,694,308
	Share cancellations	(25,445)	(38,930)	(1,698,089)	169,323,360.39	110,668,863
2011	Share subscription option grants	105,332	161,157	5,941,798	169,484,518.35	110,774,195
	Bonus share grants	378,450	579,028	(579,028)	170,063,546.85	111,152,645
	Share cancellations	(505,993)	(774,169)	(35,799,044)	169,289,377.56	110,646,652
2012	Share subscription option grants	8,474	12,965	421,017	169,302,342.78	110,655,126
	Scrip dividend payments	2,019,110	3,089,238	123,751,251	172,391,581.08	112,674,236
2013	Share subscription option grants	195,756	299,506	13,601,365	172,691,087.76	112,869,992
	Merger by absorption of a subsidiary	209	319	8,404	172,691,407.53	112,870,201
	Bonus share grants	235,630	360,513	(360,513)	173,051,921.43	113,105,831
2014	Share subscription option grants	69,232	105,924	3,758,298	173,157,846.39	113,175,063
	Merger by absorption of a subsidiary	99	151	2.842	173,157,997.86	113,175,162
2015	Share subscription option grants	87	133	4.841	173,158,130.97	113,175,249

Potential capital

The capital may increase depending on the stock options (in the form of share purchase options) exercised (see §9.5). Bonus share plans concern existing shares only.

The potential capital at 31 January 2015 breaks down as follows:

Number of shares at 31 January 2015	113,175,249
Share subscription option grants	55,377
Number of potential shares	**113,230,626**

Consequently, the number of shares would be 0.05% higher, representing a potential dilution of existing shares of 0.05%.

Unissued authorised capital

To allow the Company to raise funds on the financial markets to finance the Group's continued development and improve its financial position, as necessary, the Annual General Meeting of Shareholders of 22 April 2013 delegated to the Board of Directors a number of authorisations, including the authorisation to grant bonus shares to Group employees and officers.

All 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:

Transaction	Maximum amount	Terms and conditions	Authorisation date	Duration	Expiration date
Capital increase through issuance of shares or securities carrying rights to the allotment of new or existing shares of the Company, or of existing shares of any company in which the Company directly or indirectly holds more than 50% of the capital, or of debt securities with pre-emptive rights maintained for existing shareholders in the event of an issue of new shares	€80 million[1][2]	with PER[*]	22 April 2013	26 months	21 June 2015
Capital increase through issuance of shares or securities carrying rights to the allotment of new or existing shares of the Company, or of existing shares of any company in which the Company directly or indirectly holds more than 50% of the capital, or of debt securities through a public offering with waiver of pre-emptive rights for existing shareholders in the event of an issue of new shares	€35 million[1][2]	with waiver of PER[*]	22 April 2013	26 months	21 June 2015
Capital increase through issuance of shares or securities carrying rights to the allotment of new or existing shares of the Company, or of existing shares of any company in which the Company directly or indirectly holds more than 50% of the capital, or of debt securities through an offer made pursuant to paragraph II of Article L. 411-2 of the French Monetary and Financial Code with waiver of pre-emptive rights for existing shareholders in the event of an issue of new shares	10% of share capital per year[1]	with waiver of PER[*]	22 April 2013	26 months	21 June 2015
Capital increase through the incorporation of reserves, profits, share premium or other sums that can be legally incorporated into capital	€80 million[1]	-	22 April 2013	26 months	21 June 2015
Capital increase through issuance of shares or securities carrying rights to shares of the Company as consideration for contributions in kind granted to the Company and comprising equity securities or securities carrying rights to shares of the Company.	10% of share capital[1]	with waiver of PER[*]	22 April 2013	26 months	21 June 2015
Capital increase through issuance of shares or securities carrying rights to shares of the Company in the event of a tender offer by Casino, Guichard-Perrachon for the shares of another listed company	€50 million[1][2]	with waiver of PER[*]	22 April 2013	26 months	21 June 2015
Capital increase reserved for employees members of a savings plan (PEE) of the Company or its affiliates	3% of the total number of the Company shares at 22 April 2013 (*i.e.* 3,383,009 shares)	with waiver of PER[*]	22 April 2013	26 months	21 June 2015
Grant of share subscription and/or share purchase options to employees of the Company and employees and corporate officers of affiliates	2% of the total number of the Company shares at 22 April 2013 (*i.e.* 2,255,339 shares)	with waiver of PER[*]	22 April 2013	26 months	21 June 2015
Grant of bonus ordinary shares of the Company, either existing or to be issued, to employees of the Company and employees and corporate officers of affiliates	1% of the total number of the Company shares at 22 April 2013 (*i.e.* 1,127,669 shares)	with waiver of PER[*]	22 April 2013	26 months	21 June 2015

(*) PER = pre-emptive rights
(1) The aggregate amount of the capital increases that may be carried out under the above authorisations immediately and/or in the future may not exceed a par value of €80 million plus any premium above par. The aggregate amount of debt securities that may be issued under the above authorisations immediately or in the future may not exceed €2 billion or its equivalent value in foreign currency or in composite monetary units.
(2) The amount of debt securities that may be issued under delegation of powers immediately and/or in the future may not exceed €2 billion or its equivalent value in foreign currency or in composite monetary units.

None of the authorisations granted were used except for those related to bonus share grants. The Board of Directors granted 91,936 bonus shares in 2013 and 50,208 bonus shares in 2014.

The Board is also authorised to reduce the share capital by cancelling shares held by the Company up to a limit of 10% of the share capital at the date of cancellation per period of 24 months.

This authorisation granted by the Annual General Meeting of Shareholders of 22 April 2013 for a period of 26 months, *i.e.* until 21 June 2015, has not been used.

As all the authorisations are expiring, the Annual General Meeting of 12 May 2015 is asked to renew them (see page 258 *et seq.*).

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 Shareholders 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:

"Each of the Company shares carries the right to cast one vote in shareholder elections without limitation, except as provided by law or the Articles of Association.

However, as allowed by law, double voting rights are attached to all fully-paid registered shares which have been registered in the name of the same shareholder for at least four years and to any bonus registered shares issued through the incorporation into capital of reserves, profits or share premium in respect of former shares entitled to these rights.

The double voting right automatically ceases for any shares converted into bearer shares or transferred to a different owner, except in the event of a registered-to-registered transfer, pursuant to the provisions of Article L. 225-124 of the French Commercial Code.

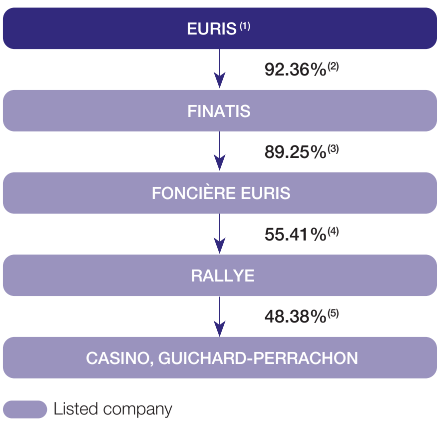
Votes cast or proxies given by an intermediary that either has not disclosed its status as a nominee shareholder acting on behalf of shareholders non-resident in France, or has not disclosed the identity of those non-resident shareholders as required by the applicable regulations, are not taken into account."

At 31 December 2014, there were 159,814,596 voting rights at Annual General Meetings attached to 113,154,940 shares carrying voting rights. The number of voting rights is different from the number of ordinary 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.

Given the acquisition or loss of double voting rights by certain shareholders since 1 January 2015 and the number of own shares held by the Company, at 31 January 2015 there were 159,801,067 voting rights at Annual General Meetings attached to 113,145,027 ordinary shares carrying voting rights.

Controlling shareholder

Casino, Guichard-Perrachon is directly and indirectly controlled by Euris. The organisation chart below shows the Company's position in the Group at 31 January 2015:



(1) Euris is controlled by Jean-Charles Naouri.

(2) 92.40% of the voting rights.

(3) 94.37% of the voting rights.

(4) 71.11% of the voting rights.

(5) Held directly or indirectly, excluding treasury shares, by Rallye and its subsidiaries representing 60.39% of voting rights.

Changes in share capital and voting rights

The ownership of share capital and voting rights at 31 December 2012, 2013 and 2014 and at 31 January 2015 is as follows:

	Ordinary shares		Voting rights[1]	
31 December 2012	**Number**	**%**	**Number**	**%**
General public	55,376,748	49.1	60,216,308	38.6
of which registered shares	*5,998,774*	*5.3*	*10,838,334*	*7.0*
of which bearer shares	*49,377,974*	*43.8*	*49,377,974*	*31.7*
Rallye Group	55,250,596	49.0	92,408,193	59.3
Casino Group employee investment fund (FCP)	1,981,123	1.8	3,280,097	2.1
Shares held by or on behalf of the Company[3]	65,769	0.1	0	0.0
TOTAL	**112,674,236**	**100.0**	**155,904,598**	**100.0**

	Ordinary shares		Voting rights[1]	
31 December 2013	**Number**	**%**	**Number**	**%**
General public	57,120,891	50.5	60,879,061	38.9
of which registered shares	*4,861,662*	*4.3*	*8,619,832*	*5.5*
of which bearer shares	*52,259,229*	*46.2*	*52,259,229*	*33.4*
Rallye Group	54,750,596	48.4	93,033,535	59.5
Casino Group employee investment fund (FCP)	1,224,106	1.1	2,444,403	1.6
Shares held by or on behalf of the Company[3]	10,238	0.0	0	0.0
TOTAL	**113,105,831**	**100.0**	**156,356,999**	**100.0**

	Ordinary shares		Voting rights[1]	
31 December 2014	**Number**	**%**	**Number**	**%**
General public	57,170,577	50.5	60,880,478	38.1
of which registered shares	*5,061,122*	*4.5*	*8,771,023*	*5.5*
of which bearer shares	*52,109,455*	*46.0*	*52,109,455*	*32.6*
Rallye Group[2]	54,750,596	48.4	96,498,587	60.4
Casino Group employee investment fund (FCP)	1,233,767	1.1	2,435,531	1.5
Shares held by or on behalf of the Company[3]	20,222	0.0	0	0.0
TOTAL	**113,175,162**	**100.0**	**159,814,596**	**100.0**

	Ordinary shares		Voting rights[1]	
31 January 2015	**Number**	**%**	**Number**	**%**
General public	57,158,377	50.5	60,864,662	38.1
of which registered shares	*5,054,296*	*4.5*	*8,760,581*	*5.5*
of which bearer shares	*52,104,081*	*46.0*	*52,104,081*	*32.6*
Rallye Group[2]	54,750,596	48.4	96,498,587	60.4
Casino Group employee investment fund (FCP)	1,236,054	1.1	2,437,818	1.5
Shares held by or on behalf of the Company[3]	30,222	0.0	0	0.0
TOTAL	**113,175,249**	**100.0**	**159,801,067**	**100.0**

(1) These are voting rights at Annual General Meetings. The number shown in the table is different from the number of voting rights reported in compliance with the statutory threshold disclosure requirement (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 (shares held by or on behalf of the Company), in accordance with Article 223-11 of the AMF General Regulations. The difference between the number of voting rights at the General Meeting and the number of theoretical voting rights is not material: 0.01% at 31 January 2015.

(2) At 31 December 2014, Rallye SA directly held 23.61% of the share capital (30.10% of the voting rights) and indirectly held 24.76% of the share capital (30.29% of the voting rights) through four subsidiaries which held more than 5% of the capital and/or voting rights. These subsidiaries are: Cobivia which holds 8.04% of the share capital and 11.39% of the voting rights, Alpétrol which holds 5.90% of the share capital and 8.36% of the voting rights, Habitation Moderne de Boulogne which holds 4.15% of the share capital and 5.81% of the voting rights, and Genty Immobilier et Participations which holds 6.67% of the share capital and 4.72% of the voting rights. At 31 January 2015, Rallye SA directly held 23.61% of the share capital (30.10% of the voting rights) and held indirectly 24.76% of the share capital (30.29% of the voting rights) through four subsidiaries which held more than 5% of the share capital and/or voting rights. These subsidiaries are: Cobivia which holds 8.04% of the share capital and 11.39% of the voting rights, Alpétrol which holds 5.90% of the share capital and 8.36% of the voting rights, Habitation Moderne de Boulogne which holds 4.15% of the share capital and 5.81% of the voting rights, and Genty Immobilier et Participations which holds 6.67% of the share capital and 4.72% of the voting rights.

(3) Casino holds 928 shares through Germinal, an indirectly wholly controlled company.

The Group sought to identify the holders of shares at 31 December 2014. The 39,285 direct holders or intermediaries identified held collectively 52,082,239 shares, representing 46.02% of the share capital.

The number of the Company's shareholders is estimated at more than 44,000 (sources: bearer shareholder identification procedure carried out on 31 December 2014 and the Registered Securities department).

To the best of the Company's knowledge, no shareholder, other than those indicated above, holds more than 5% of the Company's capital or voting rights.

Crossing of shareholding thresholds

From 1 January 2014 to 31 January 2015, no shareholder reported a crossing of the statutory ownership threshold to the AMF.

Furthermore, paragraph II of Article 11 of the Company's Articles of Association stipulates the following with respect to the crossing of shareholding thresholds:

"Any individual or legal entity – including any intermediary registered as a holder of shares of persons not resident in France – who, acting alone or in concert with other individuals or legal entities, comes to hold or ceases to hold, by whatever means, a number of shares representing 1% of the voting rights or of the share capital or any multiple thereof, is required to inform the Company of the total number of shares and voting rights held, by means of registered letter with proof of receipt within five trading days from the date one of these thresholds is crossed.

This person must, under the same conditions, inform the Company of the number of securities held which carry deferred rights to Company shares and the number of voting rights attached thereto.

These disclosure requirements cease to apply when over 50% of the voting rights are held individually or in concert.

Failure to comply with these requirements will result in the undisclosed shares exceeding the threshold being stripped of the right to vote at Shareholders' Meetings if, during a Meeting, the failure to disclose has been noted and if one or several shareholders holding together 5% or more of the share capital or voting rights submit such a request. Similarly, any voting rights that have not been properly disclosed may not be exercised. Such shareholders will be stripped of their voting rights at all Shareholders' Meetings until the expiry of a period of two years following the date on which the required disclosure is duly made."

Employee share ownership

At financial year-end, Group employees held 1,233,767 shares, representing 1.09% of the share capital and 1.52% of the voting rights, under a Company savings plan and various investment funds.

Shares held by directors and officers

At 31 December 2014, shares held directly by Casino directors and officers represented 0.03% of the share capital and voting rights at the Annual General Meeting. At the same date, they directly or indirectly controlled 48.41% of the share capital and 60.41% of the voting rights.

At 31 January 2015, shares held directly by Casino officers represented 0.03% of the capital and voting rights. At the same date, they directly or indirectly controlled 48.41% of the share capital and 60.41% of the voting rights.

Transactions carried out in the Company's securities by directors, similar or closely related parties from 1 January 2014 to 31 January 2015 are as follows:

Date	Person concerned	Financial instrument	Type of transaction	Number	Amount *(in €)*
15 January 2014	Foncière Euris – Director	Other types of financial instruments (call options)	Sale	37,387	176,467.00
15 January 2014	Foncière Euris – Director	Other types of financial instruments (put options)	Sale	250,000	1,162,500.00
21 October 2014	Foncière Euris – Director	Other types of financial instruments (put options)	Sale	45,513	260,336.27
23 October 2014	Foncière Euris – Director	Other types of financial instruments (put options)	Sale	204,487	1,256,777.28

Pledged shares

5,440,453 registered shares were pledged at 31 December 2014. The table below shows all the information regarding shares pledged by the Rallye Group to secure credit facilities:

Beneficiary	Pledge start date	Pledge expiry date	Conditions for release of pledge	Number of shares pledged by issuer	% of capital pledged by issuer
Rabobank	July 2007	January 2017	[1]	2,441,468	2.16
Mediobanca	January 2013	January 2018	[1]	2,900,978	2.56
Other banks[2]	June 2008	July 2020	[1]	88,730	0.08
TOTAL				**5,431,176**	**4.80**

(1) Repayment or expiry of the facility.
(2) Start and expiry dates are the earliest and latest observed for credit facilities currently in place.

Shareholder agreement

To the best of the Company's knowledge, there is no shareholder agreement regarding Company shares.

9.5. STOCK OPTION AND BONUS SHARE GRANTS

Casino implemented its first stock option plan for Group employees in 1973. Since then, numerous such plans have been granted to Group managers and employees.

Furthermore, under the terms of Article L. 225-197-1 *et seq.* of the French Commercial Code, bonus shares have been granted to the employees of the Company and its affiliates since 2005. Bonus share grants may concern, as applicable, employees of Casino's parent companies specifically involved in strategy and development consulting for Casino. No Rallye employees received bonus shares in 2014.

SHARE PURCHASE OPTIONS

None.

SHARE SUBSCRIPTION OPTIONS

Details of the various plans that expired in 2014 and those outstanding at 31 January 2015 are provided in the table below. No corporate officers received share subscription options:

Grant date	Exercise date	Expiry date	Initial number of beneficiaries	Subscription price *(in €)*	Initial number of options granted	Number of options exercised	Number of options cancelled and/or expired	Number of options outstanding at 31 January 2015[1]
5 December 2008	5 June 2012	4 June 2014	633	49.02	109,001	58,803	50,198	0
8 April 2009	8 October 2012	7 October 2014	33	49.47	37,150	20,800	16,350	0
4 December 2009	4 June 2013	3 June 2015	559	57.18	72,603	12,369	22,612	37,622
29 April 2010	29 October 2013	28 October 2015	33	64.87	48,540	26,050	4,735	17,755

(1) This corresponds to the number of shares initially granted less the options exercised and rights cancelled following the departure of beneficiaries.

The Company's share subscription options granted to the top ten employee non-corporate officers in 2014 and the options they exercised are as follows:

	Total number of options	Weighted average price
Options granted	None	-
Options exercised	28,999	59.61

BONUS SHARE GRANTS

Details of the various plans outstanding at 31 January 2015 are provided in the table below. No corporate officers were granted bonus shares:

				Number of shares granted	
Grant date	Vesting date	Date from which the vested shares may be sold	Number of beneficiaries	To the top ten employee beneficiaries(*)	Total adjusted number of shares granted at 31 January 2015(1)
15 April 2011	15 April 2016	15 April 2016	3	1,620	1,620(2)
15 April 2011	15 April 2016	15 April 2016	13	6,065	5,500(2)
15 April 2011	15 April 2016	15 April 2016	22	4,360	4,145(2)
15 April 2011	15 April 2016	15 April 2016	2	600	600(2)
15 April 2011	15 April 2016	15 April 2016	5	1,765	1,765(2)
15 April 2011	15 April 2016	15 April 2016	2	380	380(2)
15 April 2011	15 April 2016	15 April 2016	40	5,410	8,135(2)
29 March 2012	29 March 2015	29 March 2017	2	6,422	6,422(3)
19 October 2012	19 October 2015	19 October 2017	36	7,600	11,350(4)
18 October 2013	18 October 2016	19 October 2018	198	22,347	53,251(3)
18 October 2013	18 October 2018	19 October 2018	5	7,857	5,281(3)
18 October 2013	18 October 2015	19 October 2017	29	16,931	17,628(3)
18 October 2013	18 October 2017	19 October 2017	2	2,705	2,705(3)
6 May 2014	6 May 2018	6 May 2018	1	1,139	1,139(3)
6 May 2014	6 May 2016	6 May 2018	5	5,601	5,601(3)
6 May 2014	6 May 2017	6 May 2019	2	3,046	3,046(3)
6 May 2014	6 May 2017	6 May 2019	64	14,350	34,501(5)
6 May 2014	6 May 2019	6 May 2019	4	3,750	3,750(5)

(*) At grant date.
(1) This corresponds to the number of shares initially granted less the rights cancelled following the departure of beneficiaries and/or application of the performance-related condition.
(2) The vesting of granted bonus shares is contingent on the beneficiary's continuing presence in the Company at vesting date and the achievement of a performance-related condition. Performance conditions mainly involve organic growth of net sales and trading profit levels.
(3) The vesting of granted bonus shares is contingent exclusively on the beneficiary's continuing presence in the Company at vesting date.
(4) The beneficiaries of this bonus share plan are employees and officers of the Monoprix Group. The vesting of granted bonus shares is contingent on the beneficiary's continuing presence in the Company at the vesting date and the achievement of a performance-related condition assessed over a two-year organic growth trend in Monoprix's net sales.
(5) The vesting of granted bonus shares is contingent on the beneficiary's continuing presence in the Company at 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, each concerning one third of the initial grant: annual organic growth (at constant scope and exchange rates, excluding calendar effects) in the Group's consolidated met sales excluding petrol, annual growth of underlying net profit attributable to owners of the parent at current exchange rate, 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.

Under the bonus share plans implemented on 15 April 2011, 11 May 2012, 19 October 2012, 21 October 2011 and 2 December 2011, granted bonus shares vested as follows:

Grant date	Vesting date	Number of shares vested	Type of shares
15 April 2011	15 April 2014[1]	34,807	Existing shares
11 May 2012	11 May 2014[1]	17,859	Existing shares
19 October 2012	19 October 2014[1]	28,400	Existing shares
21 October 2011	21 October 2014[1]	3,742	Existing shares
2 December 2011	2 December 2014[1]	18,208	Existing shares

(1) The vesting of granted bonus shares was contingent exclusively on the beneficiary's continuing presence in the Company at vesting date.

The bonus shares granted on 15 April 2011 and 21 October 2011 for which the vesting was subject to a presence condition and the achievement of performance-related conditions did not vest since the performance-related conditions were not met.

9.6. FINANCIAL REPORTING

The role of the Group Financial Reporting department is to give the financial community a clear overview of the Group's strategy, business model and performance by distributing accurate, reliable and fair information to the public.

The financial data is prepared and validated by the accounting and management control units prior to its publication.

The legal and accounting units also help to prepare the Registration Document and the Management Report.

Results or statements on financial and strategic transactions are sent to the Board of Directors for review and comment. Annual and interim financial statements are reviewed by the Audit Committee before release to the public. Publications of revenue and earnings are submitted to the Statutory Auditors for review and comment.

Financial reporting to all concerned parties occurs through various channels:

- financial press notices and press releases;
- conference calls for quarterly revenue publications;
- presentation meetings for annual and interim results;
- road shows, conferences, one-on-one meetings or conference calls with financial analysts and investors organised in France and abroad;
- financial information distributed at the Annual General Meetings;
- Registration Document, Annual and Corporate Social Responsibility Report;
- Group corporate website.

The Group Financial Reporting department is also involved in setting the calendar and reviewing the financial reporting of the Casino Group's controlled listed subsidiaries to ensure consistent information across all of the Group's communication channels.

Chapter 10
Annual General Meeting

10.1. BOARD OF DIRECTORS' REPORT TO THE EXTRAORDINARY GENERAL MEETING

Dear Shareholders,

We have convened this Extraordinary General Meeting to submit for your approval:

- the renewal of the various financial authorisations granted to the Board of Directors;
- your Company's merger by absorption of Frénil Distribution and Majaga, its subsidiaries;
- the amendment of paragraph III of Article 25 of the Articles of Association.

10.1.1. FINANCIAL AUTHORISATIONS

To allow the Company to raise funds on the financial markets if necessary to finance its growth strategy, the General Meeting is hereby asked to renew all the financial authorisations due to expire. The caps for the various authorisations fall under the guidelines issued by various consultants, with some caps having been lowered. Transactions carried out using authorisations due to expire are described on page 250.

The General Meeting is asked to delegate to the Board of Directors for a period of 26 months the authority to decide on:

- The issuance of shares or securities giving access to the Company's capital through the allotment of new or existing shares of the Company, or of existing shares of another company in which the Company directly or indirectly owns shares, with the option of increasing the number of shares or securities in the event of oversubscription and with pre-emptive rights maintained for existing shareholders. The total par value of securities that may be issued under this delegation may not exceed sixty million euros (*versus* eighty million euros previously) for equity securities and two billion euros or the equivalent in foreign currencies or composite monetary units for debt securities.
- The issuance of shares or securities giving access to the Company's capital through the allotment of new or existing shares of the Company, or of existing shares of any company in which the Company directly or indirectly owns shares, with pre-emptive rights waived for existing shareholders in the event of an issue of new shares, with the option of increasing the number of shares or securities in the event of oversubscription, through a public offering or through private placement specified in Article L. 411-2 of the French Monetary Code. The people and entities referred to in paragraph II of Article L. 411-2 of the French Monetary and Financial Code would be determined by the Board of Directors.

  The total par value of the securities that may be issued through a public offering or private placement may not exceed seventeen million three hundred euros (*versus* previous caps of thirty-five million euros for issues through public offering and 10% of the share capital per year for issues through private placement) for equity securities and two billion euros or its equivalent in foreign currencies or composite monetary units for debt securities.

  The issue price would be at least equal to the weighted average price on the Euronext Paris regulated market for the last three trading days prior to its being set, less an optional discount of up to 5%. By way of exception to the provisions of Article L. 225-136-1 of the French Commercial Code and up to 10% of the share capital a year, the Board would also be authorised to set the share price based on the weighted average share price for the last ten trading days prior to its being set, less an optional discount of up to 5%.
- Capital increases through incorporation of reserves, profits, share premium or other sums that can be legally incorporated into capital would be acceptable. The par value of the increase in capital resulting from issues made under this delegation may not exceed sixty million euros (*versus* eighty million euros previously).
- The issuance of shares or securities carrying rights to shares of the Company in the event of a tender offer by Casino, Guichard-Perrachon for the shares of another listed company with waiver of pre-emptive rights for existing shareholders. The aggregate par value of securities that may be issued under this delegation may not exceed seventeen million three hundred thousand euros (*versus* fifty million euros previously) for equity securities and two billion euros or the equivalent in foreign currencies or composite monetary units for debt securities.

The General Meeting is also asked to delegate to the Board of Directors, for a period of 26 months, full powers to issue shares or securities carrying rights to shares of the Company, up to 10% of the Company's share capital, as consideration for contributions in kind of equity securities or securities carrying rights to shares in accordance with Article L. 225-147 of the French Commercial Code.

The total par value of the capital increases that may be carried out immediately and/or in the future based on these delegations may not exceed sixty million euros (*versus* eighty million euros previously). The total par value of the capital increases that may be carried out immediately and/or in future with waiver of pre-emptive rights for existing shareholders may not exceed seventeen million three hundred euros. The total par value of debt securities that may be issued using these delegations may not exceed two billion euros or the equivalent in foreign currency or in composite monetary units.

Furthermore, the Board of Directors may not use these delegations and authorisations without prior authorisation by the General Meeting, from the date of the submission by a third party of a draft tender offer for the Company's shares and until the end of the tender offer period.

The General Meeting is also asked to renew the authorisation granted to the Board of Directors to reduce the share capital by cancelling the Company shares acquired under the provisions of Article L. 225-209 of the French Commercial Code.

In addition, the General Meeting is asked to renew, for another 26 months, the authorisation to grant share purchase or subscription options to employees of the Company and employees and corporate officers of affiliates, with the exception of the Company's executive corporate officers who are not entitled to receive share purchase or subscription options. The total number of share purchase and subscription options that may be granted may not exceed 2% of the total number of shares representing the Company's share capital at the date of the Extraordinary General Meeting. Share purchase or subscription options previously granted and outstanding are excluded from this calculation. The purchase or subscription price of shares may not be less than the average of the opening prices quoted over the 20 trading days preceding the date of grant of the options. Concerning share purchase options, the subscription price may also not be less than the average purchase price of the shares held in the Company under Articles L. 225-208 and L. 225-209 of the French Commercial Code. The period during which such options should be exercised may not exceed seven years.

As the authorisation granted to the Board of Directors to award bonus shares, either existing or to be issued, to some or all of the Group employees is also due to expire, the General Meeting is asked to renew it for another 26 months. The total number of shares that may be granted under this delegation to employees of the Company or its affiliates, with the exception of executive corporate officers of the Company who are not entitled to receive bonus shares, may not exceed 1% of the total number of shares representing the Company's share capital at the date of the Extraordinary General Meeting. The terms and, where applicable, the conditions for share grants would be set by the Board of Directors. The shares would be definitively delivered at the end of a vesting period to their beneficiaries who should hold them for a minimum period (lock-up period). Both periods should be determined by the Board of Directors and may not be less than the periods defined by the legal provisions in force at the date of the Board of Directors' decision. The Board of Directors may shorten or even cancel the lock-up period depending on the beneficiaries concerned.

Lastly, the General Meeting is also asked to delegate to the Board of Directors, for a period of 26 months, the authority to decide and carry out a capital increase reserved for employees under the provisions of Article L. 3332-18 *et seq.* of the French Labour Code and Article L. 225-138-1 of the French Commercial Code. The subscription price of shares would be set in accordance with the provisions of Article L. 3332-19 of the French Labour Code (the average of the share prices quoted over the 20 trading days preceding the date of the decision setting the start date of the subscription period, less an optional discount not exceeding 20% or 30% when the lock-in period is longer than ten years). Under this delegation, the Board of Directors may transfer the shares acquired in accordance with the provisions of Articles L. 225-206 *et seq.* of the French Commercial Code. The number of shares that may be issued or transferred under this authority may not exceed 2% of the total number of shares representing the Company's share capital at the date of the Extraordinary General Meeting.

10.1.2. MERGERS THROUGH ABSORPTION OF FRÉNIL DISTRIBUTION AND MAJAGA BY CASINO, GUICHARD-PERRACHON

To continue simplifying the Group's structure, the General Meeting is asked to approve the absorption of its subsidiaries Frénil Distribution and Majaga by Casino, Guichard-Perrachon effective retroactively (for tax and accounting purposes) to 1 January 2015.

10.1.2.1. Presentation of the companies concerned

Frénil Distribution

Frénil Distribution owns a supermarket business run by Distribution Casino France and a service station run by Casino Carburants. Both are located in Saint-Pierre-sur-Dives (French region 14) and are run under lease management agreements.

Prior to its absorption, Frénil Distribution must surrender its supermarket business to Distribution Casino France and the service station business to Casino Carburants, such that the shares received as consideration for these contributions will replace the corresponding asset and liability items.

Casino, Guichard-Perrachon holds 999 shares out of the 1,000 shares representing the share capital of Frénil Distribution.

Majaga

Majaga holds 19,338 shares of Distribution Casino France and 102,790 shares of Casino Carburants, which it received as consideration for the 2014 contribution of a supermarket business and a service station.

Casino, Guichard-Perrachon holds 4,999 shares out of the 5,000 shares representing the share capital of Frénil Distribution.

10.1.2.2. Value of contributions

The components of the contributions and the financial terms for the transactions were determined based on the financial statements for the year ended 31 December 2014. All the transactions (concerning both assets and liabilities) that have been carried out by the absorbed companies since 1 January 2015 will be deemed to have been carried out on behalf of the absorbing company.

Since the absorbed companies are controlled by Casino, Guichard-Perrachon, all the assets and liabilities contributed must be measured at their net carrying amount as required by Regulation no. 2004-01 of 4 May 2004 of the French Accounting Standards Board *(Comité de la réglementation comptable – CRC)* on the accounting treatment for mergers and similar transactions. The prior contribution by Frénil Distribution of its supermarket business will also be carried out at the net carrying amount, while the service station activity will be contributed at its actual value.

As a result, the net assets to be contributed by each of the companies based on the financial statements for the year ended 31 December 2014 and considering prior contributions, are as follows:

2014 data *(in €)*	Contributed assets	Contributed liabilities	Contributed net assets
Frênil Distribution	1,378,380	75,342	1,303,038
Majaga	1,802,366	1,292,534	509,832

10.1.2.3. Consideration to the shareholders of the absorbed companies (excluding Casino, Guichard-Perrachon)

To determine the merger parities, the companies were compared on the following criteria: adjusted net assets, profit and cash flows from operating activities before change in working capital.

Net assets are a classic comparison criterion but can only be relevant if the compared assets have comparable structures. This explains the comparison of the adjusted net assets of each of the absorbed companies measured using the 2014 weighted average price of the Casino share.

The profitability criteria of profit and cash flows from operating activities before change in working capital are complementary. The criterion of paid divided was not used as the absorbed companies have different dividend policies from those of the absorbing company. The same applies to net sales, which will not be used as a criterion as the nature of net sales is specific to each of the companies concerned.

For the absorbing company, the consolidated data was used, restated without non-controlling interests. Underlying profit was used as the profit criterion as it excludes all non-recurring items.

The amounts after applying the criteria listed above are as follows:

Total amounts

2014 data *(in €)*	Adjusted net assets	Profit (loss)	Cash flows from operating activities before change in working capital	Number of shares
Frênil Distribution	3,226,598	202,064	207,643	1,000
Majaga	509,832	1,966,404	(33,655)	5,000
Casino		555,773,000	2,014,640,000	113,175,162

Amounts per share

2014 data *(in €)*	Adjusted net assets[1]	Profit (loss)	Cash flows from operating activities before change in working capital
Frênil Distribution	3,226.60	202.06	207.64
Majaga	101.97	393.28	(6.73)
Casino	84.90	4.91	17.80

(1) Share price of the absorbing company.

Exchange ratio

	Adjusted net assets/ absorbing company share price	Profit (loss)	Cash flows from operating activities before change in working capital
Frênil Distribution/Casino			
Exchange ratio	38.00	41.15	11.66
Discount/premium[1]	0%	-7.6%	225.8%
Majaga/Casino			
Exchange ratio	1.20	80.09	-0.38
Discount/premium[1]	-16.7%	-98.8%	N/S

(1) Discount/premium with respect to the adopted parity.

Considering that the profit and cash flows from operating activities before change in working capital criteria are not representative for the absorbed companies, only the adjusted net assets/share price of the absorbing company criterion was used.

Based on these elements, the number of shares to be swapped for Casino shares, the exchange parities suggested and the number of ordinary shares that would be created are summarised in the table below:

Absorbed company	Shares outstanding to be exchanged	Parity used	Number of Casino shares to be created
Frénil Distribution	1	38 Casino shares for 1 Frénil Distribution share	38
Majaga	1	1 Casino share for 1 Majaga share	1
TOTAL			**39**

The parities used fall in the range constituted by the various criteria. These exchange ratios result in little or no dilution for Casino, Guichard-Perrachon's shareholders.

The Company's share capital would be increased by an amount of €59.67 through the issuance of 39 shares with a par value of €1.53 each with an aggregate merger premium of €1,345.34.

On 2 March 2015, Michel Tamet, Merger Auditor appointed by the Presiding Judge of the Commercial Court *(Tribunal de commerce)* of Saint-Étienne in France, checked that the relative values assigned to the shares of the companies participating in the transaction are relevant and that the exchange ratio established for dividend rights is fair. He also assessed the value of the contributions made by the absorbed companies. The corresponding ratios were made available to the shareholders In accordance with the prevailing regulations.

10.1.3. AMENDMENT OF THE ARTICLES OF ASSOCIATION

Article 4 of Decree no. 2018-1466 of 8 December 2014 amended the wording of Article R. 225-85 of the French Commercial Code, first, by replacing the reference to the recording of shares for accounting purposes with a reference to the registration of shares into an account; and, second, by reducing from three working days to two working days the deadline for registering into their securities account the shares of the shareholders wishing to attend the General Meeting and for the issuance of the shareholding certificate for shareholders who wish to attend an Annual General Meeting but have not received an admission card.

Consequently, the General Meeting is asked to amend the wording of paragraph III of Article 25 of the Articles of Association as follows:

Former version	New version
Article 25 – Composition of the Annual General Meeting *[…]* *III. The right to take part in General Meetings is subject to the recording of shares for accounting purposes in the name of the shareholder or the intermediary registered on the shareholder's behalf if the shareholder resides outside France, by the third business day preceding the General Meeting at midnight Paris time. Shares are recorded for accounting purposes either in the registered share accounts maintained by the Company or its authorised agent, or in the bearer share accounts maintained by an authorised intermediary.* *The registration or recording for accounting purposes of shares in the bearer share accounts maintained by an authorised intermediary is acknowledged by a shareholder certificate issued by the latter, by e-mail, as an attachment to the form for voting by post 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 certificate is also issued to shareholders wishing to attend the General Meeting in person and who have not received an admission card by the third business day preceding the meeting at midnight, Paris time.* *[…]*	*Article 25 – Composition of the Annual General Meeting* *[…]* *III. The right to take part in General Meetings is subject to the registration of shares in an account in the name of the shareholder or the intermediary registered on the shareholder's behalf if the shareholder resides outside France, within the timeframe provided for under Article R. 225-85 of the French Commercial Code. Shares are registered either in the registered share accounts maintained by the Company or its authorised agent, or in the bearer share accounts maintained by an authorised intermediary.* *The registration of shares in the bearer share accounts maintained by an authorised intermediary is acknowledged by a shareholder certificate issued by the latter, by e-mail, as an attachment to the form for voting by post 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 certificate is also issued to shareholders wishing to attend the General Meeting in person and who have not received an admission card within the timeframe provided for under Article R. 225-85 of the French Commercial Code.* *[…]*

We hope that you agree to these proposals and that you vote in favour of the corresponding resolutions.

The Board of Directors

10.2. STATUTORY AUDITORS' SPECIAL REPORTS TO THE EXTRAORDINARY GENERAL MEETING

STATUTORY AUDITORS' SPECIAL REPORT ON THE ISSUANCE OF SHARES AND SECURITIES WITH OR WITHOUT PRE-EMPTIVE RIGHTS FOR EXISTING SHAREHOLDERS

Resolutions no. 14, 15, 16, 17, 18, 20, and 21

Dear Shareholders,

In our capacity as Statutory Auditors of your company ("the Company") and in fulfilment of the assignment specified by 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 proposals to delegate to the Board of Directors the authorisation to issue shares and/or other securities, on which you are called to vote.

Based on its report, your Board of Directors proposes:

- that it should be delegated, with the option to further delegate to the Chief Executive Officer or with the approval of the latter to one or several Chief Operating Officers, for a period of 26 months from this General Meeting, the authority to decide on the following transactions and set the definitive terms and conditions of such issues, and proposes, where appropriate, that you waive your pre-emptive rights for:
  - the issuance of shares or securities giving access to the Company's capital through the allotment, at the Company's discretion, of new or existing shares of the Company or a combination of both or existing shares of another company in which the Company directly or indirectly owns shares, with pre-emptive rights maintained for existing shareholders (fourteenth resolution). The securities thus issued and carrying rights to the allotment of new or existing shares of the Company, or existing shares of another company in which the Company directly or indirectly owns shares, may consist of debt securities or be associated with the issuance of such securities or allow the issuance of such securities as interim securities,
  - the issuance of shares or securities giving access to the Company's capital through the allotment, at the Company's discretion, of new or existing shares of the Company or a combination of both or existing shares of another company in which the Company directly or indirectly owns shares, with waiver of pre-emptive rights by existing shareholders and with the option of introducing a priority subscription period, through a public offering (fifteenth resolution). The securities thus issued and carrying rights to the allotment of new or existing shares of the Company, or existing shares of another company in which the Company directly or indirectly owns shares, may consist of debt securities or be associated with the issuance of such securities or allow the issuance of such securities as interim securities,
  - the issuance of shares or securities giving access to the Company's capital through the allotment, at the Company's discretion, of new or existing shares of the Company or a combination of both or existing shares of another company in which the Company directly or indirectly owns shares, with waiver of pre-emptive rights by existing shareholders and with the option of introducing a priority subscription period, through an offering of the types referred to in paragraph II of Article L. 411-2 of the French Monetary and Financial Code *(Code monétaire et financier)* (sixteenth resolution). The securities thus issued and carrying rights to the allotment of new or existing shares of the Company, or existing shares of another company in which the Company directly or indirectly owns shares, may consist of debt securities or be associated with the issuance of such securities or allow the issuance of such securities as interim securities,
  - the issuance of shares or securities carrying rights to shares of the Company as consideration for shares or other securities tendered under any mixed or alternative public exchange offer initiated by the Company on the shares or other securities of another company, which are approved for trading on a regulated market, as specified by Article L. 225-148 of the French Commercial Code (twentieth resolution);
- that it should be authorised, by the seventeenth resolution and as part of the authorisation referred to in the fifteenth and sixteenth resolutions, to set the issue price within the legal annual limit of 10% of capital stock;
- that it should be delegated, with the option to further delegate to the Chief Executive Officer or with the approval of the latter to one or several Chief Operating Officers, for a period of 26 months starting from the date of this General Meeting, the powers required to issue shares or securities carrying rights to the shares of the Company, up to 10% of the Company's share capital, as consideration for contributions in kind of equity securities or securities carrying rights to shares (twenty-first resolution).

The total par value of immediate or future capital increases under the twenty-second resolution may not exceed €60 million under the fourteenth and twenty-first resolutions, on the understanding that:

- the total par value of immediate or future capital increases with waiver of pre-emptive rights for existing shareholders may not exceed €17.3 million under the twenty-second resolution;
- the total par value of immediate or future capital increases may not exceed €17.3 million under each of the fifteenth, sixteenth, or twentieth resolutions.

The total par value of the debt securities that may be issued may not, under the twenty-second resolution, exceed €2 billion under the fourteenth, fifteenth, sixteenth, and twentieth resolutions.

These caps take account of the additional number of securities to be created as part of the implementation of the delegations referred to in the fourteenth, fifteenth, and sixteenth resolutions, under the provisions of Article L. 225-135-1 of the French Commercial Code, if the General Meeting adopts the eighteenth resolution.

The Board of Directors is responsible for preparing a report pursuant to Articles R. 225-113 *et seq*. of the French Commercial Code. Our role is to express our opinion on the fairness of the figures derived from the financial statements, on the proposal to waive pre-emptive rights for existing shareholders and on certain other information concerning the transactions and included in this report.

We performed the procedures that we deemed necessary to comply with the professional guidance issued by the French auditing body *(Compagnie Nationale des Commissaires aux Comptes)* for this type of engagement. These procedures consist mainly in verifying the content of the Board of Director's report on these transactions and procedures for determining the issue price of the equity securities to be issued.

Subject to the subsequent review of the terms and conditions of any issuances that may be decided on, we have no matters to report on the methods used to determine the issue price of the securities to be issued as set out in the Board of Directors' report under the fifteenth, sixteenth, and seventeenth resolutions.

Furthermore, since this report does not specify the methods used to determine the issue price of the securities to be issued as part of the implementation of the fourteenth, twentieth, and twenty-first resolutions, we cannot give our opinion on the choice of criteria used to calculate the issue price.

Since the definitive terms and conditions of such issuances have not been set, we are unable to express an opinion on them and, consequently, on the proposal to waive pre-emptive rights for existing shareholders made in the fifteenth and sixteenth resolutions.

Pursuant to Article R. 225-116 of the French Commercial Code, we will prepare an additional report, where appropriate, when these delegations are exercised by your Board of Directors in the event of issuances of equity securities carrying rights to other equity securities or giving entitlement to the allotment of debt securities, in the event of issuances of securities carrying rights to equity securities to be issued, and in the event of issuances of shares with waiver of pre-emptive rights for existing shareholders.

Lyon and Neuilly-sur-Seine, 25 March 2015

The Statutory Auditors

Ernst & Young et Autres	Deloitte & Associés	
Daniel MARY-DAUPHIN	Antoine de RIEDMATTEN	Gérard BADIN

STATUTORY AUDITORS' REPORT ON THE CAPITAL REDUCTION

Resolution no. 23

Dear Shareholders,

In our capacity as Statutory Auditors of your Company and in fulfilment of the assignment specified by Article L. 225-209 of the French Commercial Code *(Code de commerce)* in the event of a capital reduction through the cancellation of own shares purchased by your Company, we have prepared this report to inform you about our assessment of the reasons for, and terms and conditions of, the planned capital reduction.

Your Board of Directors asks that it should be delegated full powers for a period of 26 months starting from the date of this General Meeting to cancel own shares purchased by your Company as part of the implementation of an authorisation for your Company to purchase its own shares in accordance with the provisions of the aforesaid article, up to 10% of its share capital per periods of 24 months, and to terminate all authorisations with the same purpose granted by previous General Meetings.

We performed the procedures that we deemed necessary to comply with the professional guidance issued by the French auditing body *(Compagnie Nationale des Commissaires aux Comptes)* for this type of engagement. These procedures led us to examine whether the reasons for, and terms and conditions of, the proposed capital reduction, which is not likely to affect shareholder equality, are fair.

We have no matters to report as to the reasons for, and terms and conditions of, the proposed capital reduction.

Lyon and Neuilly-sur-Seine, 25 March 2015

The Statutory Auditors

Ernst & Young et Autres	Deloitte & Associés	
Daniel MARY-DAUPHIN	Antoine de RIEDMATTEN	Gérard BADIN

STATUTORY AUDITORS' REPORT ON THE AUTHORISATION TO GRANT SHARE PURCHASE OPTIONS

Resolution no. 24

Dear Shareholders,

In our capacity as Statutory Auditors of your Company and in fulfilment of the assignment specified by Articles L. 225-177 and R. 225-144 of the French Commercial Code *(Code de commerce)*, we hereby report to you on the authorisation to grant share purchase options to employees of your Company and to employees and corporate officers of the companies or French Economic Interest Groups *(Groupement d'Intérêt Économique – GIE)* referred in Article L. 225-180 of the French Commercial Code. Your Company's officers are not entitled to receive share purchase options, a transaction on which you are called to vote.

Your Board of Directors asks, on the basis of its report, that it should be authorised for a period of 26 months to grant share purchase options. This authorisation terminates all the authorisations with the same purpose granted by previous General Meetings.

The Board of Directors is responsible for preparing a report on the reasons for the opening of share purchase options and on the methods proposed for determining the purchase price of the shares. Our role is to express our opinion on the methods proposed for determining the purchase price of shares.

We performed the procedures that we deemed necessary to comply with the professional guidance issued by the French auditing body *(Compagnie Nationale des Commissaires aux Comptes)* for this type of engagement.

These procedures consist mainly in verifying that the methods used to determine the purchase price of shares are specified in the Board of Directors' report and that they are in compliance with the law and regulations.

We have no matters to report on the methods proposed for determining the purchase price of shares.

Lyon and Neuilly-sur-Seine, 25 March 2015

The Statutory Auditors

Ernst & Young et Autres	Deloitte & Associés	
Daniel MARY-DAUPHIN	Antoine de RIEDMATTEN	Gérard BADIN

STATUTORY AUDITORS' REPORT ON THE AUTHORISATION TO GRANT SHARE SUBSCRIPTION OPTIONS

Resolution no. 25

Dear Shareholders,

In our capacity as Statutory Auditors of your Company and in fulfilment of the assignment specified by Articles L. 225-177 and R. 225-144 of the French Commercial Code *(Code de commerce)*, we hereby report to you on the authorisation to grant share subscription options to employees of your Company and to employees and corporate officers of the companies or French Economic Interest Groups *(Groupement d'Intérêt Économique – GIE)* referred in Article L. 225-180 of the French Commercial Code. Your Company's officers are not entitled to receive share subscription options, a transaction on which you are called to vote.

Your Board of Directors asks, on the basis of its report, that it should be authorised for a period of 26 months to grant share subscription options. This authorisation terminates all the authorisations with the same purpose granted by previous General Meetings.

The Board of Directors is responsible for preparing a report on the reasons for the opening of share subscription options and on the methods proposed for determining the subscription price of the shares. Our role is to express our opinion on the methods proposed for determining the subscription price of shares.

We performed the procedures that we deemed necessary to comply with the professional guidance issued by the French auditing body *(Compagnie Nationale des Commissaires aux Comptes)* for this type of engagement.

These procedures consist mainly in verifying that the methods used to determine the subscription price of shares are specified in the Board of Directors' report and that they are in compliance with the law and regulations.

We have no matters to report on the methods proposed for determining the subscription price of shares.

Lyon and Neuilly-sur-Seine, 25 March 2015

The Statutory Auditors

Ernst & Young et Autres	Deloitte & Associés	
Daniel MARY-DAUPHIN	Antoine de RIEDMATTEN	Gérard BADIN

STATUTORY AUDITORS' SPECIAL REPORT ON THE AUTHORISATION TO GRANT BONUS SHARES, EITHER EXISTING OR TO BE ISSUED, TO EMPLOYEES OF THE COMPANY AND ITS AFFILIATES

Resolution no. 26

Dear Shareholders,

In our capacity as Statutory Auditors of your Company and in fulfilment of the assignment specified by Article L. 225-197-1 of the French Commercial Code *(Code de commerce)*, we hereby report to you on the draft authorisation to grant bonus shares, either existing or to be issued, to employees of your Company and of its affiliated companies or French Economic Interest Groups *(Groupement d'Intérêt Économique – GIE)* under the provisions of Article L. 225-197-2 of the French Commercial Code. Your Company's executive officers are not entitled to receive bonus shares, a transaction on which you are called to vote.

Your Board of Directors asks, on the basis of its report, that it should be authorised for a period of 26 months to grant bonus shares, either existing or to be issued. This authorisation terminates all the authorisations with the same purpose granted by previous General Meetings.

The Board of Directors is responsible for preparing a report on the transaction that it wishes to be authorised to carry out. Our role is to inform you, if applicable, of our observations on the information given to you on the planned transaction.

We performed the procedures that we deemed necessary to comply with the professional guidance issued by the French auditing body *(Compagnie Nationale des Commissaires aux Comptes)* for this type of engagement.

These procedures consist mainly in verifying that the methods planned and data specified in the Board of Directors' report are in compliance with the law.

We have no matters to report as to the information included in the Board of Directors' report on the planned transaction for granting bonus shares.

Lyon and Neuilly-sur-Seine, 25 March 2015

The Statutory Auditors

Ernst & Young et Autres	Deloitte & Associés	
Daniel MARY-DAUPHIN	Antoine de RIEDMATTEN	Gérard BADIN

STATUTORY AUDITORS' REPORT ON THE CAPITAL INCREASE FOR EMPLOYEES PARTICIPATING IN A COMPANY SAVINGS PLAN

Resolution no. 27

Dear Shareholders,

In our capacity as Statutory Auditors of your Company and in fulfilment of the assignment specified by Articles L. 225-135 *et seq.* of the French Commercial Code *(Code de commerce)*, we hereby report to you on the proposal to delegate to the Board of Directors, which may further delegate in accordance with Articles L. 225-129-2 and L. 225-129-6 of the French Commercial Code, the authority to decide on a capital increase through the issuance of ordinary shares reserved to employees participating in a company savings plan of Casino, Guichard-Perrachon and its affiliates under the provisions of Article L. 233-16 of the French Commercial Code, with waiver of pre-emptive rights for existing shareholders, a transaction on which you are called to vote. This capital increase may not exceed 2% of the total number of company shares at the date of the Extraordinary General Meeting. This cap takes account of the additional number of securities to be created under the provisions of Article L. 225-135-1 of the French Commercial Code.

This capital increase is subject to your approval pursuant to the provisions of Articles L. 225-129-6 of the French Commercial Code and L. 3332-18 *et seq.* of the French Labour Code.

Your Board of Directors asks, based on its report, that it should be delegated the authority for a period of 26 months to decide on a capital increase and waive your pre-emptive rights to the ordinary shares to be issued. This authorisation terminates all the authorisations with the same purpose granted by previous General Meetings. If applicable, your Board of Directors will be responsible for setting the definitive terms and conditions for this issuance transaction.

The Board of Directors is responsible for preparing a report pursuant to Articles R. 225-113 and R. 225-114 of the French Commercial Code. Our role is to express our opinion on the fairness of the figures derived from the financial statements, on the proposal to waive pre-emptive rights for existing shareholders and on certain other information concerning the issuance and included in this report.

We performed the procedures that we deemed necessary to comply with the professional guidance issued by the French auditing body *(Compagnie Nationale des Commissaires aux Comptes)* for this type of engagement. These procedures consist mainly in verifying the content of the Board of Director's report on this transaction and procedures for determining the issue price of shares.

Subject to the subsequent review of the terms and conditions of the proposed capital increase, we have no matters to report on the methods used to determine the issue price of ordinary shares to be issued as set out in the Board of Directors' report.

Since the definitive terms and conditions of such issuances have not been set, we are unable to express an opinion on them and, consequently, on the proposal to waive pre-emptive rights for existing shareholders.

Pursuant to Article R. 225-116 of the French Commercial Code, we will prepare an additional report, where applicable, when this delegation is exercised by your Board of Directors.

Lyon and Neuilly-sur-Seine, 25 March 2015

The Statutory Auditors

Ernst & Young et Autres	Deloitte & Associés	
Daniel MARY-DAUPHIN	Antoine de RIEDMATTEN	Gérard BADIN

10.3. DRAFT RESOLUTIONS

10.3.1. RESOLUTIONS WITHIN THE AUTHORITY OF THE ORDINARY GENERAL MEETING

Resolutions no. 1 and 2: Approval of the financial statements for the year

Presentation

In the context of the **first and second resolutions,** the shareholders are asked to approve the parent company financial statements, then the consolidated financial statements of the Company at 31 December 2014, together with the transactions reflected therein.

These financial statements have been certified without any qualifications by the Statutory Auditors.

First resolution

Approval of the parent company financial statements for the year ended 31 December 2014

The Ordinary General Meeting, having reviewed the reports of the Board of Directors and the Statutory Auditors, approves the parent company financial statements for the year ended 31 December 2014 as presented, with all the transactions reflected therein or which are mentioned in the said reports. The financial statements for this year showed a profit of €370,352,344.92.

Furthermore, the Ordinary General Meeting duly notes the transfer to the «Retained earnings account», in accordance with the decision taken by the Ordinary General Meeting of 6 May 2014, of the dividends allocated for financial year 2013 to the 2,644 shares held by the Company on 14 May 2014, the dividend payment date, representing a total amount of €8,249.28.

Second resolution

Approval of the consolidated financial statements for the year ended 31 December 2014

The Ordinary General Meeting, having reviewed the reports of the Board of Directors and of the Statutory Auditors, approves the consolidated financial statements for the year ended 31 December 2014 as presented and showing a consolidated profit attributable to owners of the parent of €251,424,000.

Resolution no. 3: Appropriation of profit and setting of the dividend

Presentation

Under the **third resolution,** the Board of Directors proposes the approval of the dividend payout of €3.12 per share, equivalent to the amount paid in the previous year.

The ex-dividend date will be on 14 May 2015. The payment date will be on 18 May 2015.

Third resolution

Appropriation of profit for the year – Setting of the dividend

The Ordinary General Meeting, having reviewed the Board of Directors' report, resolves to appropriate the profit for the year ended 31 December 2014 as follows:

Profit for 2014		€370,352,344.92
Unappropriated retained earnings for 2013	(+)	€3,084,317,875.39
Addition to legal reserve	(-)	€10,607.65
Distributable profit	**(=)**	**€3,454,659,612.66**
Dividend	(-)	€353,106,505.44
RETAINED EARNINGS FOR 2014	**(=)**	**€3,101,553,107.22**

Each share will receive a dividend of €3.12 which will be paid on 18 May 2015.

The amount of the dividend distributed among the shareholders represents, for individual shareholders who are tax residents of France, income entitled to the 40% tax reduction referred to in Article 158-3-2 of the French General Tax Code.

The dividend amount corresponding to Casino shares held by the Company at the dividend payment date, which are not entitled to dividends, will be transferred to «Retained earnings».

The Annual General Meeting duly notes that the dividends paid over the past 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
2011	110,646,652[1]	€3.00	€3.00	-
2012	112,674,802[2]	€3.00	€3.00	-
2013	113,105,831[3]	€3.12	€3.12	-

(1) Including 21,030 shares held by the Company.
(2) Including 64,841 shares held by the Company.
(3) Including 2,644 shares held by the Company.

Resolution no. 4: Regulated agreement with Companhia Brasileira de Distribuição

Presentation

Under the **fourth resolution,** the Board of Directors proposes the approval of the agreement on the combination of the e-commerce activities of the Casino Group within Cnova NV for the purpose of the initial public offering entered into on 11 July 2014, especially with Companhia Brasileira de Distribuição.

This agreement clarified the terms for combining the e-commerce activities of the Casino Group, primarily Cdiscount and Nova Pontocom, under a newly-minted holding company, Cnova NV. This reorganisation was a first step towards the initial public offering of Cnova NV.

The equity of the financial terms and conditions of the transaction (in particular the exchange ratio: 46.5% for Cdiscount and 53.5% for Nova Pontocom) was certified through equity statements issued by independent valuers for Casino, Companhia Brasileira de Distribuição and Viavarejo SA, respectively.

This agreement also provided for the organisation of Cnova NV's governance, a best efforts commitment to carry out the initial public offering of Cnova NV before 31 December 2015, as well as the terms and conditions for setting the various IPO parameters.

This agreement was fully implemented since Casino Group's e-commerce activities were successfully combined under the holding company Cnova NV on 24 July 2014; Cnova NV's IPO on NASDAQ was completed on 20 November 2014 and a secondary quotation of Cnova on Euronext Paris on 23 January 2015.

Fourth resolution

Regulated agreement: approval of the agreement on the combination of the e-commerce activities of the Casino Group within Cnova NV for the initial public offering

The Ordinary General Meeting, having reviewed the special report of the Statutory Auditors on the agreements referred to in Article L. 225-38 of the French Commercial Code, approves the agreement on the combination of the e-commerce activities of the Casino Group within Cnova NV to prepare for the initial public offering entered into on 11 July 2014, with Companhia Brasileira de Distribuição in particular.

Resolutions no. 5 and 6: Regulated agreements with Mercialys

Presentation

Under the **fifth and sixth resolutions,** the Board of Directors proposes the approval of the regulated agreements below entered into with Mercialys:

- Amendment to the Partnership Agreement of 2 July 2012, now extended until 31 December 2017 since it was due to expire on 31 December 2015. The amendment introduces a procedure for expediting project decisions, redefines the different projects, introduces an alternative procedure for evaluating projects, introduces the possibility for Mercialys to submit any project to Casino for study and possible development and in exchange, a stricter non-compete commitment from Mercialys.
- Amendment to the Current Account Advance Agreement of 25 July 2012 which extends the said Agreement until 31 December 2017 since it was due to expire on 31 December 2015. Under this agreement, Casino Finance replaces your Company as the central financing and cash management entity for the Casino Group and introduces a non-use fee calculated daily on the amount of the undrawn credit at a rate of 40% of the margin.

Fifth resolution

Regulated agreement: approval of the amendment to the Partnership Agreement signed with Mercialys

The Ordinary General Meeting, having reviewed the special report of the Statutory Auditors on the agreements referred to in Article L. 225-38 of the French Commercial Code, approves the amendment to the Partnership Agreement concluded with Mercialys on 12 November 2014.

Sixth resolution

Regulated agreement: approval of the amendment to the Current Account Advance Agreement signed with Mercialys

The Ordinary General Meeting, having reviewed the special report of the Statutory Auditors on the agreements referred to in Article L. 225-38 of the French Commercial Code, approves the amendment to the Current Account Advance Agreement concluded with Mercialys on 26 February 2015.

Resolution no. 7: Opinion on the Chairman and Chief Executive Officer's remuneration

Presentation

The AFEP-MEDEF Corporate Governance Code, a reference for the Company, advises companies to seek the opinion of their shareholders on the components of the remuneration of executive corporate officers for the period.

Under the **seventh resolution,** you are asked to approve the components of the remuneration due or granted to Jean-Charles Naouri, Chairman and Chief Executive Officer, as detailed and commented in the table on page 291. All these components are also presented in Chapter 6 (page 184 *et seq.*).

Seventh resolution

Advisory opinion on the components of the remuneration due or awarded to Jean-Charles Naouri, Chairman and Chief Executive Officer, for the year ended on 31 December 2014

The Ordinary General Meeting, pursuant to the AFEP-MEDEF Corporate Governance Code as revised in June 2013, and having reviewed the information presented on page 291 of the Registration Document, issues a favourable opinion on the components of the remuneration due or awarded to Jean-Charles Naouri, Chairman and Chief Executive Officer, for the year ended 31 December 2014.

Resolutions no. 8 to 12: Reappointment of four directors and appointment of a director

Presentation

The **eighth, ninth, tenth, and eleventh resolutions** concern the reappointment of Sylvia Jay, Catherine Lucet, Rose-Marie Van Lerberghe, and Finatis as directors for a period of three years.

In line with the Board of Directors' wish to strengthen the representation of women and independent members, the Appointments and Remuneration Committee has implemented a selection procedure, currently in progress, for another independent woman director. Meanwhile, the Annual General Meeting is asked to appoint, as a director, a representative of the majority shareholder (Cobivia), which would allow the new woman director to join the Board of Directors upon completion of the procedure. That is the purpose of the **twelfth resolution.**

The current Board is composed of 14 members and includes, within the meaning of the criteria of the AFEP-MEDEF Corporate Governance Code, six independent directors: Sylvia Jay, Catherine Lucet, Rose-Marie Van Lerberghe, Henri Giscard d'Estaing, Gérald de Roquemaurel and Frédéric Saint-Geours.

The Board therefore includes 43% independent directors and 21% women directors. One Board member is a non-French national.

The Board also comprises three guest members: Marc Ladreit de Lacharrière, Gilles Pinoncély and David de Rothschild.

The Company's controlling shareholder has six representatives on the Board who do not have a majority vote on the Board of Directors.

Pierre Giacometti also attends Board meetings as a non-voting director.

Eighth resolution

Reappointment of Sylvia Jay as a director

The Ordinary General Meeting, having reviewed the Board of Directors' report and noting that the directorship of Sylvia Jay is due to expire at the close of this meeting, resolves to renew Ms. Jay's directorship for another three-year term, or until the Ordinary General Meeting that will be convened in 2018 to approve the financial statements for the year ended 31 December 2017.

Ninth resolution

Reappointment of Catherine Lucet as a director

The Ordinary General Meeting, having reviewed the Board of Directors' report and noting that the directorship of Catherine Lucet is due to expire at the close of this meeting, resolves to renew Ms. Lucet's directorship for another three-year term, or until the Ordinary General Meeting that will be convened in 2018 to approve the financial statements for the year ended 31 December 2017.

Tenth resolution

Reappointment of Rose-Marie Van Lerberghe as a director

The Ordinary General Meeting, having reviewed the Board of Directors' report and noting that the directorship of Rose-Marie Van Lerberghe is due to expire at the close of this meeting, resolves to renew Ms. Van Lerberghe's directorship for another three-year term, or until the Ordinary General Meeting that will be convened in 2018 to approve the financial statements for the year ended 31 December 2017.

Eleventh resolution

Reappointment of Finatis as a director

The Ordinary General Meeting, having reviewed the Board of Directors' report and noting that the directorship of Finatis is due to expire at the close of this meeting, resolves to renew the company's directorship for another three-year term, or until the Ordinary General Meeting that will be convened in 2018 to approve the financial statements for the year ended 31 December 2017.

Twelfth resolution

Appointment of Cobivia as a director

The Ordinary General Meeting, having reviewed the Board of Directors' report, resolves to appoint Cobivia as the company's new director for another three-year term, or until the Ordinary General Meeting that will be convened in 2018 to approve the financial statements for the year ended 31 December 2017.

Resolution no. 13: Purchase by the Company of its own shares

Presentation

The **thirteenth resolution** renews the authorisation given to the Board of Directors, for a period of 18 months, to purchase the Company's shares, on the understanding that the Company may not hold more than 10% of the total number of shares composing the capital. The maximum purchase price is set at €120 per share.

Under the authorisation granted by the Annual General Meeting of 6 May 2014 and based on the data at end-January 2015, the Company acquired 67,000 shares to cover any share purchase option plan, any savings plan or any bonus share plan. Furthermore, under the liquidity agreement, 2.87 million shares were purchased and 2.86 million shares were sold.

At 31 January 2015, the Company held 29,294 shares (0.03% of the share capital) of which 19,294 shares allocated for the purpose of covering any share purchase options plan, any savings plan or any bonus share plan and 10,000 shares under the liquidity agreement.

The purposes of the share buyback programme are detailed in the thirteenth resolution and in the description of the share buyback programme in Chapter 9 (page 245 of this document).

In the event of a tender offer on the shares, securities or marketable securities issued by the Company, the Company may only use this authorisation for the purpose of meeting the securities delivery commitment, especially under bonus share plans or strategic transactions initiated or announced before the launch of this tender offer.

Thirteenth resolution

Authorisation for the Company to purchase its own shares

The Annual General Meeting, after reading the Board of Directors' report, authorises the Board of Directors to buy the Company's shares, in accordance with the provisions of Articles L. 255-209 *et seq.* of the French Commercial Code, primarily for the purposes below:

- to increase the liquidity of Company shares through an independent investment services provider acting in the name and on behalf of the Company under a liquidity agreement compliant with a Code of Conduct recognised by the Financial Markets Authority in France (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, or any bonus share grant under the provisions of Articles L. 225-197-1 *et seq.* of the French Commercial Code;
- to deliver shares upon exercise of rights attached to securities carrying rights to Company shares through redemption, conversion, exchange, presentation of warrants or debt securities convertible or exchangeable into Company shares, or any other means;
- to hold shares for subsequent use as a means of payment or exchange in a merger or acquisition transaction, in compliance with market practice as permitted by the Financial Markets Authority in France (AMF);
- to cancel shares in order to optimise earnings per share as part of a capital reduction plan;
- to implement any future market practice authorised by the Financial Markets Authority in France (AMF) and generally carry out any transaction in compliance with applicable regulations.

These shares may be acquired, sold, transferred, or exchanged by any means, particularly on a regulated market or over the counter and through block trades. These means include the use of any derivative financial instrument traded on a regulated market or over the counter and the implementation of optional strategies under the conditions authorised by the competent market authorities, provided that such means do not contribute to a significant increase in the volatility of the shares. The shares may also be loaned, pursuant to Articles L. 211-22 *et seq.* of the French Monetary and Financial Code.

The purchase price of the shares shall not exceed hundred and twenty euros (€120) per share.

The use of this authorisation may not result in raising the number of shares held by the Company to more than 10% of the total number of shares, or based on the share capital at 31 January 2015, less the 30,222 treasury shares or shares held for market-making purposes at 31 January 2015, and unless previously cancelled or sold, up to 11,287,302 shares for a maximum amount of €1,354 million on the understanding that when the Company's shares are bought through a liquidity contract, the number of shares taken into account to calculate the 10% threshold specified above will correspond to the number of purchased shares, less the number of shares resold under the liquidity contract during the authorisation period.

This authorization is granted to the Board of Directors for a period of 18 months. It terminates the authorisation previously granted by the tenth resolution of the Ordinary General Meeting of 6 May 2014.

In the event of a public offering on the shares, securities or marketable securities issued by the Company, the Company may only use this authorisation for the purpose of meeting securities delivery commitments, especially under bonus share allocation plans or strategic transactions initiated or announced before the launch of this public offering.

Consequently, full powers are granted to the Board of Directors with the option of delegating, in order to place any and all stock market orders, conclude any and all agreements for the purpose in particular for keeping share purchase and sale registers, make any and all declarations to the Financial Markets Authority and perform any and all formalities and generally, do all that will be necessary.

10.3.2. RESOLUTIONS WITHIN THE AUTHORITY OF THE EXTRAORDINARY GENERAL MEETING

Resolution 14: Capital increase with pre-emptive rights maintained for existing shareholders

Presentation

The Ordinary and Extraordinary General Meeting of 22 April 2013 had delegated to your Board of Directors, for a period of 26 months, its authority for the purpose of issuing shares, securities carrying access to shares of the Company or any company in which it directly or indirectly holds more than 50% of the capital, or debt securities, with pre-emptive rights maintained for existing shareholders.

Your Board of Directors did not use this delegation.

To allow your Company to raise funds on the financial market, if necessary for the continuation of its development strategy, it is proposed under the **fourteenth resolution** that you delegate to your Board of Directors, for a period of 26 months, your authority for the purpose of issuing shares or securities carrying rights to the shares of the Company or any company in which it directly or indirectly holds an equity interest, with pre-emptive rights maintained for existing shareholders.

The total nominal amount of the securities that may be issued based on this delegation may not exceed:

- **€60 million** (35% of the share capital), for equity shares (*versus* €80 million previously); and
- **€2 billion,** for debt securities.

Fourteenth resolution

Delegation of authority granted to the Board of Directors for the purpose of issuing shares or securities carrying rights to new or existing shares of the Company or the existing shares of any other company in which it directly or indirectly holds an equity interest, with pre-emptive rights maintained for existing shareholders

The Extraordinary General Meeting, having reviewed the reports of the Board of Directors and of the Statutory Auditors and duly noting the full payment of the share capital, 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 to the Board of Directors, with the option of sub-delegating to the Chief Executive Officer or, in agreement with the latter, to one or several Chief Operating Officers, its authority to decide, in one or several transactions and at its sole discretion, in the proportions and at the times that it shall decide, both in France and abroad, the issuance with pre-emptive rights to shares or any other securities carrying rights, by any immediate and/or future means, to shares of the Company, by the allocation, at the Company's discretion, of new shares, existing shares of the Company or a combination of both, or existing shares of another company in which it directly or indirectly holds an equity interest. The subscription may be carried out either in cash or by offsetting liabilities;
- resolves that the securities thus issued and entitled to the allotment of new or existing shares of the Company or the existing shares of another company in which it directly or indirectly holds an equity interest may consist of debt securities or be associated with the issuance of such securities or allow the issuance as interim securities. They may in particular take the form of subordinated securities or not, with a fixed term or not, and be denominated in euros or its equivalent value in a foreign currency or composite monetary units.

The Company's share warrants may be issued through a subscription offering, but also by free allocation to the owners of old shares, on the understanding 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.

The total nominal amount of the securities likely to be issued under this delegation may not exceed sixty (60) million euros, if they are equity securities and two (2) billion euros or the equivalent value in another currency or composite monetary unit, if they are debt securities.

In order to allow securities holders to exercise their rights to the allotment of the Company's new shares, the Annual General Meeting also authorises the Board of Directors to increase the share capital for a maximum par value of sixty (60) million euros in addition to, if necessary, the par value of the shares that may be issued as a supplement to protect the rights of the holders of the securities carrying rights to the Company's shares, in accordance with the law.

In accordance with the law, the Board of Directors may introduce, if it deems it necessary, a subscription right for excess shares in case of a share or securities issue. This right would allow the shares or securities left over after subscriptions as of right, to be allocated to shareholders who subscribed for a larger number of shares than the number they were entitled to, in proportion to the subscription rights that they hold, and whatever the case, within the limit of their requests.

If subscriptions as of right, and subscription for excess shares do not absorb the entire issuance, the Board may limit the issuance to the amount of the subscriptions received, on condition that it reaches at least three quarters of the decided issuance.

Furthermore, the Annual General Meeting authorises the Board of Directors, if subscriptions as of right, and if any, for excess shares, have not absorbed the entire shares or securities issue, to freely distribute all or part of the unsubscribed shares or securities and/or offer to the public all or part of the unsubscribed shares or securities.

This delegation automatically implies, for the benefit of holders of securities that would be issued on the basis of this delegation, waiver by the shareholders of their pre-emptive rights to subscribe to the new shares to which the securities may give them entitlement.

This delegation, given for a period of twenty-six months starting from this Meeting, terminates all authorisations with the same purpose, given by previous Annual General Meetings.

Within the limits fixed by the Annual General Meeting and pursuant to the law, the Board of Directors has full powers to decide on one or several issuances, to set the conditions, type and characteristics thereof, such as the issue price with or without a premium for the shares and other securities to be issued, and the date, even retroactive, from which the new shares will bear dividend, determine the payment method for the shares or securities carrying rights to shares of the Company to be issued immediately or in the future, to recognise the completion of the ensuing capital increases, to charge the share costs to the premium, to amend the Articles of Association and to apply for the admission, if necessary, to trading on a regulated market for shares and other securities thus issued.

The Board of Directors may in particular:

- set, in the event of the immediate issue of debt securities, the amount, duration, issuance currency, subordinated or not, the fixed or variable rate, zero coupon, indexed or other, and its payment date, the conditions for capitalising the interest, the methods and fixed or variable redemption price, with or without premium, the depreciation methods depending on the market conditions of the loans, as well as the conditions under which they will give rights to the shares of the Company and the other issuance methods (including the fact of granting them guarantees or sureties);
- amend, during the life of the securities concerned, the methods for 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 carrying future rights to the new shares of the Company and to do so in accordance with the legal and regulatory provisions and where applicable, the contractual stipulations providing for other cases of adjustment;
- suspend, if necessary, the exercise of the rights attached to these securities during a fixed term in accordance with the 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 realisation and proper completion of any issuance decided pursuant to this delegation;
- charge, as applicable, the capital increase costs to the amount of the premiums related to these increases and if it considers it appropriate, debit from this amount the sums required to raise the legal reserve to one tenth of the new capital after each issuance.

Resolution no. 15: Capital increase through a public offering with pre-emptive rights waived for existing shareholders

Presentation

The Ordinary and Extraordinary General Meeting of 22 April 2013 had delegated to your Board of Directors, for a period of 26 months, its authority for the purpose of issuing shares or securities carrying access to shares of the Company or any company in which it directly or indirectly holds more than 50% of the capital or debt securities, with pre-emptive rights, waived for existing shareholders, through a public offering.

Your Board of Directors did not use this delegation.

To allow your Company to raise funds on the financial market, if necessary for the continuation of its development strategy, it is proposed under the **fifteenth resolution** to delegate to your Board of Directors, for a period of 26 months, your authority for the purpose of issuing shares or securities carrying rights to the shares of the Company or any company in which it directly or indirectly holds an equity interest, with pre-emptive rights waived for existing shareholders, through a public offering.

Under this delegation, the Board of Directors will have the right to introduce, if it considers it necessary for all or part of the issuance, a priority subscription period in proportion to existing stock and/or subscription for excess shares to shareholders.

The total nominal amount of the securities that may be issued based on this delegation may not exceed:

- **€17.3 million** (10% of the share capital), for equity shares (*versus* €35 million previously), and
- **€2 billion,** for debt securities.

The issue price would be at least equal to the weighted average price provided by the regulation in force on the issuance day, which minimum is currently equal to the weighted average on the Euronext Paris regulated market in the last three trading days preceding the day on which the price is fixed, less a maximum discount of 5%.

Fifteenth resolution

Delegation of authority granted to the Board of Directors for the purpose of issuing shares or securities carrying rights to new or existing shares of the Company or the existing shares of any other company in which it holds, directly or indirectly, an equity interest, with pre-emptive rights, waived for existing shareholders, through a public offering

The Extraordinary General Meeting, having reviewed the reports of the Board of Directors and of the Statutory Auditors and duly noting the full payment of the share capital, in the context of Articles L. 225-127, L. 225-129, L. 225-129-2, L. 225-135, L. 225-136, L. 228-91, L. 228-92, L. 228-93, L. 228-94, *et seq.* of the French Commercial Code,

- delegates to the Board of Directors, with the option of sub-delegating to the Chief Executive Officer or, in agreement with the latter, to one or several Chief Operating Officers, its authority to decide, in one or several transactions and at its sole discretion, in the proportions and at the times that it shall decide, both in France and abroad, the issuance through a public offering of shares or any other securities carrying rights, by any immediate and/or future means, to shares of the Company, by the allocation, at the Company's discretion, of new shares, existing shares of the Company or a combination of both, or again existing shares of another company in which it directly or indirectly holds an equity interest. The subscription may be carried out either in cash or by offsetting liabilities;
- resolves that the securities thus issued and entitled to the allocation of new or existing shares of the Company or the existing shares of another company in which it directly or indirectly holds an equity interest may consist of debt securities or be associated with the issuance of such securities or again allow the issuance as interim securities. They may in particular take the form of subordinated securities or not, with a fixed term or not, and be denominated in euros or its equivalent value in a foreign currency or composite monetary units.

The total nominal amount of the securities likely to be issued under this delegation may not exceed seventeen million three hundred thousand (17,300,000) euros, if they are equity securities and two (2) billion euros or the equivalent value in another currency or composite monetary unit, if they are debt securities.

In order to allow securities holders to exercise their rights to the allotment of the Company's new shares, the General Meeting also authorises the Board of Directors to raise the share capital by a maximum par value of seventeen million three hundred thousand (17,300,000) euros.

The Annual General Meeting resolves to waive pre-emptive rights of existing shareholders to subscribe to shares and equities carrying rights to the equity stock to be issued. However, the Annual General Meeting delegates to the Board of Directors the power to introduce, if it considers it useful for all or part of an issue, a priority subscription period in proportion to existing stock and/or subscription for excess shares to shareholders and to define the exercise methods and conditions thereof, in accordance with the applicable legal and regulatory provisions, on the understanding that the securities left unsubscribed under this right may be offered through a public placement outside France and on the international market.

The Annual General Meeting delegates to the Board of Directors, during any public exchange offering decided by the Company on its own shares, the power to tender in exchange for the securities described under Article L. 228-91 of the French Commercial Code, issued in connection with this issue.

This delegation automatically implies, for the benefit of holders of securities that would be issued on the basis of this delegation, waiver by the shareholders of their pre-emptive right to subscribe to the new shares to which the securities may give them entitlement.

The issue price of the shares which will be set by the Board of Directors will be at least equal to the minimum provided by the regulation in force on the issuance day, which is currently equal to the weighted average on the Euronext Paris regulated market in the last three trading days preceding the day on which the price is fixed, less a maximum discount of 5% and after correction, if necessary, of this average in case of a difference in the dividend-bearing date.

The issuance price of the securities carrying rights to the shares of the Company and the number of shares to which these securities will give entitlement, which will be fixed by the Board of Directors, will be such that the sum immediately received by the Company, increased where applicable by the sum that may be subsequently received by the Company are, for each share issued as a result of the issuance of these securities, at least equal to the issue price defined in the previous paragraph.

This delegation, given for a period of twenty-six months starting from this Meeting, terminates all authorisations with the same purpose, given by previous Annual General Meetings.

Within the limits fixed by the Annual General Meeting and pursuant to the law, the Board of Directors has full powers to decide on one or several issuances, to set the conditions, type and characteristics thereof, such as the issue price with or without a premium for the shares and other securities to be issued, and the date, even retroactive, from which the new shares will bear dividend, determine the payment method for the shares or securities carrying rights to shares of the Company to be issued immediately or in the future, to recognise the completion of the ensuing capital increases, to charge the share costs to the premium, to amend the articles of association and to apply for the admission, if necessary, to trading on a regulated market for shares and other securities thus issued.

The Board of Directors may in particular:

- set, in the event of the immediate issue of debt securities, the amount, duration, issuance currency, subordinated or not, the fixed or variable rate, zero coupon, indexed or other, and its payment date, the conditions for capitalising the interest, the methods and fixed or variable redemption price, with or without premium, the depreciation methods depending on the market conditions of the loans, as well as the conditions under which they will give rights to the shares of the Company and the other issuance methods (including the fact of granting them guarantees or sureties);
- amend, during the life of the securities concerned, the methods for 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 carrying future rights to the new shares of the Company, in accordance with the legal and regulatory provisions and, where applicable, the contractual stipulations providing for other cases of adjustment;

- suspend if necessary the exercise of the rights attached to these securities during a fixed term in accordance with the 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 realisation and proper completion of any issuance decided pursuant to this delegation;
- charge, as applicable, the capital increase costs to the amount of the premiums related to these increases and if it considers it appropriate, debit from this amount the sums required to raise the legal reserve to one tenth of the new capital after each issuance.

Resolution no. 16: Capital increase through private placement with pre-emptive rights waived for existing shareholders

Presentation

The Ordinary and Extraordinary General Meeting of 22 April 2013 had delegated to your Board of Directors, for a period of 26 months, its authority for the purpose of issuing shares or securities carrying access to shares of the Company or any company in which it directly or indirectly holds more than 50% of the capital or debt securities, with pre-emptive rights waived for existing shareholders, through private placement specified in Article L. 411-2-II of the French Monetary and Financial Code.

Your Board of Directors did not use this delegation.

To allow your Company to raise funds on the financial market, if necessary for the continuation of its development strategy, it is proposed under the **sixteenth resolution** to delegate to your Board of Directors, for a period of 26 months, your authority for the purpose of issuing shares or securities carrying rights to the shares of the Company or any company in which it directly or indirectly holds an equity interest, with pre-emptive rights waived for existing shareholders, through private placement as described in Article L. 411-2-II of the French Monetary and Financial Code.

The total nominal amount of the securities that may be issued based on this delegation may not exceed:

- **€17.3 million** (10% of the share capital), for equity shares (*versus* 10% of the share capital per year previously); and
- **€2 billion,** for debt securities.

The issue price will be at least equal to the weighted average price provided by the regulation in force on the issuance day, which minimum is currently equal to the weighted average on the Euronext Paris regulated market in the last three trading days preceding the day on which the price is fixed, less a maximum discount of 5%.

Sixteenth resolution

Delegation of authority granted to the Board of Directors for the purpose of issuing shares or securities carrying rights to new or existing shares of the Company or the existing shares of any other company in which it holds, directly or indirectly, an equity interest, with pre-emptive rights waived for existing shareholders, through private placement as specified in Article L. 411-2-II of the French Monetary and Financial Code

The Extraordinary General Meeting, after reading the reports of the Board of Directors and of the Statutory Auditors and duly noting the full payment of the share capital, in the context of Articles L. 225-127, L. 225-129, L. 225-129-2, L. 225-135, L. 225-136, L. 228-91, L. 228-92, L. 228-93, L. 228-94, *et seq.* of the French Commercial Code,

- delegates to the Board of Directors, with the option of sub-delegating to the Chief Executive Officer or, in agreement with the latter, to one or several Chief Operating Officers, its authority to decide, in one or several transactions and at its sole decisions, in the proportions and at the times that it shall decide, both in France and abroad, the issuance through private placement described in Article L. 411-2 of the French Monetary and Financial Code, of shares or any other securities carrying rights, by any immediate and/or future means, to shares of the Company, by the allocation, at the Company's discretion, of new shares, existing shares of the Company or a combination of both, or again existing shares of another company in which it directly or indirectly holds an equity stake. The subscription may be carried out either in cash or by offsetting liabilities;
- resolves that the securities thus issued and entitled to the allotment of new or existing shares of the Company or the existing shares of another company in which it directly or indirectly holds an equity interest may consist of debt securities or be associated with the issuance of such securities or allow the issuance as interim securities. They may in particular take the form of subordinated securities or not, with a fixed term or not and be denominated in euros or its equivalent value in a foreign currency or composite monetary units.

The total nominal amount of the securities likely to be issued under this delegation may not exceed seventeen million three hundred thousand (17,300,000) million euros, if they are equity securities, and two (2) billion euros or the equivalent value in another currency or composite monetary unit, if they are debt securities.

In order to allow securities holders to exercise their rights to the allotment of the Company's new shares, the General Meeting also authorises the Board of Directors to raise the share capital by a maximum par value of seventeen million three hundred thousand (17,300,000) euros.

The Annual General Meeting resolves to cancel the pre-emptive right of shareholders to subscribe to shares and securities carrying rights to the equity stock to be issued in favour of the persons described under II of Article L. 411-2 of the French Monetary and Financial Code.

This delegation automatically implies, for the benefit of holders of securities that would be issued on the basis of this delegation, the waiver by the shareholders to their pre-emptive right to subscribe to the new shares to which the securities may give them entitlement.

The issue price of the shares which will be set by the Board of Directors will be at least equal to the minimum provided by the regulation in force on the issuance day, which is currently equal to the weighted average on the Euronext Paris regulated market in the last three trading days preceding the day on which the price is fixed, less a maximum discount of 5% and after correction, if necessary, of this average in case of a difference in the dividend-bearing date.

The issuance price of the securities carrying rights to the shares of the Company and the number of shares to which these securities will give entitlement, which will be fixed by the Board of Directors, will be such that the sum immediately received by the Company, increased where applicable by the sum that may be subsequently received by the Company are, for each share issued as a result of the issuance of these securities, at least equal to the issue price defined in the previous paragraph.

This delegation, given for a period of twenty-six months starting from this Meeting, terminates all authorisations with the same purpose, given by previous Annual General Meetings.

Within the limits fixed by the Annual General Meeting and pursuant to the law, the Board of Directors has full powers to decide on one or several issuances, to set the conditions, type and characteristics thereof, such as the issue price with or without a premium for the shares and other securities to be issued, and the date, even retroactive, from which the new shares will bear dividend, determine the payment method for the shares or securities carrying rights to shares of the Company to be issued immediately or in the future, to recognise the completion of the ensuing capital increases, to charge the share costs to the premium, to amend the articles of association and to apply for the admission, if necessary, to trading on a regulated market for shares and other securities thus issued.

The Board of Directors may in particular:

- determine the persons described in II of Article L. 411-2 of the French Monetary and Financial Code and for whom the issue or issues would be allocated;
- set, in the event of the immediate issue of debt securities, the amount, duration, issuance currency, subordinated or not, the fixed or variable rate, zero coupon, indexed or other, and its payment date, the conditions for capitalising the interest, the methods and fixed or variable redemption price, with or without premium, the depreciation methods depending on the market conditions of the loans, as well as the conditions under which they will give rights to the shares of the Company and the other issuance methods (including the fact of granting them guarantees or sureties);
- amend, during the life of the securities concerned, the methods for 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 carrying future rights to the new shares of the Company, in accordance with the legal and regulatory provisions and where applicable, the contractual stipulations providing for other cases of adjustment;
- suspend if necessary the exercise of the rights attached to these securities during a fixed term in accordance with the 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 realisation and proper completion of any issuance decided pursuant to this delegation;
- charge, as applicable, the capital increase costs to the amount of the premiums related to these increases and if it considers it appropriate, debit from this amount the sums required to raise the legal reserve to one tenth of the new capital after each issuance.

Resolution no. 17: Derogatory setting of the issue price under capital increases carried out with pre-emptive rights waived for existing shareholders

Presentation

Under the **seventeenth resolution,** you are asked to authorise your Board of Directors, in the context of issues without pre-emptive rights through public offerings (fifteenth resolution) or through private placements (sixteenth resolution), within the limit of 10% of the share capital a year, to set the issue price based on the weighted average of the share price in the last ten trading sessions preceding its setting, less a maximum discount of 5% if applicable.

Seventeenth resolution

Authorisations granted to the Board of Directors, in the event of issues without pre-emptive rights through public offerings or through private placements, to set the issue price according to the methods determined by the Annual General Meeting

The Extraordinary General Meeting, having reviewed the reports of the Board of Directors and of the Statutory Auditors,

authorises the Board of Directors, with the option to sub-delegate to the Chief Executive Officer or in agreement with the latter, to one or several Chief Operating Officers, in the context of Article L. 225-136 of the French Commercial Code, during an issue carried out on the basis of the fifteenth and sixteenth resolutions of this Meeting, to set, notwithstanding the provisions of Article L. 225-136-1 of the French Commercial Code, the issue price at the conditions below:

- The issue price will be equal to the weighted average price of the share in the last ten trading sessions preceding its setting, less a maximum discount of 5% if necessary.
- The issuance price of the securities carrying rights to the shares of the Company, given the number of shares to which these securities are entitled, will be such that the sum immediately received by the Company, increased where applicable, by the sum that may be subsequently received by the Company are, for each share issued as a result of the issuance of these securities, at least equal to the issue price defined in the previous paragraph.

The maximum par value of the capital increase resulting from the implementation of this resolution may not exceed 10% of the share capital a year, as this limit is assessed on the issue day, without taking into account the par value of the capital that may be increased as a result of the exercise of all the rights and securities already issued and whose exercise is deferred with respect to capital adjusted to reflect the transactions affecting it subsequent to this Annual General Meeting.

This authorisation, given for a period of twenty-six months starting from this Meeting, terminates all authorisations with the same purpose, given by previous Annual General Meetings.

Resolution no. 18: Option to increase the amount of issuances in the event of oversubscription in the context of capital increases with or without pre-emptive rights

Presentation

The **eighteenth resolution** seeks to authorise your Board of Directors, under the capital increases carried out with or without pre-emptive rights (fourteenth, fifteenth, and sixteenth resolutions), to increase the amount of the issues, in case of applications for excess shares, under the conditions stipulated by the regulation in force.

As such, your Board of Directors will have the option, within 30 days of the end of the subscription, to increase the number of securities issued, at the same price as the price retained for the initial issue, within the limit of 15% of the initial issue and the cap set out in the fourteenth, fifteenth, and sixteenth resolutions and the total cap set out in the twenty-second resolution.

Eighteenth resolution

Authorisation granted to the Board of Directors for the purpose of increasing the amount of the issuances in the event of oversubscription in the context of the capital increases carried out with or without pre-emptive rights

The Extraordinary General Meeting, having reviewed the reports of the Board of Directors and the Statutory Auditors,

authorises the Board of Directors, with the option of sub-delegating to the Chief Executive officer or in agreement with the latter, to one or several Chief Operating Officers, in accordance with the provisions of Article L. 225-135-1 of the Commercial Code, during any issue carried out on the basis of the fourteenth, fifteenth and sixteenth resolutions of this Meeting and at its sole discretion, to issue a number of shares or securities higher than the number initially fixed, at the same price as the one retained for the initial issue, under the conditions of Article L. 225-135-1 of the French Commercial Code and within the limit of the ceiling provided by the fourteenth, fifteenth and sixteenth resolutions and the total cap provided in the twenty-second resolution.

This authorisation, given for a period of twenty-six months starting from this Meeting, terminates all authorisations with the same purpose, given by previous Annual General Meetings.

Resolution no. 19: Capital increase through capitalisation of reserves, profits, share premium or other sums

Presentation

The Ordinary and Extraordinary General Meeting of 22 April 2013 delegated to your Board of Directors, for a period of 26 months, its authority to carry out a capital through capitalisation of reserves, profits, share premium, or other sums that can be legally capitalised.

Your Board of Directors did not use this delegation.

Under the **nineteenth resolution,** you are asked to renew this delegation for a period of 26 months, within the limit of a total par value of **€60 million** (35% of the capital), *versus* €80 million previously.

Nineteenth resolution

Delegation of authority granted to the Board of Directors to increase the capital through capitalisation of reserves, profits, share premium or other sums that can be legally capitalised

The Extraordinary General Meeting, after hearing the Board of Directors' report, ruling in accordance with Articles L. 225-129 to L. 225-130 of the French Commercial Code,

delegates to the Board of Directors, with the option of sub-delegating to the Chief Executive Officer, or in agreement with the latter, to one or several Chief Operating Officers, its authority to decide to increase the share capital, in one or several times, at the times and according to the procedures that it shall determine, through capitalisation of the reserves, profits, share premium or other sums that may be legally capitalised, through the issue and allotment of bonus shares or by raising the par value of existing shares or a combination of the two methods.

The amount of the capital increase resulting from the issues made under this resolution shall not exceed the par value of sixty (60) million euros, without taking account of the amount required to safeguard the rights of holders of securities carrying rights to shares, as required by the law.

The Annual General Meeting grants to the Board of Directors full powers to implement this resolution, in particular to:

- define all the methods and conditions for the authorised transactions and in particular, set the amount and nature of the reserves and share premium to be capitalised, set the number of new shares to be issued or the amount that will be added to the par value of the existing shares comprising the share capital, choose the date, even retroactive, from which the new shares shall bear interest or the date from which the higher par value will become effective;
- take all the necessary steps to protect the rights of holders of securities carrying rights to shares of the Company on the day of the capital increase;
- define the conditions for using fractional share rights and in particular, decide that these rights will be neither negotiable nor transferable and that the corresponding shares will be sold, with the proceeds from the sale allocated to rights holders, no later than 30 days after the date of registration on their account of the whole number of allotted equity securities;
- note the capital increase resulting from the share issue, amend the articles of association accordingly, apply for the admission of the shares on a regulated market and carry out any and all required publication formalities;
- and generally, take any and all measures and carry out any and all formalities required for the proper completion of each capital increase.

This delegation is given for a period of twenty-six months starting from this General Meeting, and terminates all other authorisations with the same purpose, given by previous Annual General Meetings.

Resolution no. 20: Capital increase through a tender offer initiated by the Company

Presentation

The Ordinary and Extraordinary General Meeting of 22 April 2013 delegated to your Board of Directors, for a period of 26 months, its authority for the purpose of issuing shares or securities carrying access to shares of the Company in the event of a tender offer by your Company on the shares of another listed company.

Your Board of Directors did not use this delegation.

To allow your Company to raise funds on the financial market, if necessary to continue its development strategy, you are asked under the **twentieth resolution** to renew this delegation for a period of 26 months.

The total nominal amount of the securities that may be issued based on this delegation may not exceed:

- **€17.3 million** (10% of the share capital) for equity securities (*versus* €50 million previously); and
- **€2 billion** for debt securities.

Twentieth resolution

Delegation of authority granted to the Board of Directors to issue shares or securities carrying rights to shares of the Company in the event of a public offering implemented by Casino, Guichard-Perrachon on the securities of another listed company, with pre-emptive rights waived for existing shareholders

The Extraordinary General Meeting, after hearing the reports of the Board of Directors and of the Statutory Auditors,

delegates to the Board of Directors, with the option of sub-delegating to the Chief Executive Officer, or in agreement with the latter, to one or several Chief Operating Officers, its authority to decide, at its sole discretion, the issuance of shares or any other securities carrying rights by any means, immediately or in the future, to shares of the Company in consideration for the shares or securities tendered in any mixed or alternative public exchange offering, initiated by the Company on the shares or securities of another company registered on one of the regulated markets specified by Article L. 225-148 of the French Commercial Code.

The Annual General Meeting expressly resolves to waive as necessary the pre-emptive rights of shareholders to these shares or securities.

The total nominal amount of the securities likely to be issued under this delegation may not exceed seventeen million three hundred thousand (17,300,000) euros if they are equity securities and two (2) billion euros or the equivalent value in another currency or composite monetary unit, if they are debt securities.

The Annual General Meeting also authorises the Board of Directors, in order to allow securities holders to exercise their right to the allotment of the Company's new shares, to raise the share capital by a maximum par value of seventeen million three hundred thousand (17,300,000) euros.

The Annual General Meeting notes that the issuance of securities carrying rights to shares of the Company implies waiver by shareholders of their pre-emptive right to subscribe to the equity securities to which these securities may give entitlement.

The Board of Directors will have full power to implement the public offerings described by this resolution. In particular, it shall set the exchange parity and if necessary, the amount of the cash balance to be paid; note the number of securities tendered at maturity; set the conditions, the nature and the characteristics of the shares or securities delivered for the swap, and record as a balance sheet liability the contribution premium from which, if necessary, all the costs and duties incurred by the transaction will be charged. It shall also carry out any and all formalities and declarations and request any and all authorisations that might be necessary for the achievement and proper completion of the transactions authorised by this delegation, and generally, accomplish whatever task is necessary.

This authorisation is given for a period of twenty-six months starting from this General Meeting; it terminates all other authorisations with the same purpose given by previous Annual General Meetings.

Resolution no. 21: Capital increase to remunerate share contributions to the Company

Presentation

The Ordinary and Extraordinary General Meeting of 22 April 2013 authorised your Board of Directors, for a period of 26 months, to issue shares or securities carrying rights to shares of the Company, within the limit of 10% of the share capital, as consideration for the contributions in kind granted to the Company and comprised of shares or securities carrying rights to shares of the Company.

Your Board of Directors did not use this delegation.

To allow your Company to raise funds on the financial market, if necessary to continue its development strategy, you are asked under the **twenty-first resolution** to renew this authorisation for a period of 26 months, under the same conditions.

Twenty-first resolution

Delegation of powers granted to the Board of Directors, within the limit of 10% of the Company's capital, to issue shares or securities carrying rights to shares of the Company in order to remunerate the contributions in kind granted to the Company and comprising shares or securities carrying rights to shares of the Company

The Extraordinary General Meeting, after hearing the reports of the Board of Directors and of the Statutory Auditors and ruling in accordance with Article L. 225-147 of the French Commercial Code,

delegates to the Board of Directors, with the option of sub-delegating to the Chief Executive Officer, or in agreement with the latter, to one or several Chief Operating Officers, full powers to decide, within the limit of 10% of the Company's capital, on the basis of the report of the Statutory Auditor or Auditors mentioned in the first and second paragraphs of Article L. 225-147 above, the issuance of shares or securities carrying rights to the shares of the Company, in order to remunerate the contributions in kind granted to the Company and comprised of shares or securities carrying rights to shares of the Company, where the provisions of Article L. 225-148 of the French Commercial Code are not applicable. It also resolves, as necessary, to waive, for the benefit of holders of these securities tendered under the contributions in kind, the pre-emptive rights of shareholders to the shares or securities to be issued.

The Annual General Meeting duly notes that this delegation automatically implies the waiver by the shareholders of their pre-emptive rights to subscribe to the Company's equity securities that would have been associated with the securities that may be issued on the basis of this delegation, for the benefit of holders of securities carrying rights to shares of the Company issued by virtue of this delegation.

The Board of Directors shall have full powers to implement this resolution, in particular to rule, on the report of the Auditor or Auditors mentioned in the first and second sub-paragraphs of Article L. 225-147 mentioned above, on the evaluation of contributions and the grant of special benefits and their values (including, to reduce, with the contributors' agreement, the evaluation of the contributions or the remuneration of special benefits), to set the conditions, the nature and characteristics of the shares and other securities to be issued, note the definitive completion of the capital increases carried out by virtue of this delegation, proceed to the corresponding amendment of the articles of association, carry out any and all formalities and declarations and apply for any and all authorisations that might be necessary to make these contributions and generally, accomplish whatever task is necessary.

This delegation is given for a period of twenty-six months starting from this General Meeting, and terminates all authorisations with the same purpose given by previous Annual General Meetings.

Resolution no. 22: Overall limitation to financial authorisations

Presentation

The **twenty-second resolution** seeks to limit the total value of equity shares or debt security issues that may be carried out on the basis of the fourteenth to twenty-first resolutions.

The total par value of the capital increases that may be carried out immediately and/or in the future based on these delegations may not exceed **€60 million** (35% of the share capital), *versus* €80 previously. The total par value of the capital increases that may be carried out immediately and/or in future with waiver of pre-emptive rights for existing shareholders may not exceed **€17.3 million** (10% of the share capital).The total par value of debt security issues may not exceed **€2 billion.**

Furthermore, the Board of Directors may not, unless previously authorised by the Annual General Meeting, use these delegations and authorisations granted under the fourteenth to twenty-first resolutions, from the date of the submission by a third party of a draft tender offer for the Company's shares and until the end of the tender offer period.

Twenty-second resolution

Overall limitation to the various financial authorisations given to the Board of Directors

The Extraordinary General Meeting, after hearing the Board of Directors' report, and subject to the adoption of the fourteenth to twenty-first resolutions above,

resolves that:

- the total nominal amount of debt security issues that may be made using these delegations may not exceed two (2) billion euros or its equivalent value in foreign currency or in composite monetary units;
- the total par value of the capital increases that may be carried out, immediately and/or in the future, based on these resolutions, may not exceed sixty (60) million. The par value of the capital increases that may be carried out, immediately and/or in the future, with pre-emptive rights waived for existing shareholders, may not exceed seventeen million three hundred thousand (17,300,000) euros, 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.

The Annual General Meeting duly notes that the total par value of sixty (60) million euros does not include the nominal amount of the shares:

- to be issued during the exercise of stock options reserved for employees;
- to be awarded to employees under bonus share plans where the shares are issued *via* capital increase;
- to be issued, if necessary, for the benefit of employees members of the Company savings plan, in accordance with the twenty-seventh resolution;
- to be awarded to shareholders as scrip dividend payment.

The Extraordinary General Meeting resolves that the Board of Directors may not, unless previously authorised by the Annual General Meeting, use these delegations and authorisations granted under the fourteenth to twenty-first resolutions, from the date of the submission by a third party of a draft tender offer for the Company's shares and until the end of the tender offer period.

Resolution no. 23: Cancellation of shares purchased by the Company *via* capital reduction

Presentation

The Ordinary and Extraordinary General Meeting of 22 April 2013 authorised your Board of Directors, for a period of 26 months to reduce the share capital by cancelling, within the limit of 10% of the share capital existing on the cancellation date (in other words adjusted to reflect the transactions on the share capital), shares that the Company may have purchased under an authorisation given by the Ordinary General Meeting of Shareholders and to do so by 24-month periods.

Your Board of Directors did not use this delegation.

Under the **twenty-third resolution,** you are asked to renew this authorisation for a period of 26 months, under the same conditions.

Twenty-third resolution

Authorisation to reduce share capital by cancelling treasury shares

The Extraordinary General Meeting, after hearing the reports of the Board of Directors and of the Statutory Auditors, authorises the Board of Directors, in accordance with the provisions of Article L. 225-209 of the French Commercial Code, to carry out at any time, in one or several times, share capital reductions by cancelling, within the limit of 10% of the share capital existing on the cancellation date (in other words, adjusted to reflect the transactions on the share capital since the entry into force of this resolution), shares that the Company may have purchased under an authorisation given by the Ordinary General Meeting of shareholders, and to do so by 24-month periods.

The Annual General Meeting grants full powers to the Board of Directors for the purpose of performing this or these share capital reduction transaction(s) within the limits fixed above and in particular to note its completion and charge the difference between the purchase price of the shares and their par value to the reserve item or premium of its choice, amend the articles of association accordingly, and carry out any and all formalities.

This authorisation thus granted to the Board of Directors for a period of twenty-six months starting from this General Meeting, terminates all authorisations with the same purpose given by previous Annual General Meetings.

Consequently, the Board of Directors shall take all necessary measures and shall perform any and all legal and statutory formalities to successfully complete these transactions and in particular make the corresponding amendment to the articles of association.

Resolutions no. 24 and 25: Share purchase or subscription options

Presentation

The Ordinary and Extraordinary General Meeting of 22 April 2013 authorised your Board of Directors, for a period of 26 months, to grant share purchase and subscription options to the employees of the Company and to the employees and officers of its related companies.

Your Board of Directors did not use this delegation.

Under the **twenty-fourth resolution** (share purchase options) and the **twenty-fifth resolution** (share subscription options), you are asked to renew these authorisations for a period of 26 months.

Pursuant to these authorisations, the executive officers of the Company are not entitled to receive share purchase options or share subscription options.

The total number of share purchase and/or subscription options that can be granted may not exceed **2% of the share capital.**

The share purchase or subscription price may not be less than the average of the first traded prices in the twenty trading days preceding the day on which the options would be granted. Concerning share purchase options, the subscription price may also not be less than the average purchase price of the shares held by the Company under Articles L. 225-208 and L. 225-209 of the French Commercial Code. The time period during which the options may be exercised may not exceed seven years.

Twenty-fourth resolution

Authorisations to grant share purchase options to the Company's employees and to the employees and officers of its related companies

The Extraordinary General Meeting, after hearing the reports of the Board of Directors and of the Statutory Auditors, authorises the Board of Directors to grant, in one or several times, purchase options to shares of the Company derived from purchases made by the Company under the conditions provided by law, to the employees of the Company and the employees and 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 receive share purchase or subscription options.

The total number of share purchase options that may be granted under this authorisation may not exceed 2% of the total number of shares representing the Company's share capital to date, taking account of allotments made under the twenty-fifth resolution subject to its adoption by the Extraordinary General Meeting, but without taking account, however, of the share purchase or subscription options previously granted and not yet exercised.

The purchase price of shares by the beneficiaries may not be lower than either the average of the first prices quoted at the twenty trading sessions preceding the day when the options are granted, or the average purchase price of the shares held by the Company under Articles L. 225-208 and L. 225-209 of the French Commercial Code. The time period during which the options may be exercised may not exceed seven years.

If, during the exercise period for the granted options, the Company carries out one of the financial transactions allowed by the law, the Board of Directors may, in accordance with regulatory conditions, adjust the number and the price of shares that may be purchased through the exercise of the options granted.

Full powers are granted to the Board of Directors to:

- select the beneficiaries of the options;
- define the number of options granted to each of them;
- set, within the limits indicated above, the purchase price of the shares and the exercise periods for the options;
- impose, if necessary, a period during which the options may not be exercised and/or a period during which the purchased shares may not be sold, knowing that this period may not exceed three years from the exercise of the options;
- take all necessary measures under this authorisation, grant any and all delegations and generally do everything necessary.

This authorisation is given for a period of twenty-six months starting from this General Meeting. It terminates all authorisations with the same purpose given by previous General Meetings.

Twenty-fifth resolution

Authorisations to grant share subscription options for the Company's employees and for the employees and officers of its related companies

The Extraordinary General Meeting, after hearing the reports of the Board of Directors and of the Statutory Auditors, authorises the Board of Directors to grant, in one or several times, subscription options to shares of the Company to employees of the Company and the employees and 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 receive share purchase or subscription options.

The total number of share subscription options that may be granted under this authorisation may not give the right to subscribe to a number of shares greater than 2% of the total number of shares representing the Company's share capital to date, taking account of allotments made under the twenty-fourth resolution subject to its adoption by the Extraordinary General Meeting, but without taking account, however, of outstanding share purchase or subscription options granted under previous plans.

The share subscription price may not be less than the average of the first prices quoted at the twenty trading sessions preceding the day on which the options will be granted and the exercise period for the options may not exceed seven years.

The shareholders expressly waive, for the benefit of beneficiaries of the options, their pre-emptive right to subscribe to the shares that will be issued as and when the options are exercised.

If, during the exercise period for the granted options, the Company carries out one of the financial transactions allowed by the law, the Board of directors may, in accordance with regulatory conditions, adjust the number and the price of shares that may be subscribed through the exercise of the options granted.

Full powers are granted to the Board of Directors to:

- select the beneficiaries of the options;
- define the number of options granted to each of them;
- set, within the limits indicated above, the subscription price for the shares and the exercise period for the options;
- impose, if necessary, a period during which the options may not be exercised and/or a period during which the subscribed shares may not be sold, knowing that this period may not exceed three years from the exercise of the options.

Furthermore, 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 under this authorisation, grant any and all delegations;
- note the capital increase or increases resulting from the exercise of the options, amend the articles of association accordingly and generally do everything necessary.

This authorisation is given for a period of twenty-six months starting from this General Meeting. It terminates all authorisations with the same purpose given by previous General Meetings.

Resolution no. 26: Authorisation to award bonus shares of the Company

Presentation

The Ordinary and Extraordinary General Meeting of 22 April 2013 authorised your Board of Directors, for a period of 26 months, to award bonus shares of the Company to the employees of the Company and of its related companies.

Under this authorisation, your Board of Directors awarded 142,144 bonus shares at 31 January 2015. None of the Company's executive officers received bonus shares. The details of these various plans which were still valid at 31 January 2015 are provided on page 254.

Under the **twenty-sixth resolution,** you are asked to renew this authorisation for a period of 26 months.

The executive officers of the Company are not entitled to bonus shares under this authorisation.

The total number of shares that can be awarded may not exceed **1% of the share capital.**

The shares will be definitively awarded to their beneficiaries after a vesting period and must be held by the latter for a minimum period. These periods are defined by the Board of Directors and may not be shorter than the periods fixed by the legal provisions in force on the day of the Board of Directors decision, on the understanding that the Board of Directors may shorten or even cancel this lock-up period depending on the type of beneficiaries.

Twenty-sixth resolution

Authorisation granted to the Board of Directors to award bonus shares of the Company to the employees of the Company and of its related companies

The Extraordinary General Meeting, after hearing the reports of the Board of Directors and of the Statutory Auditors, in accordance with Article L. 225-197-1 *et seq.* of the French Commercial Code:

- authorises the Board of Directors, in accordance with and under the conditions specified by 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 times, for the benefit of the employees of the Company or certain categories of them and to the employees of companies or economic interest groups linked to the Company under the conditions specified in Article L. 225-197-2 of the French Commercial Code, the award of bonus shares of the Company, existing or to be issued, with the exception of the Company's executive corporate officers who are not entitled to receive share purchase or subscription options;
- resolves that the total number of shares that may be awarded may not exceed 1% of the total number of shares representing the Company's share capital to date.

The Annual General Meeting authorises the Board of Directors to carry out, alternatively or cumulatively, within the limit set in the previous sub-paragraph:

- the award of shares from buybacks made by the Company under the conditions set out in Articles L. 225-208 and L. 225-209 of the French Commercial Code; and/or
- the award of shares to be issued through capital increase; in this case, the Annual General Meeting authorises the Board of Directors to increase the share capital with a maximum par value corresponding to the number of shares awarded and duly notes that this authorisation automatically implies, for the benefit of the beneficiaries of the bonus share awards, waiver by the shareholders of their pre-emptive right to subscribe to the shares to be issued.

The Annual General Meeting resolves that the shares will be definitively awarded to their beneficiaries after a vesting period and must be held by the latter for a minimum period. These periods are defined by the Board of Directors and may not be shorter than the periods fixed by the legal provisions in force on the day of the Board of Directors decision, on the understanding that the Board of Directors may shorten or even cancel this lock-up period depending on the type of beneficiaries concerned.

The Annual General meeting grants full powers to the Board of Directors, within the limits fixed above, in order to:

- determine the identity of the beneficiaries, or the category or categories of the beneficiaries of the share awards, knowing that no shares can be awarded to the employees and officers holding each more than 10% of the share capital and that the bonus share awards must not result in a situation where each of the shareholders crosses the share ownership thresholds of more than 10% of the share capital;
- distribute the share award rights in one or several times and at the periods that it shall consider appropriate;
- set the share award conditions and criteria, such as, including but not limited to, conditions of seniority, conditions relating to the continuity of the employment contract or corporate office during the vesting period and any other financial condition or individual or collective performance;
- determine, under the legal conditions and limits, the final terms of the vesting period and the lock-up period of the shares;
- register the awarded bonus shares in a registered account in the name of their holder, with indication of the lock-up period and its duration;
- unlock the shares during the lock-up period in case of redundancy, retirement, disability corresponding to classification in the second or third categories specified by the provisions of Article L. 341-4 of the French Social Security Code, or in case of death;
- recognise a locked-in reserve, assigned to the rights of beneficiaries, containing a sum equal to the total amount of the nominal value of the shares that may be issued through capital increase by withdrawals of the necessary amounts from any and all reserves that can be freely used by the Company;
- to make the necessary withdrawals from this locked-in reserve in order to pay for the nominal value of the shares to be issued for their beneficiaries;

- in the event of capital increase, amend the articles of association accordingly and carry out any necessary formalities;
- in case of the realisation of the financial transactions described by the provisions of the first paragraph of Article L. 228-99 of the French Commercial Code, during the vesting period, implement any measures required to safeguard and adjust the rights of the beneficiaries of share awards, according to the terms and conditions specified by paragraph 3 of said article.

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 to the Ordinary General Meeting to inform it about transactions carried out under this authorisation.

The Annual General Meeting sets the period during which the Board of Directors may use this authorisation at twenty-six months. It terminates all authorisations with the same purpose given by previous General Meetings.

Resolution no. 27: Authorisation to increase share capital for the benefit of employees

Presentation

The Ordinary and Extraordinary General Meeting of 22 April 2013 authorised your Board of Directors, for a period of 26 months, to increase the share capital or sell treasury shares for the benefit of the employees of the Company and of its related companies.

Your Board of Directors did not use this delegation.

Under the **twenty-seventh resolution,** you are asked to renew this authorisation for a period of 26 months.

The total number of shares that may be granted may not exceed **2% of the share capital** (*versus* 3% previously).

The subscription price of shares will be set in accordance with the provisions of Article L. 3332-19 of the French Labour Code (average of the quoted prices in the last twenty trading sessions preceding the day of the decision fixing the start date of the subscription period, less an optional discount not exceeding 20% or 30% when the lock-up period is longer than ten years).

The Board of Directors may also decide to award bonus shares or other securities carrying rights to shares of the Company, on the understanding that the total benefit resulting from this award and, where applicable, the matching contribution and the discount of the share price, may not exceed the legal or regulatory limits.

Twenty-seventh resolution

Authorisation granted to the Board of Directors to increase the share capital or sell treasury shares for the benefit of employees

The Extraordinary General Meeting, after hearing the reports of the Board of Directors and of the Statutory Auditors, and ruling in accordance with Article L. 3332-18 *et seq.* of the French Labour Code and of Article L. 225-138 *et seq.* of the French Commercial Code, authorises the Board of Directors, under the conditions provided for by law with the option of sub-delegating in application of Articles L. 225-12-2 and L .225-129-6 of the French Commercial Code, to carry out, at its sole discretion and if it considers it necessary, the share capital increase in one or several times, through share issues,

- either on the occasion of the implementation of any cash issue of securities carrying rights to shares of the Company;
- or if it appears, in light of the Board of Directors' report specified in Article L. 225-102 of the French Commercial Code, that the shares held collectively by employees of the Company or of companies related to it within the meaning of Article L. 225-180 of the French Commercial Code represent less than 3% of the share capital.

The subscription of this capital increase will be restricted to employee members of the company savings plan of Casino, Guichard-Perrachon and of its related companies under the conditions specified in Article L. 233-16 of the French Commercial Code and under the conditions set by Article L. 3332-18 *et seq.* of the French Labour Code.

The Annual General Meeting hereby resolves to cancel, for the benefit of the beneficiaries of any capital increase decided by virtue of this authorisation, the pre-emptive right of shareholders to the shares that shall be issued.

The total number of shares that may be issued under this authorisation may not exceed 2% of the total number of shares representing the Company's share capital, on the understanding that this cap is different from the cap specified in the fifteenth resolution and the aggregate cap specified in the twenty-second resolution.

The subscription price of shares will be fixed in accordance with the provisions of Article L. 332-19 of the French Labour Code.

The Annual General Meeting further resolves that the Board of Directors may decide on the allotment of bonus shares or other securities carrying rights to shares of the Company. The total benefit resulting from the award and where applicable, the matching contribution and the discount on the subscription price, may not exceed the legal or regulatory limits.

The Annual General Meeting authorises the Board of Directors to sell the shares acquired by the Company pursuant to the provisions of Article L. 225-206 *et seq.* of the French Commercial Code, in one or several times and at its sole discretion, within the limit of 2% of the shares issued by the Company to the employee members of a savings plan of the Company and of the companies related to it under the conditions specified in Article L. 233-16 of the French Commercial Code and under the conditions stipulated by Articles L. 3332-18 *et seq.* of the French Labour Code.

This authorisation is given for a period of twenty-six months starting from this General Meeting. It terminates all authorisations with the same purpose given by previous Annual General Meetings.

The capital increase or increases carried out shall correspond to the number of shares subscribed by the employees individually or through the intermediary of a company investment fund.

The Annual General Meeting authorises the Board of Directors, in accordance with and under the conditions of Article L. 225-135-1 of the French Commercial Code, to issue a number of shares greater than the number initially fixed at the same price as the one adopted for the initial issue within the limit of the foregoing cap.

The Annual General Meeting grants full powers to the Board of Directors, with the option of sub-delegating under the conditions defined by law, to implement the first authorisation and to carry out this or these issue(s) within the limits fixed above, at the dates and within the times and according to the methods that it will set in accordance with the statutory and legal stipulations and more particularly to:

- define the methods for the restricted issue or issues and, in particular, to determine whether the issues could be carried out directly for the benefit of the beneficiaries or through the intermediary of collective undertakings;
- set the amounts of the capital increases, the dates and duration of the subscription period, methods and time frames granted to subscribers to pay for their securities, the seniority conditions that should be met by the subscribers of new shares;
- at its sole discretion, after each capital increase, charge the capital increase costs to the related premium amount and withdraw from this amount the sums required to carry the legal reserve to one tenth of the new share capital;
- note the amount of the corresponding capital increases and amend the articles of association to reflect the direct or deferred capital increases;
- and generally, take any and all measures to perform any and all formalities useful to the issue, the quotation, and service of securities that can be issued under this authorisation.

Resolutions no. 28 and 30: Mergers by absorption of Frénil Distribution and Majaga

Presentation

To continue to streamline the Group's structures, you are asked to approve the merger by absorption by your Company of its subsidiaries Frénil Distribution **(twenty-eighth resolution)** and Majaga **(twenty-ninth resolution).**

The conditions for these transactions are presented in the Board of Directors' report to the Extraordinary General Meeting (page 259 and following).

The components of the contributions and the financial conditions for the transactions were determined on the basis of the financial statements at 31 December 2014. All transactions carried out since 1 January 2015 by the absorbed companies will be considered as having been carried out, for both assets and liabilities, on behalf of the absorbing company. Since the absorbed companies are controlled by your Company, all the assets and liabilities contributed were measured at the net carrying amount as required by Regulation no. 2004-01 of 4 May 2004 of the *Comité de la Réglementation Comptable* (CRC), the French Accounting Standards Board on the accounting treatment for mergers and similar transactions.

Since your Company already owns the entire capital of the absorbed companies, except for one share, and cannot receive its own shares, **39 Casino shares** will be issued to remunerate the rights of shareholders or minority partner of each of the absorbed companies, and allotted to the rights holder on the basis of 38 Casino shares for 1 Frénil Distribution share and 1 Casino share for 1 Majaga share.

Michel Tamet, the Merger Auditor, checked that the relative values assigned to the shares of the companies participating in the transaction are appropriate and that the exchange ratio established for rights in the company is fair. He also assessed the value of the contributions made by the absorbed companies.

The Company's capital will therefore increase by an amount of €59.67, with an overall merger premium of €1,345.34.

Under the **thirtieth resolution**, shareholders are asked to note the capital increase and amend Article 6 of the articles of association.

Twenty-eighth resolution

Merger by absorption of Frénil Distribution

The Extraordinary General Meeting, after hearing the reports of the Board of Directors and the Merger Auditor, in addition to the draft terms of the merger, following the private deed signed in Saint-Étienne on 12 March 2015, for Frénil Distribution, public limited company *(société anonyme)* with capital of €39,000, with registered office at 1, Esplanade de France – 42000 Saint-Étienne, identified under number 300 900 578 R.C.S. Saint-Étienne,

- approves all the clauses of the draft merger and the evaluation of the contributions therein;
- resolves on the Company's merger with Frénil Distribution, duly noting the approval of this merger by the Extraordinary General Meeting of shareholders of Frénil Distribution on 29 April 2015;
- notes that this merger has been carried out and that consequently, Frénil Distribution is dissolved in advance without the need for liquidation;
- approves the exchange ratio of 38 Casino shares for 1 Frénil Distribution share and the resulting capital increase.

Casino, Guichard-Perrachon, as consideration for this contribution, will issue 38 shares with a unit par value of €1.53 with a merger premium of €1,244.90.

These new shares will be allotted to the shareholder of Frénil Distribution other than Casino, Guichard-Perrachon, since Casino, Guichard-Perrachon already owns the 999 shares of the absorbed company to which it would have been entitled.

The merger premium will be registered on a special account as a liability on the balance sheet of Casino, Guichard-Perrachon and any appropriation determined by the community of shareholders can be paid into this account.

Twenty-ninth resolution

Merger by absorption of Majaga

The Extraordinary General Meeting, after hearing the reports of the Board of Directors and the Merger Auditor, in addition to the draft terms of the merger, following the private deed signed in Saint-Étienne on 4 March 2015, for Majaga, a French simplified limited company *(société par actions simplifiée)* with capital of €80,000, with registered office at 1, Esplanade de France – 42000 Saint-Étienne, identified under number 409 210 671 R.C.S. Saint-Étienne,

- approves all the clauses of the draft merger and the evaluation of the contributions therein;
- resolves on the Company's merger with Majaga, duly noting the approval of this merger by the Extraordinary General Meeting of shareholders of Majaga on 28 April 2015;
- notes that this merger has been carried out and that consequently, Majaga is dissolved in advance without the need for liquidation;
- approves the exchange ratio of 1 Casino share for 1 Majaga share and the resulting capital increase.

Casino, Guichard-Perrachon, as consideration for this contribution, will issue 1 share with a par value of €1.53 with a merger premium of €100.44.

This new share will be allotted to the partner of Majaga other than Casino, Guichard-Perrachon, since Casino, Guichard-Perrachon already owns the 4,999 shares of the absorbed company to which it would have been entitled.

The merger premium will be registered on a special account as a liability on the balance sheet of Casino, Guichard-Perrachon and any appropriation determined by the community of shareholders can be paid into this account.

Thirtieth resolution

Recognition of the capital increase resulting from the foregoing mergers and amendment of Article 6 of the articles of association

The Extraordinary General Meeting, duly noting the approval of the twenty-eighth and twenty-ninth resolutions, notes that the Company's share capital will be increased by €59.67 for the creation of 39 shares with a par value of €1.53 and amends Article 6 of the Article of Association as follows:

Article 6 – Contributions in kind – share capital

The following paragraphs are added to Section I:

"[…]

jj) Following the private deed signed on 12 March 2015 and the decision of the Extraordinary General Meeting of 12 May 2015, Frénil Distribution contributed, under the merger, its total assets in exchange for the transfer of its total liabilities, in consideration for the allotment of 38 shares with a unit par value of €1.53, issued with an overall premium of €1,244.90.

kk) Following the private deed signed on 04 March 2015 and decision of the Extraordinary General Meeting of 12 May 2015, Majaga contributed, under the merger, its total assets in exchange for the transfer of its total liabilities, in consideration for the allotment of one share with a par value of €1.53, issued with an overall premium of €100.44.

The wording of Section II is now as follows:

"II. The share capital is set at €173,158,057.53 divided into 113,175,201 shares with a unit par value of €1.53, fully paid.»

Resolution 31: Amendment of the articles of association with respect to the procedures for participating in Annual General Meetings

Presentation

Article 4 of Decree no. 2018-1466 of 8 December 2014 amended the wording of Article R. 225-85 of the French Commercial Code, first, by replacing the reference to the recording of shares for accounting purposes with a reference to the registration of shares into an account; and, second, by reducing from three working days to two working days the deadline for registering into their securities account the shares of the shareholders wishing to attend the General Meeting and for the issuance of the shareholding certificate for shareholders who wish to attend an Annual General Meeting but have not received an admission card.

Consequently, the General Meeting is asked to amend the wording of paragraph III of Article 25 of the articles of association as follows:

Former version	New version
Article 25 – Composition of the Annual General Meeting	*Article 25 – Composition of the Annual General Meeting*
[...]	*[...]*
III. The right to take part in General Meetings is subject to the recording of shares for accounting purposes in the name of the shareholder or the intermediary registered on the shareholder's behalf if the shareholder resides outside France, by the third business day preceding the General Meeting at midnight Paris time. Shares are recorded for accounting purposes either in the registered share accounts maintained by the Company or its authorised agent, or in the bearer share accounts maintained by an authorised intermediary.	*III. The right to take part in General Meetings is subject to the registration of shares in an account in the name of the shareholder or the intermediary registered on the shareholder's behalf if the shareholder resides outside France, within the timeframe provided for under Article R. 225-85 of the French Commercial Code. Shares are registered either in the registered share accounts maintained by the Company or its authorised agent, or in the bearer share accounts maintained by an authorised intermediary.*
The registration or recording for accounting purposes of shares in the bearer share accounts maintained by an authorised intermediary is acknowledged by a shareholder certificate issued by the latter, by e-mail, as an attachment to the form for voting by post 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 certificate is also issued to shareholders wishing to attend the General Meeting in person and who have not received an admission card by the third business day preceding the meeting at midnight, Paris time.	*The registration of shares in the bearer share accounts maintained by an authorised intermediary is acknowledged by a shareholder certificate issued by the latter, by e-mail, as an attachment to the form for voting by post 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 certificate is also issued to shareholders wishing to attend the General Meeting in person and who have not received an admission card within the timeframe provided for under Article R. 225-85 of the French Commercial Code.*
[...]	*[...]*

Thirty-first resolution

Amendment of paragraph III of Article 25 of the articles of association

The Extraordinary General Meeting, after hearing the Board of Directors' report, resolves to amend the wording of paragraph III of Article 25 of the articles of association which will now be as follows:

"Article 25 – Composition of the Annual General Meeting

[...]

III. The right to take part in General Meetings is subject to the registration of shares in an account in the name of the shareholder or the intermediary registered on the shareholder's behalf if the shareholder resides outside France, within the timeframe provided for under Article R. 225-85 of the French Commercial Code. Shares are registered either in the registered share accounts maintained by the Company or its authorised agent, or in the bearer share accounts maintained by an authorised intermediary.

The registration of shares in the bearer share accounts maintained by an authorised intermediary is acknowledged by a shareholder certificate issued by the latter, by e-mail, as an attachment to the form for voting by post 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 certificate is also issued to shareholders wishing to attend the General Meeting in person and who have not received an admission card within the timeframe provided for under Article R. 225-85 of the French Commercial Code.

[...]"

Resolution no. 32: Powers for formalities

Presentation

The **thirty-second resolution** is a customary resolution which allows the completion of publications and legal formalities.

Thirty-second resolution

Powers for formalities

The Annual General Meeting grants full powers to the bearers of an original extract or copy of the minutes of this General Meeting to complete all filings, publications and formalities prescribed by law.

NOTES

Information on components of the remuneration due or awarded to Jean-Charles Naouri, Chief Executive Officer, for 2014

(Seventh resolution of the Ordinary General Meeting of 12 May 2015)

In accordance with the recommendations derived from the AFEP-MEDEF Code revised in June 2013 and the Application Guide published by French High-Level Corporate Governance Committee, the shareholders are asked, under the seventh resolution, to issue an advisory opinion on the components of the remuneration due or awarded by the Company or the companies that it controls to the Chief Executive Officer for 2014, as detailed and commented in the table below.

All these components are also presented in the corporate governance section and in the Chairman's report, published in the 2014 Registration Document (see page 184 *et seq.*).

Components of the remuneration	Amount due or awarded for 2014	Information
Fixed remuneration	€480,000	Change compared to the previous year: none
Annual variable remuneration	-	The variable component can represent up to 100% of the fixed remuneration if the objectives are achieved and up to 175% of the fixed component if the objectives are exceeded. The 2014 variable remuneration is based on exclusively quantitative objectives such as organic revenue growth and consolidated trading profit, as well as underlying profit attributable to owners of the parent at current and constant exchange rates, up to a quarter of each. Furthermore, the payment of the variable component is contingent, first of all, on achieving the underlying profit target attributable to owners of the parent, either at current exchange rate or at constant exchange rate and regardless of the performance achieved for the other criteria. Consequently, if the target amount of the profit criterion is achieved either at current exchange rate or at constant exchange rate, the remuneration is determined on the basis of the performance achieved for each of the four criteria according to methods predefined by the Board of Directors. No variable remuneration will be paid if the criteria are not achieved. Reminder of the criteria: • growth of underlying profit attributable to owners of the parent at current exchange rate or at constant exchange rate (conditions for the trigger) • organic growth of consolidated revenue; • organic growth of trading profit. The prior condition of achieving growth of profit attributable to owners of the parent was not met. For 2013, the variable remuneration amounted to €515,000.
Benefits of any kind	Not applicable	The director is not entitled to any benefits in kind
Attendance fees	€12,500	The basic individual amount of attendance fees is set at €25,000, composed of a fixed component of €8,500 and a variable component of €16,500, without reallocation of the variable component of the absent members and reduced by half for the Chief Executive Officer.

Other components of remunerations specified by the AFEP-MEDEF: not applicable

No allocation, deferred annual variable remuneration scheme, multi-year variable remuneration scheme, or exceptional scheme were arranged for the Chairman and Chief Executive Officer.

The Chairman and Chief Executive Officer received no stock options or performance shares or any other long-term component of remuneration.

Furthermore, the Chief Executive Officer is not covered by any supplementary pension plan, benefits for termination of his functions, or non-compete clause.

Chapter 11

Additional information

11.1. GENERAL INFORMATION

Company name, registered office, and telephone number

Casino, Guichard-Perrachon

1, Esplanade de France – 42000 Saint-Étienne, France

Tel.: +33 (4) 77 45 31 31

Legal form

French public limited company (*Société anonyme*) subject to the provisions of Book II of the French Commercial Code.

Governing law

French law.

Incorporation and expiry dates

The Company was incorporated on 3 August 1898 and its articles of association were signed on 1 July 1898. The Extraordinary General Meeting of 31 October 1941 extended the duration of the Company to 31 July 2040, unless it is dissolved early or its duration is extended again.

Trade and Companies Register *(R.C.S.)*

Saint-Étienne Trade and Companies Register no. 554 501 171

APE Business Activity Code: 6420 Z.

Consultation of corporate documents

The articles of association, minutes of the Annual General Meetings, Statutory Auditors' reports and other legal documents are made available at the Company's registered office.

Corporate financial year

From 1 January to 31 December.

Corporate purpose *(Article 3 of the articles of association)*

The Company's purpose is:

- the creation and direct or indirect operation of all types of stores for the retail sale of all food and non-food items and products;
- the provision of all services to the customers of these stores and the manufacture of all merchandise that is useful to their operation;
- the wholesale of all merchandise, on its own behalf or for third parties, particularly for commission, and the provision of all services to these third parties; and
- more generally, all commercial, industrial, property development and financial transactions related to this purpose or likely to facilitate its realisation.

In France and abroad, the Company may create, acquire, use or license the use of all manufacturing, business, or service brands, all drawings and models, all patents and manufacturing processes relating to the above purpose.

It may acquire shareholdings and interests in all French or foreign companies and businesses, whatever their purpose.

It may operate in all countries and undertake in any manner the transactions falling within its purpose, whether directly or indirectly, alone, in partnership, as a joint venture, as a group or as a company, and with all other individuals or companies.

11.1.1. ARTICLES OF ASSOCIATION RELATING TO THE MANAGEMENT AND GOVERNANCE BODIES – BOARD OF DIRECTORS' INTERNAL RULES AND REGULATIONS

Board of Directors

Composition of the Board of Directors

(extract from Article 14 of the articles of association)

The Company is managed by a Board of Directors. Subject to the legal provisions applicable in case of merger with another *société anonyme*, it comprises a minimum of three members and a maximum of eighteen, appointed by the Ordinary General Meeting.

Directors' shareholdings

(extract from Article 15 of the articles of association)

Each director must hold at least 100 registered shares.

Term of office – age limit – replacement

(extract from Article 16 of the articles of association)

I – Excluding the effect of paragraphs II and III below, the term of office for directors is three years expiring at the end of the Ordinary General Meeting called to approve the financial statements for the previous year and held in the year during which the term of office expires.

Directors may be reappointed at the end of their term.

Directors are appointed or reappointed by the Ordinary General Meeting. The directors are reappointed by rotation in a manner that ensures a regular renewal of directors' terms with as even a distribution as possible. The Ordinary General Meeting may exceptionally appoint a director for a one or two-year term to allow for rotation.

II – A director or permanent representative of a legal entity director who is over the age of seventy (70) years may not be appointed if their appointment brings the number of directors and permanent representatives of a legal entity director who are over this age to more than two thirds of Board members. When this limit is exceeded, the oldest director or permanent representative of a legal entity director is deemed to have resigned from office at the end of the Ordinary General Meeting to approve the financial statements for the year in which the limit was passed.

III – In the case of a vacancy due to death or resignation of one or more directors, the Board of Directors may make a provisional appointment in the period between two Annual General Meetings. These appointments are subject to ratification by the next Annual General Meeting.

If a Board-appointed director is not ratified by the General Meeting, the duties accomplished by this director and the decisions taken by the Board during the period of provisional management remain valid.

If the number of directors falls below three, the remaining members (or, if none, a corporate officer appointed at the request of any interested party by the presiding judge of the Commercial Court) shall immediately call an Ordinary General Meeting to appoint one or more new directors so that the Board reaches its legal minimum.

The director appointed to replace another director remains in office only for the remaining period of his predecessor's term.

The appointment of a new Board member to join current members may only be decided by the Annual General Meeting that sets the term of office.

Organisation, meetings and decisions of the Board of Directors

Chairman – Office of the Board

(extracts from Articles 17 and 20 of the articles of association)

The Board of Directors elects a Chairman from among its members who are natural persons, whose duties are defined by law and the articles of association. The Chairman of the Board of Directors organises and manages the work of the Board of Directors and reports on this work to the Annual General Meeting. The Chairman monitors the smooth operation of the Company's bodies and in particular ensures that the directors are capable of carrying out their duties.

A director may be appointed as Chairman for the entirety of their term, subject to the right of the Board of Directors to remove them from their duties as Chairman at any time and to their right to renounce the duties of Chairman before the end of their term as director. The Chairman may be re-elected. The age limit for performing the duties of Chairman is set at 70 years with an exception when the Chairman reaches the age limit during their term of office, in which case they may remain as Chairman until the end of their term.

The Board of Directors may delegate the Chairman's duties to a director if the Chairman is temporarily unable to perform their duties or in the case of death. In the case of temporary incapacity, this delegation is granted for a limited period which may be renewed. In the case of death, it lasts until a new Chairman is elected.

Non-voting directors

(extract from Article 23 of the articles of association)

The Ordinary General Meeting may appoint non-voting directors, either individuals or legal entities, from among the shareholders. In the period between two Ordinary General Meetings, the Board of Directors may appoint non-voting members subject to ratification by the next General Meeting. The number of non-voting directors may not exceed five.

The term of office for non-voting directors is three years, expiring at the end of the Ordinary General Meeting called to approve the financial statements for the previous year and held in the year during which the term of office expires. Non-voting members may be reappointed indefinitely; they may be removed at any time by the Ordinary General Meeting.

Non-voting directors attend Board of Directors' meetings; in this role they provide their opinions and observations and participate in decisions in an advisory capacity.

They may receive remuneration, the total amount of which is set by the Ordinary General Meeting and remains effective until a new decision by another General Meeting. This remuneration is divided between the non-voting members by the Board of Directors as it deems appropriate.

Board decisions

(extract from Article 18 of the articles of association)

The Board meets as often as required by the interests of the Company and whenever it sees fit, at a place indicated in the notice of the meeting. Notices of meetings are issued by the Chairman or on the Chairman's behalf by a person they designate. When a meeting has not been held for more than two months, one third of the serving Members may ask the Chairman to call a meeting with a specific agenda. The Chief Executive Officer may also ask the Chairman to call a meeting of the Board of Directors with a specific agenda.

The Board's decisions are valid if at least half the serving directors are effectively present. The directors may participate in proceedings by means of a video conference or a similar communications system in accordance with the terms and conditions set forth in current regulations and the Board of Directors' internal rules and regulations.

Decisions are taken by a majority vote of the members present and represented. In the event of a tied vote, the Chairman of the meeting has a casting vote. However, if the Board consists of fewer than five members, decisions may be made by two members in attendance who are in agreement.

Powers of the Board of Directors

(extract from Article 19 of the articles of association)

The Board of Directors determines the Company's business strategy and monitors its implementation. Subject to the powers expressly granted to the shareholders' meetings and within the scope of the Company's corporate purpose, the Board of Directors acts on all issues affecting the proper operation of the Company and deliberates on these matters. The Board of Directors performs the checks and verifications it deems necessary.

At its sole discretion and at any time, the Board may modify executive management procedures; this decision does not require an amendment to the articles of association.

To assist it in its work, the Board may appoint committees and determine their composition and remit. The committees issue proposals, recommendations, and opinions as appropriate within their area of competence.

In compliance with the law, the Board authorises the agreements referred to in Article L. 225-38 of the French Commercial Code, *i.e.* agreements other than those relating to ordinary business operations and concluded at arm's length. In accordance with Article L. 225-35 of the French Commercial Code, agreements for bonds, sureties or guarantees granted in the name of the Company are subject to the Board's authorisation. However, the Board may authorise the Chief Executive Officer to grant bonds, sureties or guarantees in the name of the Company up to an overall limit per year and, if appropriate, per agreement.

Except where prohibited by law, all powers, offices and duties limited to one or several transactions or types of transactions may be delegated to any individuals, whether Board Members or not.

In addition, the Company's Board of Directors has implemented a number of mechanisms in its internal rules and regulations to ensure the oversight of the executive management of the Company *(see the section on «Corporate Governance»)*.

Executive management procedures

Combined duties of the Chairman of the Board of Directors and the Chief Executive Officer *(extract from Article 21 of the articles of association)*

Executive management

The Company's executive management falls under the responsibility of the Chairman of the Board of Directors or a Chief Executive Officer appointed by the Board of Directors.

Since 21 March 2005, the Chairman of the Board of Directors has also held the position of Chief Executive Officer, although the articles of association provide for the possibility of segregating these duties.

The Board of Directors sets the Chief Executive Officer's term of office, which may not exceed three years, at its own discretion. The Chief Executive Officer may be reappointed.

The Chief Executive Officer has the broadest powers to act in all circumstances on behalf of the Company. Nevertheless, these powers must be exercised within the scope of the Company's purpose and the powers expressly conferred by law to Shareholders' Meetings and Boards of Directors.

However, the Board of Directors may adopt an internal rule restricting the Chief Executive Officer's powers *(see the section on "Corporate Governance" for a description of the restrictions decided by the Board)*. The Chief Executive Officer represents the Company in its dealings with third parties.

The age limit for performing the duties of Chief Executive Officer is set at 70 years with an exception when the Chief Executive Officer reaches the age limit during their term of office, in which case they may remain as Chief Executive Officer until the end of their term.

The Chief Executive Officer may be removed from office at any time by the Board of Directors. A removal made without just cause may lead to damages, except when the Chief Executive Officer is also the Chairman of the Board Directors.

Chief Operating Officers

Upon a proposal by the Chief Executive Officer, the Board of Directors may appoint up to five individuals or legal entities to assist the Chief Executive Officer, with the title of Chief Operating Officers.

Their term of office may not exceed three years and they may be reappointed. The Chief Operating Officers have the same powers as the Chief Executive Officer in dealings with third parties.

The age limit for performing the duties of Chief Operating Officer is set at 70 years with an exception when the Chief Operating Officer reaches the age limit during their term of office, in which case they may remain as Chief Operating Officer until the end of their term.

The Chief Operating Officers may be removed from office at any time by the Board of Directors upon a proposal by the Chief Executive Officer. If the Chairman acts as Chief Executive Officer, the Chief Executive Officer or any of the Chief Operating Officers are authorised to delegate or substitute powers to carry out one or several specific transactions or categories of transactions.

Internal rules and regulations of the Board of Directors

The Company's Board of Directors has adopted internal rules and regulations for its operation, in addition to the laws, regulations and articles of association governing the Company.

The internal rules and regulations specify the organisation, operating methods, powers and remits of the Board of Directors and its committees. They also set out the methods for monitoring and assessing its performance *(see the Chairman's Report for a description of the different committees established, the limits on executive management powers and the monitoring and assessment of the Board of Directors' performance)*.

These rules and regulations have been updated several times, with the latest update on 17 February 2014, to include changes to the powers of the Chief Executive Officer with regards to sureties, bonds and guarantees.

11.1.2. APPROPRIATION OF PROFIT (EXTRACT FROM ARTICLE 33 OF THE ARTICLES OF ASSOCIATION)

The income statement lists the income and expense items for a given financial year. After deduction of depreciation, amortisation and provision charges, it shows the profit or loss for that year.

In accordance with the law, the profit less any prior year losses is first allocated to reserves, specifically to the legal reserve.

An initial dividend is paid from the current year profit in an amount equal to five percent (5%) of the par value of the paid-up shares. If, in a given year, there is insufficient profit available to pay this initial dividend in full, unappropriated retained earnings from prior years may not be used to make up the difference.

The excess profit after the payment of the initial dividend plus any unappropriated retained earnings from prior years is available for the Annual General Meeting to distribute to all shareholders.

However, prior to any further distributions to shareholders or other appropriations and on a proposal by the Board of Directors, the Annual General Meeting may decide to allocate some or all of the excess profit (*i.e.* current year profit after the allocation to the legal reserve and the payment of the initial dividend in an amount equal 5% of the par value of the paid-up shares) to any ordinary or extraordinary, restricted or non-restricted discretionary reserves.

The sums placed in reserve may later be distributed or incorporated into capital on the recommendation of the Board of Directors and by decision of the Annual General Meeting.

11.1.3. ANNUAL GENERAL MEETINGS

Notice of meeting and admission *(extract from Articles 25 and 27 of the articles of association)*

Annual General Meetings are called under the conditions set forth by the law.

The right to take part or be represented in Shareholders' Meetings is subject to the recording of shares for accounting purposes[1] in the name of the shareholder or the intermediary registered on the shareholder's behalf if the shareholder resides outside France, by the third[1] business day preceding the Shareholders' Meeting at midnight Paris time. Shares are recorded for accounting purposes either in the registered share accounts maintained by the Company or its authorised agent, or in the bearer share accounts maintained by an authorised intermediary.

The registration or recording for accounting purposes of shares in the bearer share accounts maintained by an authorised intermediary is acknowledged by a shareholder certificate issued by the latter, by e-mail, as an attachment to the form for voting by post 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 certificate is also issued to shareholders wishing to attend the Shareholders' Meeting in person and who have not received an admission card by the third[1] business day preceding the meeting at midnight, Paris time.

Shareholders' Meetings are held in the city of the registered office or in any other place in France specified in the notice of meeting.

Annual General Meetings are open to all shareholders regardless of the number of shares held.

Voting rights (double voting rights) *(extract from Article 28-III of the articles of association)*

Each of the Company shares carries the right to cast one vote in shareholder elections without limitation, except as provided by law or the articles of association.

However, as allowed by law, double voting rights are attached to all fully-paid registered shares which have been registered in the name of the same shareholder for at least four years and to any bonus registered shares issued through the incorporation into capital of reserves, profits or share premium in respect of former shares entitled to these rights.

The double voting right automatically ceases for any shares converted into bearer shares or transferred to a different owner, except in the event of a registered-to-registered transfer, pursuant to the provisions of Article L. 225-124 of the French Commercial Code.

Votes cast or proxies given by an intermediary that either has not disclosed its status as a nominee shareholder acting on behalf of shareholders non-resident in France, or has not disclosed the identity of those non-resident shareholders as required by the applicable regulations, are not taken into account.

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, which changed the registration period requirement for registered shares from two to four years.

(1) Decree no. 2018-1466 of 8 December 2014 amended the wording of Article R. 225-85 of the French Commercial Code, first, by replacing the reference to the recording of shares for accounting purposes with a reference to the registration of shares into an account; and, second, by reducing from three working days to two working days the deadline for registering into their securities account the shares of the shareholders wishing to attend the General Meeting and for the issuance of the shareholding certificate for shareholders who wish to attend an Annual General Meeting but have not received an admission card. An amendment to the articles of association to include these changes is proposed to the Annual General Meeting (see Chapter 10 of this document).

11.1.4. IDENTIFIABLE HOLDERS OF BEARER SHARES *(ARTICLE 11-I OF THE ARTICLES OF ASSOCIATION)*

The Company may at any time, subject to the conditions laid down by regulations, ask the body responsible for clearing its shares to reveal the names – or, in the case of a legal entity, the corporate names – addresses and nationalities of holders of bearer shares conferring an immediate or deferred right to vote at its Shareholders' Meetings, together with the number of shares held by each such shareholder and any restrictions attached to these shares.

The Company may, directly or through the clearing body, also ask shareholders on this list that are likely to be holding shares on behalf of a third party whether they hold these shares on their own behalf or on behalf of a third party and, in the latter case, to provide the information necessary to identify such third party or parties. Should the identity of the owners of the shares not be revealed, the vote or proxy authorisation issued by the intermediary will be discarded.

In addition, any legal entity owning shares in excess of 2.5% of the capital or voting rights must, when so requested by the Company, reveal the identity of the individuals and/or legal entities which own, either directly or indirectly, more than one third of the share capital of that legal entity or of the voting rights exercised at its Annual General Meetings.

Failure to comply with the request for information may result in the voting and dividend rights attached to the shares or securities carrying immediate or deferred rights to shares, and for which these persons have been registered on the account, being suspended or removed in compliance with the law.

Crossing of shareholding thresholds
(Article 11-II of the articles of association)

Any individual or legal entity – including any intermediary registered as a holder of shares of persons not resident in France – who, acting alone or in concert with other individuals or legal entities, comes to hold or ceases to hold, by whatever means, a number of shares representing 1% of the voting rights or of the share capital or any multiple thereof, is required to inform the Company of the total number of shares and voting rights held, by means of registered letter with proof of receipt within five trading days from the date one of these thresholds is crossed.

This person must, under the same conditions, inform the Company of the number of securities held which carry deferred rights to Company shares and the number of voting rights attached thereto.

These disclosure requirements cease to apply when over 50% of the voting rights are held individually or in concert.

Failure to comply with these requirements will result in the undisclosed shares exceeding the threshold being stripped of the right to vote at Shareholders' Meetings if, during a Meeting, the failure to disclose has been noted and if one or several shareholders holding together 5% or more of the share capital or voting rights submit such a request. Similarly, any voting rights that have not been properly disclosed may not be exercised. Such shareholders will be stripped of their voting rights at all Shareholders' Meetings until the expiry of a period of two years following the date on which the required disclosure is duly made.

11.2. HISTORY OF THE COMPANY

1898	The Company is founded by Geoffroy Guichard and opens its first branch.
1901	Launch of the first Casino brand products.
1914	Casino is operating 460 branches and 195 concessions.
1929	Casino is operating 20 factories, 9 warehouses, 998 branches, and 505 concessions.
1939	Just before World War II, Casino has 1,670 branches and 839 concessions.
1948	Opening of the first self-service store in Saint-Étienne.
1960	Opening of the first supermarket in Grenoble.
1967	Opening of the first cafeteria in Saint-Étienne.
1970	Opening of the first hypermarket in Marseille and acquisition of control of L'Épargne, a retail company in the south-west of France.
1971	The Group is operating 2,575 outlets.
1976	Casino enters the United States market by launching a chain of cafeterias.
1980	Casino is managing a store network of 2,022 superettes, 76 supermarkets, 16 hypermarkets, 251 affiliates, 54 cafeterias, and 6 factories.
1984	Acquisition in the United States of a chain of 90 Smart & Final cash-and-carry stores
1985	Acquisition of control of Cedis (€1.14 billion in net sales), a retailer operating in eastern France.
1990	Acquisition of La Ruche Méridionale (€1.2 billion in net sales), a retailer operating in southern France. Acquisition in the United States of Port Stockton Food Distributors, a food wholesaler. Sale of the hypermarket and supermarket service station business to Shell and Agip.
1991	Spin-off of the retail business.
1992	Acquisition of Rallye's retailing business.
1994	Casino becomes a French public limited company (société anonyme) governed by an Executive Board and Supervisory Board.
1995	Partnership agreement with the Corse Distribution Group leading to the acquisition of a 50% interest in Codim 2 and Médis.
1996	Partnership agreement with Coopérateurs de Normandie-Picardie. Creation of a joint venture with Dairy Farm International to develop hypermarkets in Taiwan. Creation of Spar France. Purchase of Agip service stations located on Casino hypermarket and supermarket sites. Opening of the first hypermarket in Poland.
1997	Casino acquires the entire share capital of Médis. Casino and Shell launch the Club Avantages (loyalty card). Acquisition of the Franprix and Leader Price networks (€1.9 billion in net sales), as well as the wholesaler Mariault (€152 million in net sales). Casino takes a 21.4% stake in the share capital of Monoprix/Prisunic.
1998	Acquisition of 75% of the share capital of Libertad (Argentina). Transfer of the Centre Auto business to Feu Vert, in which Casino holds a 38% interest. Casino takes a 50% stake in the Disco Group (Uruguay). Opening of the first hypermarket in Taiwan.

1999	Casino acquires a 66% stake in the Big C Group (Thailand). Purchase of 75 superettes from Guyenne & Gascogne. Creation of the central purchasing organisation Opéra with Cora. Launch of the first Imagica store specialising in one-hour digital film-processing. Acquisition of a 25% interest in the share capital of Éxito (Colombia) and the CBD Group (Brazil).
2000	Casino acquires a 50% interest in Cdiscount. End of the joint venture with Dairy Farm International in Taiwan and signing of an agreement with Far Eastern Group to create Far Eastern Géant in Taiwan. Opening of the first Leader Price in Poland. Purchase of 475 convenience stores from Auchan. Casino takes part in the creation of WorldWide Retail (WWRE), a new B2B electronic exchange platform. Casino increases its stake in Monoprix to 49.3%, at par with Galeries Lafayette which also holds 49.3% of Monoprix's share capital. Casino strengthens its presence in Latin America: in Uruguay, Disco takes control of Devoto (21 outlets) and in Venezuela, Casino acquires a 50.01% interest in Cativen (48 supermarkets and 2 hypermarkets).
2001	Casino joins forces with Cofinoga to set up Banque du Groupe Casino. Opening of a Géant hypermarket in Bahrain (Persian Gulf) as part of the affiliation agreement with the Sana Group. Signing of an agreement with the Bourbon Group for Casino to acquire a 33.34% interest in Vindémia, which has operations in Reunion, Madagascar, Mayotte, Mauritius and Vietnam.
2002	Cora terminates the agreement for the Opéra central purchasing organisation. Casino Cafétéria enters the food service market. Casino and Galeries Lafayette launch "S'Miles", a new generation loyalty programme combining the loyalty programmes "Points Ciel" (Galeries Lafayette) and "Club Avantages" (Casino/Shell). Opening of the first two Leader Price stores in Thailand. Purchase of Shell fuel stations located on Casino hypermarket and supermarket sites. Casino takes a 38% stake in the share capital of Laurus, a Dutch retail company. Creation of a new central purchasing organisation, EMC Distribution. Casino joins forces with Auchan to create International Retail and Trade Services (IRTS), a company providing services to industry (multinational suppliers and/or SMEs).
2003	Casino and Galeries Lafayette agree to continue their partnership in Monoprix for a three-year period and jointly submit a buyout offer followed by a squeeze-out offer on Monoprix shares. Smart & Final Inc. sells its food service business in Florida and California. Casino becomes a French public limited company (société anonyme) governed by a Board of Directors.
2004	The Casino Group and CNP Assurances announce a strategic agreement to develop and promote insurance products to customers of the Group's stores in France. The Casino Group brings its shareholding in Franprix Holding to 95% and in Leader Price Holding to 75%.
2005	Casino acquires joint control of the CBD Group, i.e. 68.8% of the share capital of the Group's holding company. Casino becomes the majority shareholder in Vindémia with 70% of its share capital. Spin-off of the Group's shopping centres in France with the creation and IPO of Mercialys. The Casino Group sells 13 warehouses to Mines de la Lucette.

2006	Ending of the equity swap agreement agreed between Deutsche Bank and Casino. Sale of GMB/CORA shares. Éxito takes control of the listed group, Carulla Vivero, the second leading retailer in Colombia. Casino sells its remaining 38% interest in Feu Vert. Creation of DunnHumby France in partnership with DunnHumby. Casino sells its business in Poland. End of the international partnership with Auchan within International Retail and Trade Services (IRTS).
2007	Casino sells its 55% stake in Smart & Final (United States) to the Apollo investment fund. Casino becomes the majority shareholder of Éxito after exercising its right of first refusal over the shares sold by the Toro family. Partnership between Casino and Cencosud to create a joint venture to develop the DIY retail business in Colombia. Casino signs an agreement with the property investment fund Whitehall to develop shopping centres in Poland and other Eastern European countries. Following various share acquisitions and capital increases, Casino holds 66.8% of Cdiscount's share capital. After Bourbon exercises its put option, Casino fully owns Vindémia (Indian Ocean region). Casino sells the buildings of 225 superettes and supermarkets in mainland France and the buildings of stores and warehouses in Reunion to two OPCIs (regulated French property investment vehicles).
2008	Casino raises its stake in Super de Boer to 57% of the share capital and voting rights. Telemarket.fr signs a retail agreement with the Casino Group to use the Group's central purchasing organisation. Casino reduces its interest in Mercialys from 61.48% to 59.76% to comply with the requirements of the SIIC 4 tax regime. The Casino Carbon Index is the first comprehensive environmental label. A new employee shareholding plan, Emily 2, is set up. The Group continues its asset value creation policy by selling the buildings of 42 superettes, Casino supermarkets, and Franprix and Leader Price stores to two property development partners including AEW Immocommercial, an OPCI. Casino and Galeries Lafayette sign an amendment to their 2003 strategic agreement to freeze the exercise call and put options on Monoprix shares for three years. Philippe Houzé is reappointed Chairman of Monoprix until March 2012.
2009	Conversion of all preference shares into ordinary shares. The Casino Group joins the United Nations Global Compact to strengthen its initiatives in promoting and implementing universal social and environmental principles. 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. It launches the business of developing solar photovoltaic power systems on the roofs of stores and shopping centre car parks through its subsidiary GreenYellow. Casino acquires the Baud family's non-controlling interests in Franprix and Leader Price. A distribution agreement is signed between Casino and the Sherpa store network for Sherpa to use the Casino Group's central purchasing organisation. Creation of an executive team to manage the Géant Casino hypermarkets and Casino supermarkets and a single management team for the Group's food and non-food purchases. GPA signs an agreement to create a joint venture between its subsidiary Globex Utilidades SA and Casas Bahia Comercial Ltda, the leading non-food retailer in Brazil, thus strengthening its leadership position in the Brazilian retail market.

2010	The Cactus Group, Luxembourg's leading retailer, signs a contract with the Casino Group's central purchasing organisation. The Casino Foundation launches its first programme to prevent the isolation of hospitalised children, in partnership with the Docteur Souris association. Signing of a long-term partnership between the Casino Group and the Crédit Mutuel-CIC Group for financial products and services in France through its specialised subsidiary, Banque Casino, the Casino Group's bank. Big C, a Thai subsidiary of the Casino Group, signs an agreement with Carrefour to acquire Carrefour's operations in Thailand involving 42 stores and 37 shopping centres. Casino signs a partnership with the Bolivarian Republic of Venezuela, which acquires 80% of Cativen with Casino retaining 20% to provide operational support to the new state-controlled entity. Casino brings a new momentum to its low price brand by launching the "'Tous les jours" product line, quality everyday products at the lowest price. The GPA/Casas Bahia merger in Brazil becomes effective in November. On 1 January 2011, the Casino Group joins the EMD European central purchasing organisation, thus improving its supply chain competitiveness from [1] January 2011.
2011	Casino purchases the Charles brothers' stake in Cdiscount, with the brothers also stepping down from operational duties; Casino now holds 99% of Cdiscount's share capital. The Casino Group signs the first corporate Civic Service Charter with the French Ministry for Youth and Community Life. The Group's Convenience division enters into a partnership with the French postal service, La Poste, to set up convenience stores next to post offices. The Casino Group strengthens its integration in Latin America by selling its interests in Disco and Devoto, Uruguayan companies, to its Colombian subsidiary Éxito to take advantage of synergies. The Casino Group increases its stake in GPA. At 31 December 2011, Casino holds 40.13% of GPA. The Group's subsidiary Banque 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 and credit card issued by Banque Casino.
2012	The launch of Mercialys' new retail property development strategy that enriches its services offering. Casino strengthens its financial flexibility and starts a loss of control process for Mercialys. Casino and Galeries Lafayette sign a transaction protocol for Monoprix. Jean-Charles Naouri is appointed Chairman and Chief Executive Officer of Monoprix. Casino acquires an initial interest in Monshowroom, an online ready-to-wear retailer. The Casino Group becomes the controlling shareholder of GPA, the leading retailer in Brazil. GPA is therefore fully consolidated in Casino's financial statements starting from 2 July 2012. The Casino Group receives the Washburne award for its significant contribution to promoting equal opportunities. The Casino Group invests in a brand-new delivery method in food retailing, using the Paris waterways to supply its Franprix stores. Casino becomes the first retailer in the world to offer customers the ability to shop using an order wall with image recognition and NFC1.
2013	Acquisition of full control of the Monoprix Group. Purchase of 38 convenience stores in the south-east of France from the Norma Group. Agreement with Mutant Distribution, subsidiary of the Coopérateurs de Normandie-Picardie group, dealing with the purchase of 47 stores by Leader Price, mainly situated in the south-west of France, and the establishment of an affiliate partnership with the Leader Price brand through a trademark licensing agreement and provisions dealing with close to 90 stores in Normandie-Picardie.

11.3. STORE NETWORK

FRANCE

	Number of stores at 31 December			Retail area *(in thousands of sq.m.)*		
	2012	2013	2014	2012	2013	2014
HM Géant Casino	**125**	**126**	**127**	**919**	**920**	**925**
of which:						
French Affiliates	9	7	7			
International Affiliates	6	9	10			
SM Casino	**445**	**444**	**444**	**721**	**705**	**712**
of which:						
French Franchised Affiliates	58	60	63			
International Franchised Affiliates	41	34	32			
Monoprix	**542**	**584**	**632**	**666**	**681**	**716**
of which:						
Franchises/Affiliates	137	163	186			
Naturalia	71	74	90			
Franchised Naturalia		1	2			
Franprix	**891**	**885**	**860**	**378**	**372**	**371**
of which Franchises	390	344	323			
Leader Price	**604**	**619**	**801**	**538**	**548**	**648**
of which Franchises	231	120	207			
Total SM and Discount	**2,482**	**2,532**	**2,737**	**2,303**	**2,306**	**2,447**
Convenience stores	**6,546**	**7,347**	**6,825**	**861**	**913**	**858**
Indian Ocean region[1]	**123**	**131**	**129**	**112**	**113**	**112**
Other businesses (food services, service stations, etc.)	**458**	**513**	**598**	**N/A**	**N/A**	**N/A**
TOTAL FRANCE	**9,734**	**10,649**	**10,416**	**4,196**	**4,254**	**4,345**

(1) Until 30 September 2014, this line was shown under "Total International".

INTERNATIONAL

	Number of stores at 31 December			Retail area *(in thousands of sq.m.)*		
	2012	2013	2014	2012	2013	2014
Argentina	**24**	**22**	**27**	**127**	**117**	**115**
HM Libertad	15	15	15	120	116	113
Other	9	7	12	7	1	2
Uruguay	**52**	**54**	**54**	**73**	**80**	**80**
HM Géant	1	2	2	11	16	16
SM Disco	27	28	28	29	30	31
SM Devoto	24	24	24	33	33	33
Brazil	**1,881**	**1,999**	**2,143**	**2,615**	**2,753**	**2,864**
HM Extra	138	138	137	805	805	812
SM Pão de Açúcar	162	168	181	210	218	233
SM Extra	207	213	207	236	242	237
Assai (discount)	61	75	84	197	272	317
SUP Extra Facil and Mini Mercado Extra	107	164	256	26	39	62
Casas Bahia	568	602	663	789	824	868
Ponto Frio	397	397	374	258	259	244
Drugstores	157	157	158	11	11	11
+ Service stations	84	85	83	84	84	81
Colombia	**427**	**739**	**1,258**	**740**	**790**	**889**
HM Éxito	87	85	82	475	470	460
SM Éxito and Carulla	136	145	153	176	193	205
SM Super Inter			46			54
Surtimax (discount)	119	415	874	65	109	151
of which "Aliados"		*269*	*721*			
Éxito Express and Carulla Express	77	91	102	12	15	18
Other	8	3	1	12	4	1
Thailand	**348**	**559**	**636**	**977**	**1,045**	**1,073**
HM Big C	113	119	123	924	956	971
SM Big C	18	30	37	27	38	43
SUP Mini Big C	126	278	324	22	46	53
Pure	91	132	152	4	5	6
Vietnam	**33**	**35**	**40**	**115**	**131**	**150**
HM Big C	21	25	30	112	128	148
Convenience stores	12	10	10	3	3	2
TOTAL INTERNATIONAL	**2,765**	**3,408**	**4,158**	**4,649**	**4,916**	**5,171**

11.4. CHAIRMAN'S REPORT

In accordance with the provisions of Article L. 225-37 of the French Commercial Code, this report was prepared by the Chairman of the Board of Directors.

It aims to present the governance principles applied by the Board of Directors and executive management, and to describe the Company's internal control and risk management procedures.

This report, attached to the management report on the activities of the Company and its subsidiaries for the year ended 31 December 2014, was reviewed by the Appointments and Remuneration Committee and the Audit Committee, and then approved by the Board of Directors. It was made available to shareholders prior to their Annual General Meeting.

In accordance with Article L. 225-235 of the French Commercial Code, it was also the subject of a report by the Statutory Auditors on the internal control procedures relating to the preparation and treatment of accounting and financial information and of a statement confirming the disclosure of other required information.

11.4.1. PREPARATION AND ORGANISATION OF THE BOARD OF DIRECTORS' WORK

11.4.1.1. Corporate governance code

In line with the Company's policy of implementing good governance practices, the Board of Directors has adopted the AFEP-MEDEF Corporate Governance Code for listed companies (the AFEP-MEDEF Code) published in June 2013, in particular as its reference for drafting this report.

The AFEP-MEDEF Code is available on the Company's website: http://www.groupe-casino.fr.

The Company applies all the recommendations of the AFEP-MEDEF Code, in addition to those in the French High-Level Corporate Governance Committee's "Guide for the application of the AFEP-MEDEF Corporate Governance Code for listed companies of June 2013" *(Guide d'application du code AFEP-MEDEF de gouvernement d'entreprise des sociétés cotées de juin 2013)* published in December 2014, which are included in the Registration Document and this report.

11.4.1.2. Board of Directors

11.4.1.2.1. Composition of the Board of Directors

The members of the Board of Directors are listed on page 150 of this document.

11.4.1.2.2. Preparation and organisation of the Board of Directors' work

The conditions for preparing and organising the Board of Directors' work are defined by the law, the Company's articles of association, the provisions of the Board's internal rules and regulations, and the charters of the Board's special committees.

Organisation and operation methods of the Board of Directors

Chairmanship of the Board of Directors

The positions of Chairman of the Board of Directors and Chief Executive Officer were combined by the Board of Directors on 21 March 2005. They have since been held by Jean-Charles Naouri, also a controlling shareholder of the Group.

In a highly-competitive, fast-changing environment, this combination seeks to strengthen the link between strategy and operations and accordingly promote and enhance the efficiency of decision-making processes.

Duties of the Chairman of the Board of Directors

The Chairman organises and directs the Board of Directors' work and reports to the Annual General Meeting of Shareholders.

In this respect, the Chairman convenes Board meetings, prepares the agenda and writes the minutes. The Chairman ensures the proper operation of the Company's management bodies and verifies, in particular, that the directors are able to carry out their duties.

Board of Directors' internal rules and regulations

The organisation and operation of the Board of Directors are described in the Board of Directors' internal rules and regulations adopted in December 2003 and last amended by the Board of Directors on 17 February 2014. These consolidate and clarify the rules applicable to the Board by law, regulations and the Company's articles of association. They also include the corporate governance principles which the Board applies.

The internal rules and regulations describe the operation, powers, role and duties of the Board of Directors and its special committees, namely the Audit Committee and the Appointments and Remuneration Committee. They also clarify the role of the lead director. They specify the limits to the powers of the Chairman and Chief Executive Officer.

The internal rules and regulations also define the code of conduct and principles of good governance applicable to the members of the Board of Directors, especially the confidentiality obligation set forth in Article L. 465-1 of the French Monetary and Financial Code and Articles 621-1 *et seq.* of the AMF General Regulations on insider trading as well as the obligation to observe a blackout period in relation to all transactions in the Company's shares during the fifteen-day period preceding the publication of the Company's annual and interim financial statements.

They also mention the registration of directors on the list of permanent insiders drawn up by the Company, as required by regulations intended to better prevent insider trading and breaches.

They include provisions governing the declarations that must be made by corporate officers, individuals having close personal ties to members of the Board of Directors, and similar individuals regarding their transactions in Company shares.

The internal rules and regulations set out the principle of formal and regular assessments of the Board of Directors' work.

They also describe the terms and conditions for Board meetings and deliberations and allow directors to attend Board meetings by video conference or any other means of telecommunication.

The Board of Directors' internal rules and regulations are available on the Company's website: http://www.groupe-casino.fr.

Role and responsibilities of the Board of Directors

Pursuant to the provisions of Article L. 225-35 of the French Commercial Code, the Board of Directors determines the Company's business strategy and monitors its implementation. Subject to the powers expressly granted to the Shareholders' Meetings and within the scope of the Company's corporate purpose, the Board of Directors acts on all issues affecting the proper operation of the Company and deliberates on these matters.

It performs such audits and reviews as it deems appropriate.

The Board of Directors also examines and approves the annual and interim parent company and consolidated financial statements and presents reports on the business and results of the Company and its subsidiaries. It approves the Company's business plan and financial projections. It reviews the Chairman's report in view of its approval. It determines whether executive management should be represented by a single or combined position, appoints its Chairman and appoints and sets the remuneration of the Chief Executive Officer. It grants stock options and bonus shares and sets up employee share ownership plans. It also reviews the Company's equal opportunity and equal pay policy each year.

Some significant management transactions, due to their nature and/or their amount, are also subject to its prior approval with respect to the limitation of the powers of executive management, as detailed below.

Powers of the Chief Executive Officer

The Chief Executive Officer has the broadest powers to act on behalf of the Company in all circumstances, pursuant to Article L. 225-56 of the French Commercial Code. Nevertheless, these powers must be exercised within the scope of the Company's purpose and the powers expressly conferred by law to Shareholders' Meetings and Boards of Directors. The Chief Executive Officer represents the Company in its dealings with third parties.

In the interest of good governance, the Chairman requested to make certain management transactions, depending on their nature or the amount involved, subject to the Board's prior authorisation. Thresholds have been set to ensure that the Board of Directors approves the most significant transactions, in accordance with the law and corporate governance principles.

The Chief Executive Officer must therefore obtain prior approval from the Board of Directors in order to carry out:

- transactions that may affect the strategy of the Company or its controlled companies, their financial structure or scope of business, in particular the signature or termination of any manufacturing or sales agreements representing a significant future commitment for the Group;
- transactions exceeding five hundred million (500,000,000) euros, specifically:
  - security subscriptions and purchases, and immediate or deferred acquisitions of an interest in a *de facto* or *de jure* group or company,
  - contributions or exchanges of goods, shares, or other securities, with or without consideration,
  - acquisitions of goods or property rights,
  - acquisitions or disposals of receivables, business goodwill, or other intangible assets,
  - security issues by directly or indirectly controlled companies,
  - actions in view of granting or obtaining loans, borrowings, credit or cash advances,
  - transactions and settlement agreements relating to litigation,
  - disposals of property or property rights,
  - total or partial disposals of shareholdings,
  - surety grants.

However, by way of derogation, the Chief Executive Officer may, in exceptional circumstances and following a favourable opinion from the Audit Committee, perform transactions for amounts of up to 15% of consolidated equity at the reporting date of the last financial year. The Chief Executive Officer will then report on the transactions carried out as part of this derogation at the next Board of Directors' meeting.

All of these provisions apply to transactions carried out by the Company or by companies it directly or indirectly controls, with the exception of intra-Group transactions.

In addition, the Chairman and Chief Executive Officer has specific annual authorisations for guarantees, borrowings, credit facilities, and bond and debt security issues, which were most recently renewed in February 2015 for a one-year period.

The Chairman and Chief Executive Officer is authorised to grant bonds, sureties, or guarantees in the name of the Company, on behalf of a third party, up to a total amount of €1.5 billion per year and €500 million per commitment.

The Chairman and Chief Executive Officer is also authorised to negotiate and implement loan agreements, confirmed credit facilities and all other syndicated or non-syndicated financing agreements, including their rollover, extension, or renewal, up to a total amount of €3.5 billion per year and €500 million per transaction.

Taking account of the seasonality of the business, the Chairman and Chief Executive Officer is authorised to negotiate and implement cash advances, including their rollover, extension, or renewal, up to a total amount of €1 billion. The Chairman and Chief Executive Officer is authorised to issue bonds or other debt securities (excluding commercial paper) up to a total amount of €3.5 billion, including EMTN programmes, as well as set their features, terms and conditions, and carry out all related market transactions. The Chairman and Chief Executive Officer is authorised to issue commercial paper for a maximum amount of €2 billion per year.

Independence of directors

As part of its duties, the Appointments and Remuneration Committee is responsible for monitoring the position of each director in relation to the Company or Group companies which may compromise their freedom of judgement or lead to potential conflicts of interest with the Company.

In this respect, the Appointments and Remuneration Committee examines the composition of the Board of Directors on a yearly basis, specifically the independence of its members with regard to the assessment criteria set out in the AFEP-MEDEF Code, detailed in the table below. It reports on its work to the Board of Directors.

Summary analysis of the situation of each Board member with respect to the independence criteria of the AFEP-MEDEF Code

Directors	Has not been and is not an employee or executive corporate officer of the Company or employee or director of the parent company or one of its consolidated companies in the previous five years	Is not an executive corporate officer of a company in which the Company directly or indirectly holds a directorship or in which a designated Company employee or a current or former (in the previous five years) executive corporate officer holds a directorship	Is not a major customer, supplier, investment banker, investment banker for the Company or its Group, or for which the Company or its Group represents a significant part of the business activities	Does not have any family ties with a corporate officer	Has not been an auditor of the Company during the last five years	Has not been a director of the Company for more than twelve years
INDEPENDENT DIRECTORS						
Henri Giscard d'Estaing	Yes	Yes	Yes	Yes	Yes	Yes
Lady Sylvia Jay	Yes	Yes	Yes	Yes	Yes	Yes
Catherine Lucet	Yes	Yes	Yes	Yes	Yes	Yes
Gérald de Roquemaurel	Yes	Yes	Yes	Yes	Yes	Yes
Frédéric Saint-Geours	Yes	Yes	Yes	Yes	Yes	Yes
Rose-Marie Van Lerberghe	Yes	Yes	Yes	Yes	Yes	Yes
NON-INDEPENDENT DIRECTORS						
Marc Ladreit de Lacharrière	Yes	Yes	No	Yes	Yes	No
Gilles Pinoncély	Yes	Yes	Yes	Yes	Yes	No
David de Rothschild	Yes	Yes	No	Yes	Yes	No
Jean-Charles Naouri	No	Yes	Yes	Yes	Yes	No
Didier Carlier, representing Euris	No	Yes	Yes	Yes	Yes	Yes
Gérard Koenigheit, representing Matignon-Diderot	No	Yes	Yes	Yes	Yes	Yes
Didier Lévêque, representing Foncière Euris	No	Yes	Yes	Yes	Yes	Yes
Michel Savart, representing Finatis	No	Yes	Yes	Yes	Yes	Yes

- The independence criteria are fully met by six directors: Sylvia Jay, Catherine Lucet, Rose-Marie Van Lerberghe, Henri Giscard d'Estaing, Gérald de Roquemaurel and Frédéric Saint-Geours. Catherine Lucet is the Managing Director of the Editis/Nathan Group which has business transactions with the Casino Group in France; however, these transactions are immaterial (the volume of Casino's purchases and Editis/Nathan's sales is lower than the 5% materiality threshold for each party).

  As a result, the number of independent directors represent 43% of the members of the Board of Directors in service, which exceeds the one-third threshold recommended by the AFEP-MEDEF Code for controlled companies.
- Three other qualified external persons who are not deemed independent because they have business relations with the Group (Marc Ladreit de Lacharrière and David de Rothschild) or have been in office for more than 12 years (Gilles Pinoncély) also sit on the Board of Directors.
- Five directors represent the controlling shareholder: Jean-Charles Naouri, Chairman and Chief Executive Officer, Didier Carlier, Didier Lévêque, Gérard Koenigheit and Michel Savart, and therefore do not hold the majority of votes on the Board of Directors.

Number of directorships held

In accordance with the recommendations of the AFEP-MEDEF Code, each director whose office is up for renewal at the Annual General Meeting to be held in 2015 is not considered as holding several offices.

Activities of the Board of Directors during 2014

In 2014, the Board of Directors met nine times. The average attendance rate for members was 85.2%. Meetings lasted an average of 1 hour and 45 minutes.

Approval of the financial statements – Business activities of the Company and its subsidiaries

- The Board of Directors reviewed the financial statements for the year ended 31 December 2013 and for the first half of 2014 together with the business plan and financial projections of Casino, Guichard-Perrachon. It approved the reports and resolutions presented to the Ordinary and Extraordinary General Meeting held on 6 May 2014. It also reviewed the Group's operations for the periods ended 31 March and 31 September 2014 and received a quarterly presentation on the debt, financing and available cash. It specifically authorised bond issues and bond exchanges carried out during the year as well as the refinancing of the €1.2 billion syndicated credit line of August 2010.

  The Board of Directors approved the project for the creation and listing of a new Group subsidiary, Cnova, as the global, central e-commerce division.
- It was informed of the progress of sales of Monoprix stores required by the Competition Authority in France following the acquisition of control over Monoprix. The Board of Directors was also informed of the completion of the acquisition of Super Inter by Éxito in Colombia as well as Cdiscount's partnership project with the Bolloré Group. Furthermore, it gave its opinion on the purchase cooperation project with Intermarché.
- The Board received specific presentations on the financial position and operations of the Monoprix Group, property development transactions carried out with the Group subsidiaries and parent companies, and the Group gender equality policy.

Remuneration – Stock option and bonus share grants

The Board of Directors determined the Chairman and Chief Executive Officer's fixed and variable remuneration for 2014 and set his variable remuneration for 2013. It approved the allocation of attendance fees for 2014 to all the members of the Board of Directors and its technical committees and to the non-voting director and the lead director.

The Board decided on the annual grant of bonus shares to key executives of Casino and Monoprix and to the Group's senior executives in charge of the implementation and success of strategic and/or particularly complex operations.

Corporate governance

The Board of Directors conducted the annual review of the findings of the Appointments and Remuneration Committee on the Company's position with regard to corporate governance principles and more particularly concerning the composition and organisation of the Board and its committees, the independence of directors, and the representation of women in the context of the renewal of expired terms of offices at the Annual General Meeting held in 2014.

The Board of Directors also received the lead director's annual report on the application of governance principles by the positions of Chairman of the Board of Directors and Chief Executive Officer in the exercise of their duties as well as on the operations of the Board and its committees. It reviewed the minutes of the meeting of independent directors.

The Board of Directors approved the Chairman's report on the organisation and operation of the Board of Directors and of executive management, as well as on the internal control and risk management procedures. It was informed of the bi-annual assignments performed by the Internal Audit and Internal Control department.

The Board of Directors reviewed the observations of the Appointments and Remuneration Committee on the first report of the French High-Level Corporate Governance Committee («HCGE»), and in particular on the position of the Company with regard to the analyses made by the HCGE, as well as the observations on the AMF's annual report on corporate governance and executive remuneration published in September 2014.

It was informed of all the work of its special committees as presented in detail below.

Special committees

The Board of Directors is supported in its work by two special committees: the Audit Committee and the Appointments and Remuneration Committee.

All committee members are directors. They are appointed by the Board, which also appoints the Chairman of each committee. The Chairman and Chief Executive Officer and their representatives are not members of a committee.

The specific duties and operating procedures of each committee were defined by the Board when the committees were created and are included in the internal rules and regulations, supplemented by committee-specific organisation and operation charters.

The Audit Committee

Membership

The Committee has four members, three of whom are independent: Frédéric Saint-Geours, Gérald de Roquemaurel and Catherine Lucet, independent directors, and Gilles Pinoncély, who is also a qualified person from outside the Group.

Frédéric Saint-Geours is the Chairman of the Committee.

All the members of the Audit Committee hold or have held corporate executive positions and therefore have the financial or accounting skills defined in Article L. 823-19 of the French Commercial Code.

Duties

The Audit Committee helps the Board of Directors fulfil its role in examining and approving the annual and interim financial statements, and examining any transaction, fact or event likely to have a material impact on the position of Casino, Guichard-Perrachon or its subsidiaries in terms of commitments and/or risk.

To this end, and in accordance with Article L. 823-19 of the French Commercial Code, the Audit Committee is in charge of matters relating to the preparation and verification of accounting and financial information. For the audit of the annual and interim financial statements, the Company strives to convene the Audit Committee at least two days before the Board meeting called to approve the financial statements.

It is thus specifically responsible for monitoring the effectiveness of the internal control and risk management systems, the auditing of the parent company and consolidated financial statements by the Statutory Auditors, and the independent status of the Statutory Auditors.

The Audit Committee organises the selection procedure of Statutory Auditors.

The Audit Committee's powers and responsibilities are defined in its organisation and operation charter, especially as regards the assessment of risks and the detection and prevention of management deficiencies.

Activities in 2014

The Audit Committee met eleven times (including seven exceptional meetings) in 2014. The attendance rate was 93.2%.

On approving the annual and interim financial statements, the Audit Committee verified the respective account closing processes and read the Statutory Auditors' analysis report, which included a review of all of the Company's consolidation transactions and financial statements. The Committee also reviewed the off-balance sheet commitments, the risks and accounting methods for provisions, and the applicable legal and accounting developments. It was provided with the audit plan and Statutory Auditors' fees for 2014.

The Committee examined the Finance and Accounting department's memo on risks and off-balance sheet commitments, Casino, Guichard-Perrachon's risk management documents and the Chairman's report on internal control and risk management.

It was informed of the findings of the Statutory Auditors concerning the procedures for the preparation and processing of accounting and financial information, as well as the closing procedures and calendar for financial year 2014.

The Committee also interviewed the management of Internal Audit on the assignments performed in 2014 and their implementation conditions, as well on the 2015 audit plan.

It reported its observations and recommendations on the work carried out and its monitoring activities. It was also informed of the work carried out in 2014 by the Group's Internal Control department.

The Committee met seven times following the exceptional assignment from the Board of Directors on 6 May 2014 in connection with the creation and initial public offering of Cnova, combining the Casino Group's e-commerce activities in a global, central division. In this respect, it specifically reviewed the terms and conditions of the transaction and monitored the activities of the independent valuer in charge of assessing the parity of the contributions made by Casino to Cnova.

The Chairman of the Committee reported to the Board of Directors on the work of each Audit Committee meeting.

The Appointments and Remuneration Committee

Membership

The Appointments and Remuneration Committee has four members, three of whom are independent: Rose-Marie Van Lerberghe, Henri Giscard d'Estaing and Gérald de Roquemaurel, independent members, and David de Rothschild, who is also a qualified person from outside the Group.

Rose-Marie Van Lerberghe chairs the Appointments and Remuneration Committee.

The Chairman and Chief Executive Officer participates in the work of the Appointments and Remuneration Committee concerning the process of selection and appointment of directors.

Duties

The Appointments and Remuneration Committee is specifically in charge of helping the Board of Directors review applications for executive management positions, select new directors, determine and monitor executive remuneration and stock option and bonus share grants, as well as implement employee share ownership plans. It also oversees the proper application of corporate governance rules and, where appropriate, the absence of potential conflicts of interest.

The Appointments and Remuneration Committee drew up a charter that sets out its powers and responsibilities, in particular with regard to the implementation and organisation of performance evaluations of the Board of Directors and verification that the corporate governance principles and the code of conduct for directors, in particular as derived from the Board of Directors' internal rules and regulations, are being properly respected and applied.

Activities in 2014

The Appointments and Remuneration Committee met three times in 2014. The attendance rate was 67%.

The Committee performed its annual review of the organisation and operations of the Board of Directors and its special committees as well as the proper application of the corporate governance principles and rules of conduct in accordance with the AFEP-MEDEF Code and the provisions of the internal rules and regulations. It reported its findings and recommendations to the Board of Directors. In this context, it analysed the assessments and observations expressed by the directors as part of the procedure for assessing the organisation and operation of the Board finalised in the first quarter of 2014. It subsequently reported its findings to the Board of Directors, which are available on page 311 of this document. It received the minutes of the meeting of independent directors for the purpose of discussing the Board of Directors' organisation and operation as well as the duties of the lead director for 2013, the first full year for her position.

It examined each director's situation with regard to dealings with Group companies that might compromise their freedom of judgment or entail conflicts of interest, in particular with respect to the reappointment of directors.

The Committee was asked to examine the procedures for determining the Chairman and Chief Executive Officer's fixed and variable remuneration for 2014 and for setting the variable remuneration for 2013, as well as the allocation of attendance fees to the members of the Board of Directors and its special committees and to the non-voting director. Furthermore, it issued a recommendation regarding the allocation of a specific attendance fee to the lead director and to members of the Audit Committee and an additional fee for the seven extraordinary meetings held in 2014 concerning the creation and listing of the Group's e-commerce activities unit.

It examined the Chairman's Report on the organisation of the Board of Directors' work, along with the corporate governance-related information mentioned in the management report.

It also reviewed the grant of bonus shares to key executives of Casino and Monoprix and to the Group's senior executives in charge of the implementation and success of strategic and/or particularly complex operations.

The Committee examined the implementation of the new recommendations of the AFEP-MEDEF Corporate Governance Code for listed companies relating to the advisory vote of shareholders on the remuneration due or paid to the Chairman in 2013, and issued its recommendations regarding the renewal of the specific annual authorisations of the Chairman and Chief Executive Officer.

The Committee assessed the Company's position with respect to the first business report of the French High-Level Corporate Governance Committee created in 2013 to monitor the implementation of the AFEP-MEDEF Code by companies, and with respect to the AMF's annual report on corporate governance and executive remuneration of September 2014.

It was given a presentation on talent development and succession plans within the Group and was informed about the corporate social responsibility policy.

The Chairman of the Committee reported to the Board of Directors on the work of each Appointments and Compensation Committee meeting.

To perform some of its tasks, the Appointments and Remuneration Committee relied on comparative analyses and studies specifically conducted by specialist firms.

The lead director

Following the request of the Chairman and Chief Executive Officer, who requested that a lead director be appointed to ensure that the exercise of the combined duties of the Chairman of the Board of Directors and the Chief Executive Officer complies with good governance principles, the Board of Directors appointed the Chairman of the Appointments and Remuneration Committee as lead director on 11 May 2012.

The duties of the lead director include:

- ensuring compliance with good governance principles in the exercise of the combined duties of the Chairman and the Chief Executive Officer;
- ensuring the proper operation and performance of the Board's work, in particular regarding the organisation of its discussions and its information;
- preventively notifying the Chairman of any risk or potential conflicts of interest;
- convening, if necessary, the Appointments and Remuneration Committee to discuss all these matters.

In 2014, as part of her annual assignment, the lead director organised a meeting with all independent directors in order to report to the Appointments and Remuneration Committee on the exercise of the duties of the Chairman and of the Chief Executive Officer with regard to the provisions of the internal rules and regulations and the charters of the various committees, as well as on the operations and assignments performed by the Board and its committees. The lead director then informed the Chairman and Chief Executive Officer about her observations and recommendations.

Methods for determining the remuneration and other benefits of corporate officers

Executive management

The Chairman and Chief Executive Officer's remuneration includes a fixed portion and a variable portion. The rules for determining the fixed and variable components are defined every year based on the recommendation of the Appointments and Remuneration Committee and, if necessary, surveys carried out by external consultants.

His gross fixed remuneration for 2014 amounted to €480,000, unchanged compared to the previous year.

The variable remuneration for 2014 was contingent on the achievement of four quantitative targets, up to a quarter of each, concerning consolidated net sales, consolidated trading profit, as well as profit attributable to owners of the parent and the underlying profit, at current and constant exchange rates consistent with the rates set for Executive Committee members.

A bonus of up to 175% of the fixed remuneration may be awarded for exceeding targets. The 2014 target variable remuneration was equal to 100% of the fixed component, or €480,000.

However, the Chairman and Chief Executive Officer only receives the variable component if the underlying profit target is achieved, either at current exchange rate or at constant exchange rate and regardless of the performance achieved for the other criteria, *i.e.* net sales and trading profit. If the profit target is achieved, the remuneration is based on the performance achieved for each of the four criteria with respect to the approved targets.

In 2014, since profit attributable to owners of the parent was lower than in the previous year, no variable remuneration was awarded to the Chairman and Chief Executive Officer.

Other corporate officers

The Annual General Meeting of 19 May 2009 set the maximum total amount of attendance fees to be allocated to members of the Board of Directors and its special committees at €650,000. The Board of Directors has defined the rules below for distributing attendance fees to its members in 2014, in line with the recommendations of the Appointments and Remuneration Committee.

At its meeting of 5 December 2014, the Board of Directors decided that the attendance fees granted by the Annual General Meeting to the members of the Board of Directors and its special committees and to the non-voting director should be distributed as follows:

- the total amount of gross attendance fees per director, unchanged since 2007, was set at €25,000, comprising a fixed portion of €8,500 gross and a variable portion of €16,500 gross based on directors' attendance of Board meetings. Variable fees not paid to absent directors are not redistributed ;
- the total amount of gross attendance fees for the Chairman and for each director representing the majority shareholder, also unchanged, was capped at €12,500. On his appointment, the Chairman of the Board of Directors waived the additional gross attendance fee of €25,000 previously paid to the Chairman ;
- members of the Board Committees receive an additional fee per director comprised of a fixed component (€6,500 gross) and a variable component (up to €13,500 gross for members of the Audit Committee and up to €8,745 gross for members of the Appointments and Remuneration Committee) based on attendance at meetings. Variable fees not paid to absent directors are not redistributed.
  - A special additional gross fee of €10,000 was allocated to members of the Audit Committee for the seven extraordinary meetings held in 2014 to deal with the task assigned by the Board of Directors specifically concerning the activities of the independent valuer appointed in connection with the creation and listing of Cnova.
  - An additional gross fee, capped at €20,000 for 2014, was allocated to the lead director.

Under the authorisation granted by the Annual General Meeting of 29 April 2010, the Board of Directors decided to pay, as previously, an attendance fee to the non-voting director on exactly the same basis as for the other directors, *i.e.*, €25,000 comprising a fixed gross fee of €8,500 and a variable gross fee capped at €16,500. This amount is deducted from the total amount of attendance fees approved by the Annual General Meeting in 2009.

Information provided to the Board of Directors

The Chairman and Chief Executive Officer must provide each director with all the documents and information required to carry out their duties.

The information needed for the examination of issues to be discussed by the Board of Directors is provided to Board members before the meeting. Each Board member is therefore provided with a brief containing all information and documents relating to the items on the agenda, subject to their availability and depending on the level of progress of the items.

Pursuant to the provisions of the Board of Directors' internal rules and regulations, Executive Management provides the Board of Directors, at least once a quarter, with a report on the operations of the Company and its main subsidiaries, including net sales and results, a summary of debt and of the credit lines available to the Company and its main subsidiaries, and a table showing the number of employees of the Company and its main subsidiaries.

The Board of Directors reviews the Group's off-balance sheet commitments once every six months.

The members of the Board of Directors are given a presentation on the Group's strategy and budget annually, at specific meetings or seminars.

The Chief Financial Officer and the Chairman's Advisor, who is also the Board Secretary, attend all the Board of Directors meetings. The other members of the Executive Committee and the managers of subsidiaries attend as needed.

Performance evaluation of the Board of Directors

As recommended by the AFEP-MEDEF Code, the internal rules and regulations provide for an annual review and regular performance evaluations of the Board of Directors by the Appointments and Remuneration Committee, assisted by an outside consultant if it so wishes.

The fifth evaluation since 2004 was carried out at the end of 2013 by the Appointments and Remuneration Committee through an internal procedure entailing a questionnaire based on a set of topics selected in advance according to good practices adapted to the specific features of the Casino Group.

The assessments and observations of the directors revealed that the Board's organisation and operation were very satisfactory and compliant with the regulations, ethics and corporate governance principles.

The directors however expressed the wish to see more women and more foreign nationals on the Board, and for the continuation of the occasional interventions of the Group's operational managers on the activities and strategy of the subsidiaries.

Changes in corporate governance

In order to better reflect the now highly international dimension of the Group as well as the presence of several listed companies, subsidiaries or parent companies both in France and abroad, the Board of Directors decided to amend or complete the procedures and/or existing bodies and accordingly strengthen the good governance policy.

On 16 February 2015, the Board of Directors decided to implement a procedure for reviewing all related party agreements and assess the potential implementation of a new committee primarily in charge of corporate governance issues.

Implementation of a prior review procedure of related-party transactions by the Audit Committee

Casino wished to pay particular attention to the agreements entered into between Casino and its 100% subsidiaries on the one hand, and Casino Group companies, parent companies and their subsidiaries, and equity-accounted entities, on the other.

In this respect and considering potential conflicts of interest and the need to protect the different non-controlling interests in the Group, the Board of Directors decided to introduce a systematic review process for related-party agreements by working with the Audit Committee. The only Group procedure relating to regulated agreements, as required by the French Commercial Code, applies primarily to agreements to which Casino is a direct party and does not cover current agreements entered into on arm's length terms, which in fact represent the majority of intra-group agreements.

This is why the Board implemented a prior review procedure by the Audit Committee for all agreements in excess of €10 million by transaction or aggregated transactions by related party occurring between (i) Casino and its wholly-owned subsidiaries, on the one hand, and (ii) the other Group companies, controlling companies and equity-accounted entities, on the other, before their presentation to the Board of Directors for information or authorisation purposes.

After consultation with the Audit Committee and the Appointments and Remuneration Committee, the Board of Directors prepared and approved a specific charter for the organisation and operation of the procedure at its meeting of 16 February 2015.

Evaluation of the proposal for a new Board committee dedicated to corporate governance

In order to better apprehend and specifically monitor all governance issues, the Board of Directors also began discussing the possibility of creating a new special Board committee dedicated to corporate governance, to work with the Appointments and Remuneration Committee.

This change in Casino's corporate governance is modelled on the best practices observed in France and abroad and in particular within the Group's subsidiaries listed in New York, CBD and Cnova.

The special Corporate Governance Committee would be required to monitor corporate governance rules, ensure they are appropriate for the Group and being properly applied, and propose improvements thereto.

To this end, at its meeting of 16 February 2015, the Board of Directors decided to create an ad hoc committee comprised of members of two existing committees, to assess the procedures for creating a new committee and define its remit consistent with that of the other two committees.

Organisation and operating procedures for the new committee will be combined in a specific charter subject to the approval of the Board of Directors.

11.3.1.3. Participation of shareholders in the Annual General Meeting

The terms and conditions for shareholder participation in Annual General Meetings are listed in Articles 25, 27, and 28 of the Company's articles of association (see page 297 of this document).

11.3.1.4. Factors likely to have an impact in the event of a public offering

The structure of the Company's share capital and any direct or indirect interests that are known to the Company are indicated on pages 248 *et seq.* of this document, as required by Articles L. 233-7 and L. 233-12 of the French Commercial Code.

There are no restrictions in the articles of association on the exercise of voting rights and share transfers. The Company was not informed of any agreement pursuant to Article L. 233-11 providing for preferential terms and conditions for share disposals or acquisitions. To the best of the Company's knowledge, there are no shareholder agreements that could lead to restrictions on share transfers and the exercise of voting rights.

The Company has issued no securities carrying special control rights and there is no control mechanism planned for an employee shareholding system when the control rights are not exercised by the employee.

The rules applicable to the appointment and replacement of members of the Board of Directors as well as to amendments to the Company's articles of association are described on pages 294 *et seq.* of this document.

The Board of Directors' powers are described on pages 306 and 295 of this document. The powers delegated to the Board of Directors with regard to share issues are indicated on page 249, and its powers with regard to share buybacks are described on page 245 of this document.

The agreements entered into by the Company that would be amended or terminated in the event of a change in control of the Company are provided on page 192 of this document (under the section on "Liquidity Risks").

In addition, there is no agreement stipulating compensation for the members of the Board of Directors or employees if they resign, if they are dismissed without just and serious cause, or if their employment ends due to a tender offer.

11.4.2. INTERNAL CONTROL AND RISK MANAGEMENT

11.4.2.1. Organisation of and general approach to internal control and risk management

11.4.2.2.1. Standards

The Casino Group's internal control and risk management systems are based on the French Financial Markets Authority (AMF) Reference Framework for risk management and internal control systems. The related organisation and procedures comply with the general principles described in the reference framework and reflect the application guidelines published by the AMF in January 2007 and updated with respect to risk management in July 2010.

The work underlying the drafting of this report involved interviews, reviews of audit reports and the distribution of AMF and internal questionnaires designed to identify all of the Group's internal control and risk management components.

This report was presented to the Audit Committee of 13 February 2015 for review and opinion and, in accordance with the law, was submitted to the Board of Directors of Casino, Guichard-Perrachon at its meeting of 16 February 2015.

The editorial team also relied on the 17 reporting principles of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) 2013.

11.4.2.2.2. Scope

The Casino 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.

The Group has six listed subsidiaries (Intexa, Éxito, Big C Thailand, GPA, Cnova and Viavarejo), which are subject to various obligations. These subsidiaries include two Group-controlled subsidiaries traded on US stock exchanges and therefore subject to the Sarbanes-Oxley law: Grupo Pão de Açúcar (GPA) on the NYSE and Cnova on the NASDAQ. After the completion of the Cnova IPO on the NASDAQ in November 2014, the Group began a process at the end of 2014 (which will continue in 2015) to ensure the compliance of Cnova by 31 December 2015 with all of the requirements of the Sarbanes-Oxley law. For the 2014 financial year, GPA chose to continue to apply the COSO 1992 standards for its internal control procedures relating to the production of its financial statements.

11.4.2.2.3. Parties involved

Executive management, through its Executive Committee, is responsible for defining, designing and implementing risk management and internal control procedures.

The Board of Directors of Casino, Guichard-Perrachon, the parent company, is informed of the main characteristics of the risk management and internal control systems.

The Board of Directors' Audit Committee is in charge of verifying that the Casino Group has the appropriate resources and structures to identify, detect and prevent risks, anomalies or irregularities in the management of the Group's business. Its tasks include close and regular monitoring of the risk management and internal control systems.

It makes observations and recommendations on the audit work performed and carries out or commissions any risk management or internal control analyses and reviews that it deems appropriate.

It also oversees the Company's financial reporting process and monitors the effectiveness of the internal control and risk management systems. An Audit Committee Charter defines and clarifies the role and responsibilities of this Committee.

The Group Internal Control department is responsible for implementing internal control best practices.

Its duties mainly include:

- helping managers to identify the major risks faced by Group entities;
- drafting general procedures and risk matrices, defining key controls to be implemented;
- assisting operational divisions and shared services departments in improving and optimising current or planned risk management and internal control systems;
- the ad-hoc analysis of issues identified by divisions and shared services departments involving internal control deficiencies or of significant changes in the information process or systems.

The central team works in collaboration with the internal control teams in the various entities, totalling some fifty dedicated internal control staff.

It also deploys initiatives to raise awareness to the risks of fraud and corruption, encouraging the managers of each entity to continuously reinforce their risk management systems.

The Group's Insurance department liaises with operational and shared services departments to help identify and assess insurable risks. It participates in risk mapping and reviews of legal aspects (liability and insurance) of calls for tenders and major contracts. It defines and coordinates insurance policies in order to consolidate the Group's visibility on risks and improve guarantees, while optimising insurance premium amounts. In this context, the Group strengthened its insurance policy in 2014 by reorganising master policies and diversifying insurers and providers. It is also responsible for managing or supervising, as appropriate, litigations related to the Group's operations.

The Group has purchased several global master insurance policies. Where allowed by the legislations and regulations, these insurance policies intervene directly or supplement the limits and/or coverage terms subscribed in the various countries.

Local insurance policies for construction activities, vehicle fleets or workplace accidents for example, are purchased nationally in coordination with the Group and its local insurance advisers.

The duties of the Risk Management Committee (RMC) include participating in the company-wide risk management process and ensuring the consistency of the overall prevention of 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.

It meets every two months with representatives of the Executive Committee, the major shared services departments (Legal, Human Resources, Finance, Audit and Internal Control) and operational divisions (Hypermarkets, Supermarkets, Supply Chain, Group Purchasing, Property Development).

It works in close collaboration with the Audit and Internal Control department and with the Legal Risks department, created in 2013, and also communicates with subsidiaries that have their own RMCs (Vindémia, Libertad and Monoprix).

The Group Internal Audit and the local Internal Audit units are also involved in monitoring internal control. Their roles and responsibilities are detailed in the section of this report on «Monitoring of Internal Control».

Lastly, the Group Crisis Management Unit is a special purpose unit devoted to crisis management (crisis affecting employees, consumers, the company's image and net assets). Its members include representatives of executive management (the Chairman and Chief Executive Officer depending on the event, the Human Resources Director) and, on a case by case basis, any internal staff (Heads of the branches, business lines or departments concerned, Communications, Legal and Insurance) or external experts (specialists, lawyers, etc.) necessary for its proper operation.

11.4.2.2. General risk management principles

11.4.2.2.1. Definition

The Casino Group's risk management system comprises a range of resources, behaviours, procedures and actions tailored to the specific needs of the Group. This system seeks to provide managers with the tools to completely eliminate these risks or at least maintain them at an acceptable level for the Company.

Employees, supervisory staff and operational heads are responsible for ensuring the smooth operating of the risk management and internal control systems by striving to continuously improve them.

11.4.2.2.2. Objectives

Risk management strives to:

- create and preserve the Company's value, assets and reputation;
- ensure that decision-making and the Company's processes achieve established objectives;
- ensure that actions taken are consistent with the Company's values;
- engage employees around a shared vision of major risks.

11.4.2.2.3. Risk management process

Within the Casino Group, risk management is decentralised under the supervision of the parent company's executive management. The subsidiaries' Management Committees are responsible for identifying, assessing and dealing with the main risks facing them.

Risk identification

The Casino group is faced with various types of risks such as market risks, operational risks and legal risks. These risks are described in the section on «Risk factors and insurance» of the annual report.

In 2014, a dual risk-identification initiative was adopted. It entailed the definition by the Casino Group Executive Committee of a list of Group-level inherent major risks for all entities and the identification by each entity of its own specific risks. Each of the Group's entities is assisted in this task by the Group Internal Control department, which initiated and monitored the rollout of a major risks management tool for the heads of each entity, aimed at facilitating the identification of such risks, the review of internal control activities already in place and the treatment of the risks through improvements in the internal control system. This tool is designed to be used as a steering instrument and its content is defined by the Management Committee of each entity.

Risk assessment

Risks identified by the Group's Executive Committee and by the Management Committee of each entity must be assessed and quantified by that same Management Committee. Risk mapping is used as the foundation for the Group Internal Control department's work. This department's duties and activities are described in this report under the section on «Organisation».

Risks are reviewed regularly by the Group Audit and Internal Control department, which assesses them independently depending on their impact and frequency and with regard to the existing internal control system.

Risk treatment

The control activities described below in this report seek to reduce the risks, identified by the management of each entity and at Group level, whose occurrence would prevent the Group from achieving its objectives.

Furthermore, the various risk identification and assessment tools are monitored by each entity, 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 of occurrence or impact of the risk, or both; the Group Internal Control department may be asked to implement the resources required for risk mitigation;
- conservation of the risk: no measure is taken to change the probability of the risk and its impact; the risk is accepted and borne by executive management;
- avoidance of the risk: the activities at the origin of the risk are abandoned;
- transfer of the risk: the probability or impact of the risk is reduced by transferring or sharing part of the risk, particularly through insurance mechanisms.

The Group Audit and Internal Control department assesses the risks inherent in the activities of the entities and the implementation of the associated internal controls. This allows for the identification of residual, potentially material risks. Recommendations are made aimed at implementing action plans to control these risks. Audit monitoring activities are carried out to ensure that the identified risks have been mitigated.

Furthermore, with respect to the crisis risk, each entity is in responsible for establishing a business continuity plan and setting up processes to report to the Group critical information on managing these events. The local management may, in addition, rely on the Group Crisis Management Unit.

11.4.2.3. General internal control principles

11.4.2.3.1. Definition

Within the Casino Group, the internal control system is defined and implemented under the responsibility of each of the entities, which allows them to participate in controlling their activities, while ensuring the efficiency of their operations and the efficient use of their resources. It also strives to accurately identify the significant risks for each of the entities which could prevent them from achieving their objectives.

11.4.2.3.2. Objectives

In accordance with the AMF's Reference Framework, internal control seeks to ensure:

- compliance with laws and regulations;
- the application of the instructions and guidelines set by executive management;
- efficient internal processes, particularly those that help to safeguard the Group's assets;
- the reliability of financial reporting.

However, as underlined by the AMF's Reference Framework, no matter how well-designed or well-applied, no internal control system can provide absolute guarantee that the Group will achieve its objectives. Any internal control system has inherent limitations. These limitations are due to several factors, notably the uncertainties of the outside world, the exercise of people's judgment or malfunctions that may occur due to human failure or a simple mistake.

11.4.2.3.3. Internal control environment

Due to the geographic distribution and the diversity of its activities, the company is decentralised, which allows better recognition of the local characteristics of each entity and enhances the efficiency in the decision-making process.

Each entity has its own support functions, which work in collaboration with the corresponding Group department.

Setting and communicating objectives

Within the Casino Group, strategic and financial objectives are set by the executive management of the parent company in a three-year plan which is fully reviewed every year. The first year of the plan constitutes the budget.

The Strategic Planning department is responsible for building the plan. Its duties include:

- coordinating the preparation of the three-year plans of the various entities and ensuring that they are consistent with and match the Group's strategy;
- liaising with the Finance departments of entities, verifying the company's key balances, especially in terms of investments, allocation of financial resources and management of financial liabilities;
- monitoring the three-year plan in conjunction with the Group Finance department and its Management Control team; the plan is periodically updated to reflect actual results;
- cooperating with the Executive Committee and the operational or shared services structures concerned to prepare key corrective actions plans and ensure 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. This charter, which applies to all of the Group's subsidiaries, covers the commitments made in 2009 when the Group signed the United Nations Global Compact. It is integrated in the reference framework of managerial attitudes and behaviours rolled out with all management teams.

Responsibility and powers

Segregation of duties

Each entity builds its organisational structure to ensure the proper segregation of duties. This organisational structure is set out in organisation charts. The organisation charts of the main operational divisions and shared services departments are available on the company's Intranet.

Delegations of powers and responsibility

The Legal and Human Resources departments of each entity manage and oversee the process governing delegations of authority and responsibility in accordance with local law. The Legal department is responsible for issuing guidelines for delegations and defining their content. The Human Resources department implements and oversees the application of these guidelines.

Human resources policy

The Casino Group's human resources policy is aimed at ensuring the proper allocation of resources within the Group through structured hiring and career management programmes to allow the achievement of the goals set by the parent company.

The Group also implements training policies specifically pertaining to management, personal development and the company's business lines.

To keep employees motivated, the remuneration policy of the Group entities is based on an analysis of the positioning of the salaries proposed by the Group relative to the market and on internal equality principles.

The compliance of managerial practice with the managerial attitudes and behaviours is assessed each year as part of the annual appraisal. This then partly determines the amount of variable remuneration awarded to managerial staff.

Lastly, in 2014, various company-wide or Group-wide agreements were signed with different scopes and subjects, such as an agreement on employee work time, benefits and working conditions for French entities signed in March 2014, which included the provision of a service on dependency and disability for employees, and a Group agreement on Corporate Social Responsibility (CSR) signed in April 2014.

Information systems

The Casino Group has developed a target model based primarily on two industry-recognised integrated management software solutions, one for administrative functions and the other for sales functions. This model encompasses IT standards and reference frameworks to ensure that the IT systems match the Group's current and future objectives. The dissemination of these best practices must also help to enhance hardware and software security, data storage, secure access management and business continuity.

Operating procedures and methods, content

The Group has internal control procedures for its key processes. These include Accounting (composed of 17 sub-procedures grouped into four processes: monitoring of standards, recording of transactions, closing and production of parent company financial statements, and production of consolidated financial statements) and Purchasing (composed of 26 sub-procedures grouped into five processes: definition of assortments; identification, negotiation and selection of suppliers; monitoring of contractual commitments; quality, hygiene, safety and environment; and operating expenditures and services). They describe the purpose of these processes, the departments and activities concerned and the principles to be respected. These procedures are disseminated on the Intranet sites and other document databases of the various Group entities.

Dissemination of information

In addition to circulating information, the Group's current information systems, Intranet sites, databases and other communication methods also serve to centralise and disseminate business operating procedures.

The release of information is carefully timed to allow the parties concerned to take appropriate action.

A special procedure provides crisis management guidelines on handling situations that could generate a Group-level crisis. Some entities use a reporting tool for swift communication with executive management.

All Casino Group employees are bound by an obligation of confidentiality with respect to the information used in the context of their professional activities. In addition, employees who have access to inside information in the course of their work are identified and given the appropriate information. Such employees are registered on a list of standing insiders prepared by the Group Legal department, in accordance with the AMF General Regulations.

11.4.2.3.4. Control activities

Compliance with laws and regulations

The control activities described below are designed to address the legal risks described in the section on «Risk factors» in this report.

Organisation

The Group's Legal department is responsible for the compliance of the Group's activities with applicable laws and regulations. It reports on all major legal matters to executive management. In addition, it strives to share and disseminate good practices among the various operational entities.

Each consolidated entity has its own legal department that oversees compliance with applicable laws and regulations and reports to the Group General Counsel.

Compliance with tax law is under the remit of an entity-based tax department reporting to Casino Group Finance. Its main functions and duties include providing assistance to the Group's operational entities in France and to foreign subsidiaries. It monitors regulations and tracks changes to all types of taxes and duties applicable to the Group.

More broadly the Tax department, with the assistance of the Finance department, is responsible for spreading, disseminating and implementing within the Group all the tax management best practices that it considers relevant. It also monitors tax inspections and disputes in France and abroad. However, these inspections and disputes are managed at country level.

The Tax department uses Group reporting tools (France and international) to carry out its missions. These tools are updated annually or half-yearly.

Depending on their size, the operational entities and subsidiaries have their own dedicated tax teams or tax correspondents.

Knowledge of applicable rules

Legal intelligence is handled in each entity by legal experts who may be assisted by external law firms, if necessary.

The legal experts have access to specialised databases and journals that allow them to stay abreast of new developments every day and efficiently perform their tasks.

Legal intelligence in labour law is the responsibility of the Human Resources and Legal departments.

Transcription of rules

The legal experts are responsible for circulating and ensuring compliance with legislation applicable to the various entities and their activities. To this end, they prepare opinions, standard procedures or memos on the legal and regulatory obligations applicable to the Group.

Informing and training staff on relevant regulations

The documentation prepared by the legal team is placed on an internal website to be accessed by operational heads in order to help them ensure their units' compliance with laws and regulations. Training programs for managers and/or operational teams on current issues or specific points are regularly organised by the legal teams, with the assistance of external experts if necessary.

In addition, the Group Legal and Legal Risks departments work closely with the Risk Management Committee (RMC) to design and implement action plans to raise awareness about legal risks among the Group's operational and shared services teams. They distribute procedures and provide training to employees.

Verification of regulatory compliance

The heads of entities and their deputies are responsible for the compliance of their operations with the applicable law. The operational internal audit teams are responsible for checking compliance. Disputes and litigations are monitored by each legal unit assisted by external experts and/or the Legal Risks department, if necessary. French entities send monthly reports on developments in disputes and litigations to the Group Legal department.

Applying the instructions and guidelines set by executive management

Distribution of the instructions and guidelines set by executive management

The directors of French entities and, for international entities, the Country Chief Executive Officers are responsible for implementing the defined strategy. The International Coordination department assists the international entities. It is specifically in charge of monitoring their monthly results, preparing their succession plans for top management, setting up synergies and sharing best practices among entities. For matters linked to external expansion, it is assisted by the Corporate Development and Holdings department.

Monitoring the application of instructions and guidelines

Numerous key performance indicators are used to monitor the proper application of the instructions and guidelines set by executive management and to measure the deviations from its targets. The frequency of indicator reporting is defined according to the type of information. The accounting and financial reporting systems are used to monitor the consolidated performance of the Group and the individual performance of each entity.

Executive management receives a monthly report prepared by the Group Management Control, which summarises the key performance and management indicators and includes the customary financial statements, consolidated and by entity. This monthly report includes comments on meeting targets and reports on key actions in progress.

The Management Control teams of all entities use IFRS to build the standardised monthly management report sent to the Group. These reports are consolidated by Group Management Control to steer operations and analyse deviations with respect to the forecast data and the prior year data.

The entities' management and the Group's executive management conduct formal business reviews of the monthly report data to ensure the appropriate guidance. The Group Management Control also sends regular reports to executive management on its analyses.

Working Capital Requirements are managed through a monthly review by the local Finance department of each entity and the Group Management Control.

Executive management uses the comprehensive data reports it receives to monitor the achievement of its annual targets. This process also seeks to implement corrective action plans whenever necessary.

If necessary, Group Management Control can help entities through special assistance projects, by proposing situation analyses and recommendations.

Periodically, annual forecasts are revised to take account of the specific changes in each of the entities and readjust year-end targets.

Every week, the Strategic Planning department submits for validation to executive management the investment projects of entities that exceed a defined threshold. Validated projects are then sent to the Group Investment Committee.

Internal processes for safeguarding assets

The control activities described below are designed to address the operational risks described in the section on «Risk factors» in this report.

People and property protection

The Group has a permanent control process to ensure the safety of property and people. This is the responsibility of different departments in each of the entities and in particular the technical and operational departments. These departments are assisted by external experts in the relevant fields whenever necessary.

Fixed asset management

New construction projects managed by the Group comply with specifications prepared in association with experts, in accordance with applicable regulations and the functional and operational objectives of the construction.

The entire construction process is monitored by a Group-appointed project manager specifically in charge of ensuring that contractual terms and conditions, such as time frames and the quality of services, are met and that the project stays within the forecast budget.

The Casino Group's property portfolio is monitored by a technical and administrative team and regularly maintained to allow efficient commercial use.

Fixed assets are monitored for accounting purposes in a fixed asset management software application (SAP Immo), which tracks their carrying amounts for the parent company financial statements and for consolidation at Casino Group level, as well as their tax base. SAP Immo also sends data to the property portfolio management tool and to the reporting tool to facilitate the management and control of fixed assets and verify the reliability of the production of accounting information.

Banner protection

The commercial leases of entities are drafted in accordance with the Group's requirements to ensure that they provide appropriate safeguards against the risk of eviction. Leases are monitored by property management teams whose objective is to ensure their renewal at expiry.

Since affiliation and franchising are important components of the Group's business, the Group Legal department oversees the effectiveness of contracts, while operational teams monitor franchises.

The management of risks inherent in the business, legal risks in particular, relies on a robust pre-litigation culture of the development teams and on control activities in the drafting and implementation of contracts.

Intellectual property protection

All the trademarks used by the Casino Group are registered with the appropriate bodies for their legal protection in France and in all countries where the Group operates or is likely to operate in the future.

Furthermore, the Group Legal Department is responsible for the preventive and defensive protection policy. It works with external service providers to track the registration by third parties of trademarks identical or similar to those of the Group and take appropriate action in case of infringement.

Image protection

The Group's external communications are prepared and implemented by executive management. The validation process for information disseminated by the Corporate Communications department systematically includes vetting by executive management prior to publishing. The various entities, some of which have their own Communications department, work under the authority and responsibility of the Corporate Communications department on matters that could potentially impact the Casino Group's image.

The Corporate Communications department is also in charge of managing risks to the image of the Casino Group and its employees. It checks any information published about the Group on all types of media (newspapers, social networks, etc.). The response process implemented is tailored to each situation.

Merchandise management

The Purchasing strategy, both in terms of assortment and suppliers, is backed by market analyses and reflects the strategic guidelines of the entity. Action plans are defined based on internal or external analyses to ensure that product offering always matches market demand and banner positioning.

Buyers conduct regular verifications during calls for tenders, listings and delistings, to identify and reduce the risks related to the economic dependency on suppliers.

Lastly, performance indicators are used to guide the Purchasing activity and track its effectiveness.

The Group Quality department defines a quality policy for Casino private label and similar products. It provides on-demand training and/or distribution of best practices on product quality and safety for the various entities in order to involve them in the Group's quality strategy.

Since 2011, exchanges of best practices between all of the Group's countries have laid the foundation for the development of an international quality policy, including the definition of common performance indicators as well as a Quality Charter which was shared and distributed to all entities in 2012.

The Group Quality department defines and implements product and supplier control processes for Casino private label and similar products, Casino-certified value-priced products and direct imports.

Quality procedures include the performance of audits on the production sites of the Group's suppliers, particularly for Casino private label products.

Lastly, Group entities take action designed to safeguard inventories. Inventories are protected through different processes such as securing warehouses, equipment and merchandise, goods reception and shipping processes, as well as the monitoring of standards on hazardous or regulated products.

The Group carries out inventory counts, particularly as part of the accounts closing process. Inventory counts are used to monitor performance indicators and detect any anomalies in the supply chain.

Management of assets and financial flows

The control activities described below are designed to address the legal risks described in the section on «Risk factors» in this report.

Financial flows are managed through procedures aimed at securing cash inflows and outflows. Group entities have signature authorisation processes which include the obligation of dual signatures for cash outflows to third parties. Cash receipts and payments are controlled through reconciliations between bank statements and accounting data.

The Corporate Finance department liaises with the Finance departments of subsidiaries to manage financing, cash investments and financial risks. This process is based on principles of prudence and anticipation particularly with respect to counterparty management and liquidity risk. Major transactions are monitored individually, depending on the country risk.

The Corporate Finance department has issued a guidebook on financing, investment and hedging best practices which is distributed to local Finance departments. This guide clarifies financing methods for subsidiaries, preferred banking partners, appropriate hedging instruments as well as the necessary authorisation levels.

The cash positions and forecasts of the Group's French and international entities are monitored weekly. Other financial risks facing the Group, such as interest rate risk or banking counterparty risk, are quantified and assessed through monthly reports sent to executive management, as well as action plans for managing identified risks.

11.4.2.3.5. Monitoring of internal control

Continuous monitoring

The risk management system is regularly monitored and reviewed by the managers of each entity who ensure the day-to-day supervision of its effective implementation. The managers are specifically responsible for implementing corrective action plans and reporting to the Casino Group's executive management any significant malfunctions. This allows executive management to check that the system matches business requirements and to take any required remedial action.

Monitoring by Internal Audit

As part of their internal control assessment processes, the Group Internal Audit unit and the audit units of entities regularly review the operation of the risk management and internal control system.

The Group Internal Audit unit assists executive management and the various entities in France and abroad in the performance of their responsibilities regarding the supervision of the risk management and internal control system. It also liaises with the Audit Committee of Casino, Guichard-Perrachon, the parent company, and responds to all its requests.

The Group Audit and Internal Control department also strives to stay abreast of the internal control best practices developed inside Casino Group entities or shared in the marketplace.

The department works with a central Internal Audit team and has a functional link with Internal Audit teams of the French and foreign entities. In total, the central and local teams comprise nearly 100 employees.

The internal audit assignments carried out by the central team are defined in an annual audit plan. This plan is prepared by the Group Internal Audit unit based on the Group's risk assessment, the application of the audit cycle principle on the Group's key business processes, and the listing of major issues identified by the managers of each of the Group entities or their department heads.

The Internal Audit units of entities also draw up formal annual audit plans which are submitted to the relevant executive managements for validation and, if necessary, to their own Audit Committee for review. These documents are also sent to the Group 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 to be performed by local internal audit teams or external service providers who will be specifically monitored by Group Internal Audit with reporting to the Group Audit Committee;
- Category C: operational audits or cross-functional audits focused on local issues only and which will not be reported to the Group Audit Committee.

The Group Internal Audit Charter, approved by the Audit Committee of Casino, Guichard-Perrachon, the parent company, describes the operating procedures of the Group Internal Audit unit. This charter has been adapted to match the requirements of the audit teams of entities. In performing its audits, the central team also relies on formal guidelines based on the professional standards published by the Institute of Internal Auditors (IIA).

All of the Group Internal Audit reports are transmitted to the Group's executive management and to the Audit Committee of Casino, Guichard-Perrachon, the parent company, in accordance with the procedures defined in the Internal Audit Charter.

Monitoring by external auditors

In the exercise of their duties, the Statutory Auditors are required to understand the organisation and operation of the current internal control procedures, report any observations on the description of the internal control and risk management procedures regarding the preparation and processing of accounting and financial information, and certify the disclosures provided as required by Article L. 225-37 of the French Commercial Code. This Chairman's report on internal control and risk management procedures has therefore been reviewed by the external auditors.

In addition, the external auditors are required to communicate regularly with the Group Audit and Internal Control department and with the Audit Committee.

11.4.2.4. Internal control over accounting and financial reporting

11.4.2.4.1. Objectives

Accounting and financial internal control seeks in particular to ensure:

- the compliance of reported accounting and financial data with applicable rules;
- the application of the instructions and guidelines issued by executive management for accounting and financial reporting;
- the reliability of the information circulated and used internally for steering and control when used to prepare published accounting and financial information;
- the reliability of published financial statements and other disclosures made to the market;
- protection of assets;
- the prevention and detection of fraud and irregular accounting and financial practices as much as possible.

The scope of accounting and financial internal control described below covers the parent company and companies consolidated in the Group financial statements (see page 111).

11.4.2.4.2. Steering the accounting and financial organisation

General organisation

The accounting and financial functions are decentralised in each of the entities to allow better recognition of local specific characteristics. However, some entities outsource some of their work to shared services centres. The Group encourages entities to organise process-specific accounting units, conducive to enhanced consistent treatments, efficient segregation of duties, implementation of controls, and application of procedures.

The Group-level Accounting, Management Control and Corporate Finance departments oversee and steer local functions. Group-level functions also consolidate Group-wide data and prepare the accounting and financial information published by the Casino Group.

The Chief Executive Officers and Chief Financial Officers of each of the controlled entities certify each year through in-house declarations, known as «compliance letters», the reliability of the accounting and financial production of their entity and the existence of an appropriate internal control system.

To be able to issue an opinion to the Board of Directors on the draft financial statements, the Audit Committee reviews the annual and interim financial statements and reads the conclusions of the Statutory Auditors about their work.

For this purpose, the Committee monitors and stays abreast of the accounting and financial reporting preparation process by:

- supervising the control system through its reviews of the internal audit work;
- ensuring a smooth closing process;
- reviewing the relevance of the accounting policies used;
- ensuring the intervention of external auditors.

Application and control of accounting and tax policies

The system implemented seeks to ensure that the locally-applied standards correspond to the regulation in force and may be accessed by all those involved in the process of preparing accounting and financial data.

As part of the consolidation process, each Group entity transmits to the Group Accounting and Management Control departments the IFRS-compliant accounting data, in particular their income statement, statement of financial position, statement of cash flows, statement of changes in equity and various key performance indicators.

The Group Accounting and Management Control departments have prepared and distributed a «Financial reporting guide» designed to ensure the production of reliable and consistent information. This guide presents the Group's significant accounting policies, base of consolidation, consolidation adjustments, complex transactions and management principles. It is regularly updated and distributed to all users of the financial reporting tool who also provide feedback.

The regulatory environment is monitored to assess and anticipate changes in accounting rules and regulations that may impact the Group's accounting policies, which are IFRS compliant; regulatory changes with an impact on the Group's accounting procedures are explained in memos.

In terms of tax policies, validation audits are carried out on the taxable profit at year end. Major transactions for the year are analysed from a tax perspective. Lastly, the team stays abreast of new legislative, jurisprudence and regulatory developments, holds briefings on tax developments and distributes procedural memos.

Tools

Each entity uses the tools necessary for processing and preparing accounting and financial information in compliance with the segregation of duties principle.

The Group entities report their accounting and financial data, restated to reflect the Group's standards and comply with IFRS, through a single financial reporting and statutory consolidation software application. The software allows the identification of the users of the tool and enhanced authentication for remote access, and has enhanced security and continuity features.

This Group reporting system is managed by a dedicated unit.

11.4.2.4.3. Preparation of accounting and financial information

Identification of risks affecting the preparation of published accounting and financial information

The management of each entity is responsible for identifying risks affecting the preparation of published financial and accounting information. It ensures the segregation of duties in the upstream production of accounting information and financial statements to specifically prevent accounting and financial frauds and irregularities. It also implements control activities appropriate to the assessed level of risk.

Control activities to ensure reliable accounting and financial reporting

Preparation and consolidation of accounting and financial information

The processes for producing accounting information and financial statements are organised to guarantee the quality of published accounting and financial information. These processes are based in particular on pre-closing work, the anticipation of estimates and the treatment of complex transactions, which enable to produce reporting within short deadlines while preserving the quality and reliability of information.

Most of the entries required by entities for compliance with the Group's accounting standards are based on instructions transmitted by the Group Accounting Standards department. The Group Accounting department, in charge of staying abreast of new accounting standards, has also set up training programmes to assist entities in using the «Financial reporting guide» reporting and operating tool to guarantee the quality of data collected and the reliability of financial and accounting information.

The system guarantees data consistency through automatic controls on local and consolidated data.

The Group Accounting department continuously checks changes in the ownership percentage of subsidiaries and holdings. It is responsible for implementing the appropriate consolidation treatments (scope of consolidation, change in the basis for consolidation, etc.).

In accordance with the legislation, Casino, Guichard-Perrachon has a team of two Statutory Auditors, appointed in 2010 in its current configuration. The team relies on the validation of all accounting information, including consolidation adjustments, by their local networks of external auditors involved in auditing various subsidiaries. Their duties include checking that the annual financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group and the parent company as at 31 December, and of the results of their operations for the year then ended, in accordance with the accounting principles adopted.

The Group Accounting department liaises with the external auditors of the Group's various entities. The Group's Statutory Auditors are appointed through a call for tenders launched and controlled by the Audit Committee, as required by the AFEP-MEDEF Corporate Governance Code for listed companies.

Management of external financial reporting

The role of the Group Financial Reporting department is to give the financial community a clear overview of the Group's strategy, business model and performance by distributing accurate, reliable and fair information to the public.

The financial data is prepared and validated by the accounting and management control units prior to its publication.

The legal and accounting units also help to prepare the Registration Document and the Management Report.

Results or statements on financial and strategic transactions are sent to the Board of Directors for review and comment. Annual and interim financial statements are reviewed by the Audit Committee before release to the public. Publications of revenue and earnings are submitted to the Statutory Auditors for review and comment.

Financial reporting to all concerned parties occurs through various channels:

- financial press notices and press releases;
- conference calls for quarterly revenue publications;
- presentation meetings for annual and interim results;
- road shows, conferences, one-on-one meetings or conference calls with financial analysts and investors organised in France and abroad;
- financial information distributed at the Annual General Meetings;
- Registration Document, Annual and Corporate Social Responsibility Report;
- Group corporate website.

The Group Financial Reporting department is also involved in setting the calendar and reviewing the financial reporting of the Casino Group's controlled listed subsidiaries to ensure consistent information across all of the Group's communication channels.

11.4.2.5. Conclusion

The Casino Group implements its internal control using a continuous improvement approach aimed at ensuring that risk management and internal control best practices are shared within the Group.

The risk management and internal control systems are regularly reviewed due to the diversity of the Group's operations, business lines and locations and changes in its scope of activity.

The Casino Group's objective is to continue to optimise the current systems. Accordingly in 2014, the Group continued the efforts aimed to enhance the quality of the systems with in particular the introduction of a new risk management method.

11.5. STATUTORY AUDITORS' REPORT, PREPARED IN ACCORDANCE WITH ARTICLE L. 225-235 OF THE FRENCH COMMERCIAL CODE, ON THE REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS OF CASINO, GUICHARD-PERRACHON

Dear shareholders,

In our capacity as Statutory Auditors of Casino, Guichard-Perrachon and pursuant to the provisions of Article L. 225-235 of the French Commercial Code *(Code du commerce)*, we hereby report to you on the report prepared by the Chairman of your Company as provided by Article L. 225-37 of the French Commercial Code for the year ended 31 December 2014.

It is the Chairman's responsibility to prepare and submit to the Board of Directors for approval a report that describes the internal control and risk management procedures implemented at the Company and provides all other information required by Article L. 225-37 of the French Commercial Code related, in particular, to the corporate governance system.

It is our responsibility:

- to give you our observations based on the information contained in the Chairman's report regarding the internal control and risk management procedures related to the preparation and processing of accounting and financial information, and
- to certify that this report contains the other information required by Article L. 225-37 of the French Commercial Code, with the understanding that it is not our responsibility to verify the fair presentation of this information.

We conducted our work in accordance with professional standards applicable in France.

Information regarding the internal control and risk management procedures related to the preparation and processing of accounting and financial information

The professional standards require that we perform the necessary procedures to assess the fair presentation of the information provided in the Chairman's report regarding the internal control and risk management procedures related to the preparation and processing of accounting and financial information. These procedures mainly consist of:

- obtaining an understanding of the internal control and risk management procedures related to the preparation and processing of the accounting and financial information underlying the information presented in the Chairman's report and the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and the existing documentation;
- determining whether any material weaknesses in the internal controls related to the preparation and processing of accounting and financial information that we may have identified as part of our audit have been properly disclosed in the Chairman's report.

Based on this work, we have no matters to report on the information regarding the Company's internal control and risk management procedures related to the preparation and processing of accounting and financial information contained in the report prepared by the Chairman of the Board of Directors in accordance with the provisions of Article L. 225-37 of the French Commercial Code.

Other information

We hereby certify that the Chairman of the Board of Directors' report includes the other information required by Article L. 225-37 of the French Commercial Code.

Neuilly-sur-Seine and Lyon, 17 February 2015

The Statutory Auditors

Ernst & Young et Autres	Deloitte & Associés	
Daniel Mary-Dauphin	Antoine de Riedmatten	Gérard Badin

11.6. INTERIM FINANCIAL INFORMATION

11.6.1. NET SALES – Q1 2015

Improvement in the sales momentum in France

Excellent performance internationally

Strong growth in e-commerce

- Total **Group** net sales: €11.9 billion, a 5.3% rise with 2.7% on an organic basis.
- Good **international** sales momentum: 9.2% total growth and 3.7% organic growth:
  - in Southeast Asia: a sharp rise of 25.4%;
  - in Latin America:
    - high growth in food retailing: 10.2%,
    - near stability in electronic product retailing: -0.8%.
- **In France:**
  - continued improvement in organic sales of -1.3%, with volume growth 0.6% offset by the delayed impact of price drops (-1.9%);
  - good volume growth for most formats.
- **E-commerce:**
  - robust growth in Cnova sales: 17.7%;
  - dramatic growth in gross merchandise volume (GMV): 28.2%[1] due to rapid marketplace development.

Paris, 15 April 2015 – The Casino Group provided its net sales figure for the period ended 31 March 2015.

CONSOLIDATED NET SALES	Q4 2014/Q4 2013 Change			Q1 2015/Q1 2014 Change		
(€ millions)	Q4 2014	Total growth	Organic growth	Q1 2015	Total growth	Organic growth
Total continuing operations	**13,278**	**+1.3%**	**+3.1%**	**11,911**	**+5.3%**	**+2.7%**
France Retail	4,870	-3.1%	-1.9%	4,426	-2.1%	-1.3%
International Retail	7,310	+2.2%	+4.1%	6,579	+9.2%	+3.7%
E-commerce	1,098	+19.0%	+22.2%	906	+17.7%	+17.3%

In the first quarter of 2015, the Group's consolidated net sales were €11.9 billion, a sustained increase of 5.3% compared with the first quarter of 2014. This good performance is attributable to strong growth in food retailing in Asia and Latin America, the rapid development of e-commerce activities, and the continued improvement in organic sales in France (-1.3% *versus* -1.9% for Q4 2014).

The Group benefited from a favourable exchange rate (1.9%) with the rise of the Thai baht and a favourable effect of changes in the Group structure (0.8%) mainly driven by the acquisition of Super Inter in Colombia. Over the period, the calendar effect was 0.4% overall (-0.1% for France Retail and +0.8% for International Retail).

CHANGES IN NET SALES BY SECTOR

By Sector	Q4 2014/Q4 2013 Change				Q1 2015/Q1 2014 Change			
(€ millions)	Q4 2014	Total growth	Organic growth	Same-store growth	Q1 2015	Total growth	Organic growth	Same-store growth
France Retail	4,870	-3.1%	-1.9%	-2.7%	4,426	-2.1%	-1.3%	-1.6%
Latam Retail	4,341	+1.8%	+5.1%	+1.1%	3,870	+10.2%	+6.1%	+2.6%
Latam Electronics	2,014	-0.1%	+2.4%	+1.2%	1,666	-0.8%	-1.3%	-2.7%
Asie	955	+9.2%	+3.1%	-0.4%	1,043	+25.4%	+3.7%	+0.3%
E-commerce	1,098	+19.0%	+22.2%	+21.1%	906	+17.7%	+17.3%	+17.0%

France Retail

In France, the retailing business recorded net sales of €4,426 million, reflecting a petrol effect of -1.1%. Organic growth was -1.3%, an improvement over Q4 2014 (-1.9%). The fall in prices during 2014 continued to affect sales in France by -1.9%.

Same-store sales for all banners increased sequentially compared with the previous quarter. Volumes were higher both on a same-store (0.3%) and organic (+0.6%) basis.

Note: Organic and same-store changes exclude petrol and calendar effects.
(1) Data published by the subsidiary.

BY BANNER (€ millions)	Q4 2014/Q4 2013 Change				Q1 2015/Q1 2014 Change			
	Q4 2014	Total growth	Organic growth	Same-store growth	Q1 2015	Total growth	Organic growth	Same-store growth
Géant Casino	1,255	-4.4%	-2.3%	-2.3%	1,053	-3.8%	-1.5%	-1.5%
SM Casino	808	-4.9%	-3.2%	-2.9%	741	-5.7%	-3.7%	-1.4%
Monoprix	1,094	-0.5%	-0.7%	-1.4%	1,016	+0.6%	+0.9%	+0.3%
FPLP	1,082	-3.5%	-2.0%	-5.9%	1,013	-1.8%	-2.4%	-5.6%
Convenience & Other	632	-1.7%	-2.0%	+0.2%	602	+0.8%	-0.3%	+1.3%

Note: Organic and same-store changes exclude petrol and calendar effects.

- **Géant's** same-store sales continued to recover (-1.5% *versus* -2.3% for Q4 2014), while remaining affected by the delayed impact of price drops in 2014 (-3.8%, down compared to the previous quarter). Food net sales posted a positive performance for the second consecutive quarter (1.1%). During the quarter, the banner's same-store sales volumes rose by 2.4%, including 2.9% for food products.
- **Casino supermarkets'** same-store sales continued to improve (-1.4% *versus* -2.9% for Q4 2014), although still suffering from the residual effect of price drops. The banner reported substantially stable volumes with an increase in consumer goods volumes (0.9%). Organic growth was affected by the gross transfer of six stores to the Monoprix banner.
- **Monoprix** performed well during the quarter. Same-store net sales for all banners were up 0.3%, with a 0.9% increase in volumes. Food net sales rose by 1.3% and non-food net sales also improved compared with Q4 2014. Organic growth benefited from seven net store openings[1], including five gross transfers from other banners.
- **Franprix's** same-store net sales fell by 3.2%. The organic change in net sales continued to be affected by the store disposals requested by the Competition Authority in 2014 and by transfers to other Group banners. Franprix, which will push the development of its Marché Franprix private label and its services, recorded an average overall improvement in the consumer basket (1.3%).
- **Leader Price's** same-store net sales fell primarily as a result of store renovations and price cuts in 2014, with an impact of -4.6%. The banner now offers the lowest prices in the sector. Taking account of the continued expansion, organic volumes grew by 5.7% and net sales were up 0.8%. Total sales increased by 1.6% mainly driven by the acquisition of the Le Mutant stores and the banner gained market share[2].
- Increased customer footfall of 9.1% and volumes of 15.3% contributed to a 5.4% rise in same-store net sales in the convenience format. This good performance is attributable to the modernisation of the network and the conversion of Petit Casino stores into Leader Price Express stores, a new discount concept in urban areas.

Latam Retail

In the first quarter of 2015, net sales in food retailing in Latin America grew strongly by 10.2% to €3,870 million, driven by accelerated organic growth (6.1% *versus* 5.1% in Q4 2014) and the consolidation of Super Inter in Colombia.

Food net sales in Brazil posted high organic growth of 8.0%[3] as a result of sustained expansion. Same-store growth reached 4.9%[3] (*versus* 2.1%[3] for Q4 2014), reflecting the market share gains of the Extra banner[2]. Net sales for the cash-and-carry banner Assaí saw organic growth of 26.3%[3]. GPA opened 17 food stores during the quarter.

Éxito's total sales growth was mainly driven by the consolidation of the Super Inter discount stores in the Cali and Café regions.

Latam Electronics

Viavarejo sales stood at €1,666 million, stable overall excluding the effect of store closures requested by the Competition Authority. Against the backdrop of the economic slowdown, the Viavarejo banners continue to gain market share[2]. During the quarter, three stores were opened under the Casa Bahia banner.

(2) Source: independent panellist.

Asia

Net food retailing sales in Asia were €1,043 million, a sharp rise of 25.4%, due in part to favourable exchange rate effects. Benefiting from the economic recovery in the region, the Group banners recorded a significant improvement in organic growth compared with the previous quarter (3.7% *versus* 3.1% for Q4 2014). Same-store growth is now positive (+0.3% *versus* -0.4% for Q4 2014).

For **Big C Thailand,** the quarter was marked by stable same-store net sales, which recorded a good performance during the Chinese New Year. The improvement in footfall noted in Q4 2014 was confirmed and organic growth was sustained by expansion.

In **Vietnam,** the banner maintained high organic growth. Same-store net sales started to show positive growth with improved footfall and volumes.

E-commerce

Cnova saw a 17.7% increase in its net sales for the first quarter of 2015 and growing customer loyalty. Marketplace growth was very high in the two geographic regions. In total, the gross merchandise volume (GMV) was up sharply by 28.2% to reach €1,248 million.

(1) Including international affiliates and French overseas departments and territories.
(2) Source: independent panellist.
(3) Figures published by the subsidiary.

E-COMMERCE (CNOVA)	Q1 2014[i]	Q1 2015	Total growth
GMV[ii] (gross merchandise volume) incl. VAT	**974**	**1,248**	**+28.2%**
Net sales[iii] (€ millions)	**770**	**906**	**+17.7%**
Active customers[iv] (millions)	11.6	14.8	+27.6%
Orders[v] (millions)	6.8	9.3	+38.2%
Units sold (millions)	11.5	16.0	+38.9%

(i) The sales are recognised upon receipt of the merchandise by the customer. Q1 2014 figures were restated accordingly.
(ii) GMV: Gross Merchandise Volume including VAT; data provided by the subsidiary.
(iii) The difference between net sales shown above and those published by Cnova on 10 April 2015 is explained particularly by the elimination of intra-Group transactions at Casino.
(iv) Active customers at 31 March having made at least one purchase in the last 12 months.
(v) Total value of orders placed before cancellation due to detection of fraud or the absence of customer payment.

11.6.2. OUTLOOK

For the full financial year 2015, the Group confirms its objectives:

- In France[1], increase in annual net organic sales and trading profit over the previous financial year.
- Internationally[1], robust organic growth of the business and increase in trading profit stronger than in net sales.
- In total, organic growth in trading profit and improvement in the net debt to EBITDA ratio to around 0.2x.

Taking into account the price cuts in 2014, with a Q1 effect of -1.9%, the trading profit in France for the first quarter of 2015 will be less than that for the first quarter of 2014.

11.6.3. NOTES

Detail and changes in sales for Q1 2015

Unless otherwise specified, organic growth is shown at constant scope and exchange rates, excluding petrol and calendar effects.

E-commerce net sales are recognised upon receipt of merchandise by the customer. Consolidated figures for Q1 2014 and rental income from the GPA shopping centres were restated accordingly.

Main changes in Group structure

- Full consolidation of Mutant from 8 March 2014.
- Full consolidation of Super Inter from 16 October 2014.

Average Exchange Rates	Q1 2014	Q1 2015	Exchange rate effect
Argentina (EUR/ARS)	10.3805	9.7447	+6.5%
Uruguay (EUR/UYP)	30.2755	27.8663	+8.6%
Thailand (EUR/THB)	44.7221	36.7655	+21.6%
Vietnam (EUR/VND) (x 1,000)	28.8132	24.1567	+19.3%
Colombia (EUR/VND) (x 1,000)	2.7477	2.7816	-1.2%
Brazil (EUR/BRL)	3.2400	3.2236	+0.5%

(1) Excluding e-commerce.

Store network at 31 December

FRANCE	30 Sep. 2014	31 Dec. 2014	31 Mar. 2015
HM Géant Casino	**126**	**127**	**127**
of which French Affiliates	7	7	7
International Affiliates	9	10	10
SM Casino	**443**	**444**	**443**
of which French Franchised Affiliates	61	63	65
International Franchised Affiliates	30	32	33
Monoprix	**599**	**632**	**639**
of which Franchises/Affiliates	178	186	188
Naturalia	80	90	93
Franchised Naturalia	2	2	3
Franprix	**872**	**860**	**856**
of which Franchises	333	323	320
Leader Price	**761**	**801**	**832**
of which Franchises	204	207	208
Total SM and Discount	**2,675**	**2,737**	**2,770**
Convenience stores	**6,800**	**6,825**	**6,884**
Other businesses (food services, service stations, etc.)	**567**	**598**	**605**
Indian Ocean region[1]	**129**	**129**	**129**
TOTAL FRANCE	**10,297**	**10,416**	**10,515**

International	30 sep. 2014	31 dec. 2014	31 mar. 2015
Argentina	**27**	**27**	**27**
HM Libertad	15	15	15
Miscellaneous other	12	12	12
Uruguay	**54**	**54**	**54**
HM Géant	2	2	2
SM Disco	28	28	28
SM Devoto	24	24	24
BRAZIL	**2,036**	**2,143**	**2,159**
HM Extra	137	137	137
SM Pão de Açúcar	171	181	181
SM Extra	208	207	206
Assai (discount)	80	84	87
SUP Extra Facil and Mini Mercado Extra	213	256	270
Casas Bahia	621	663	666
Ponto Frio	364	374	371
Drugstores	159	158	158
+ Service stations	83	83	83
Colombia	**1,146**	**1,258**	**1,397**
HM Éxito	82	82	81
SM Éxito and Carulla	151	153	153
Super Inter	46	52	
Surtimax (discount)	816	874	1,007
of which "Aliados"	662	721	858
Éxito Express and Carulla Express	94	102	103
Other	3	1	1
Thailand	**624**	**636**	**643**
HM Big C	123	123	123
SM Big C	35	37	37
SUP Mini Big C	316	324	328
Pure	150	152	155
Vietnam	**38**	**40**	**40**
HM Big C	28	30	30
Convenience stores	10	10	10
TOTAL INTERNATIONAL	**3,925**	**4,158**	**4,320**

(1) Until 30 September 2014, this line was shown under "Total International".

11.7. PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT AND THE ANNUAL FINANCIAL REPORT

PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

Jean-Charles Naouri, Chairman and Chief Executive Officer

DECLARATION OF THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

"I hereby certify, after taking all reasonable measures to that effect, that the information contained in this Registration Document is, to the best of my knowledge, accurate and does not include any omission that would distort its substance.

I hereby declare that, to the best of my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of the Company and its consolidated companies. I further certify that the management report on page 16 *et seq.* gives a true and fair view of the business developments, results and financial position of the Company and its consolidated companies, together with a description of the main risks and uncertainties that they face.

I have obtained an audit completion letter from the Statutory Auditors indicating that they have audited the information concerning the financial position and financial statements presented in this Registration Document, and have read the entire document.

The Statutory Auditors' reports on the historic financial information contained in this document are provided on pages 28 and 120 for the year ended 31 December 2014 and are incorporated by reference below for the years ended 31 December 2013 and 31 December 2012.

The Statutory Auditors' report on the consolidated financial statements for the year ended 31 December 2014, provided on page 28, contains the following observation: «Without calling into question the opinion expressed above, we direct your attention to Note 1.3 to the consolidated financial statements regarding changes in accounting policies resulting from the application of IFRS 11 regarding joint arrangements and IFRIC Interpretation 21 regarding the recognition of levies."

Jean-Charles Naouri

Pursuant to article 28 of EC Commission Regulation no. 809/2004, the following information is incorporated by reference into this Registration Document:

For financial year 2013

The Registration Document for the financial year 2013 was filed with the Financial Markets Authority in France on 3 April 2014, under number D.14-0281. It includes:

- the consolidated financial statements on pages 71 to 155 and the corresponding Statutory Auditors' report on page 70;
- the financial information on pages 2 to 68;
- the Company's financial statements prepared in accordance with French GAAP on pages 159 to 182 and the Statutory Auditors' general report and special report on pages 158 and 183 respectively.

For financial year 2012

The Registration Document for the financial year 2012 was filed with the Financial Markets Authority in France on 28 March 2013, under number D.13-0238. It includes:

- the consolidated financial statements on pages 71 to 154 and the corresponding Statutory Auditors' report on page 70;
- the financial information on pages 1 to 67;
- the Company's financial statements prepared in accordance with French GAAP on pages 157 to 180 and the Statutory Auditors' general report and special report on pages 156 and 181 respectively.

11.8. EUROPEAN COMMISSION REGULATION 809/2004 OF 29 APRIL 2004 – CROSS-REFERENCE TABLE

To facilitate the reading of this Registration Document, the thematic table below may be used to identify the main information required by Annex 1 of the European Commission Regulation 809/2004 of 29 April 2004.

11.9. ANNUAL FINANCIAL REPORT – CROSS-REFERENCE TABLE

To facilitate the reading of this document, the cross-reference table below may be used to identify in this Registration Document the information that constitutes the annual financial report which must be published by listed companies in accordance with Articles L. 451-1-2 of the French Monetary and Financial Code and 222-3 of the General Regulations of the Financial Markets Authority in France.

11.10. BOARD OF DIRECTORS' MANAGEMENT REPORT – CROSS-REFERENCE TABLE

To facilitate the reading of this document, the cross-reference table below may be used to identify in this Registration Document the information that constitutes the Board of Directors' management report referred to in Articles L. 225-100 and L. 225-100-2 of the French Commercial Code.

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Published by Groupe Casino. Design and creation: Sequoia
Photo credit: Médiathèque groupe Casino, François Daburon, DR.
Impression: Altavia Saint-Etienne
Printed on Cocoon Offset 100% recycled paper, FSC and European Ecolabel certified.

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