Registration Document

2015

GROUPE Casino

NOURRIR UN MONDE
DE DIVERSITÉ

Contents

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

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Chapter 1

Presentation of the Casino Group

1.1. FINANCIAL HIGHLIGHTS

CONTINUING OPERATIONS

(€ millions)	**2015**	2014	2013	Reported change 2015/2014	2015/2014 Organic change
Consolidated net sales	46,145	48,493	48,645	-4.8%	+0.1%
EBITDA[1]	2,343	3,191	3,337	-26.6%	-22.1%
Trading profit	1,446	2,231	2,363	-35.2%	-30.6%
Net profit (loss) from continuing operations, Group share	(47)	253	853		
Net profit (loss) from discontinued operations, Group share	4	(2)	(2)		
Consolidated net profit (loss), Group share	(43)	251	851		
Net underlying profit, Group share[2]	412	556	618		

(1) EBITDA = Earnings before interest, taxes, depreciation and amortisation = Trading profit + depreciation and amortisation expense.

(2) Underlying profit corresponds to profit from continuing operations adjusted for the impact of other operating income and expense, non-recurring financial items and non-recurring income tax expense/benefits, see section 2.1.4.

GROSS CAPITAL EXPENDITURE

(€ millions)	**2015**	2014	2013
Capital expenditure	1,488	1,563	1,633
of which France	619[1]	753	550
of which International	794	810	1,083
As a % of net sales	*3.2%*	*3.2%*	*3.4%*

(1) Excluding Cdiscount. In 2013 and 2014, Cdiscount's gross capital expenditure was reported under "France".

DEBT AND EQUITY

(€ millions)	**2015**	2014	2013
Equity (before appropriation)	12,419	15,608	15,426
Net debt[1]	6,073	5,822	5,416
Net debt to EBITDA ratio	2.6 x	1.8 x	1.6 x

(1) Debt after reclassification of puts in liabilities and including the share of attributable net assets whose sale was decided in 2015 (mainly Vietnam). In 2015, the Group reviewed its definition of net debt mainly in relation to net assets held for sale as part of its debt reduction plan and to debt corresponding to "minority puts". 2014 net debt was adjusted accordingly.

1.2. SIGNIFICANT EVENTS OF THE PERIOD

On 9 January 2015, Leader Price opened its 1,001st store and launched the new Leader Price Express concept.

On 4 May 2015, Casino signed a unilateral purchase agreement with Gastronome (Terrena Group) to acquire its Gastronome-Luché subsidiary, which has a site in Luché-Pringé in north-western France (Sarthe department). This acquisition gives Casino access to a high-quality sourcing channel for poultry products and allows it to secure the entire supply chain.

On 12 June 2015, Géant Casino announced a store front upgrade programme starting in September 2015 that will see it introduce new concepts and develop synergies with other Group subsidiaries (including Cdiscount in the multi-channel segment and Éxito for apparel and housewares).

On 30 June 2015, Starbucks Coffee Company and Casino subsidiary Casino Restauration signed a licensing partnership agreement that provides for the opening of Starbucks cafés in Géant Casino hypermarkets and Casino Supermarkets across France.

On 30 July 2015, Casino strengthened its organisational structure by combining all of its Latin American operations under its Colombian subsidiary Éxito. This change is designed to optimise the Group's future growth in Latin America. The Group signed an agreement with Éxito under which it sold to Éxito (i) a 50% interest in its French holding company, which holds voting shares in its Brazilian subsidiary GPA representing around 18.8% of GPA's share capital, and (ii) 100% of Libertad, a Group subsidiary in Argentina.

On 18 August 2015, Éxito obtained approval from its shareholders at the General Meeting to acquire from Casino 50% of the voting shares in its Brazilian subsidiary GPA and 100% of Argentina-based Libertad.

Éxito completed the acquisition on 20 August 2015. Casino and Éxito entered into shareholders' agreements to organise control of GPA.

On 30 November 2015, Casino and DIA formed a strategic international alliance covering purchasing and services. The partners agreed to coordinate purchasing negotiations with their private label brand suppliers in Europe, with a view to growing volumes by around 50%.

On 15 December 2015, Casino announced a plan to strengthen its financial flexibility in 2016 by reducing its debt by more than €2 billion, including by selling its operations in Vietnam. The scope of this debt reduction plan was increased to €4 billion in 2016 with the announcement in February of the disposal of Big C Thailand.

On 18 December 2015, the Board of Directors of Cnova announced that it had retained external consultants to assist in an investigation of suspected stock management irregularities and anomalies at its Brazilian subsidiary.

1.3. BUSINESS AND STRATEGY

1.3.1. MAJOR MILESTONES IN THE GROUP'S HISTORY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

In 2010, the Venezuelan government ordered the nationalisation of Éxito hypermarkets operating in Venezuela. Casino thus sold 80% of its subsidiary Cativen to the Bolivarian Republic of Venezuela and retained the remaining 20% in order to continue providing operational support.

In 2012, Casino obtained control of GPA, the leading retailer in Brazil and the country's biggest private employer. It is now GPA's only controlling shareholder.

In 2013, Casino obtained exclusive control of the Monoprix Group, continuing the development strategy focusing on convenience formats first initiated in 1996.

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

In 2015, Casino strengthened its organisational structure by combining all of its Latin American operations under its Colombian subsidiary Éxito. The Group sold to Éxito (i) a 50% interest in its French holding company, which holds voting shares in its Brazilian subsidiary GPA representing around 18.8% of GPA's share capital, and (ii) 100% of Libertad, a Group subsidiary in Argentina.

In December 2015, Casino announced a plan to reduce its debt by more than €2 billion in 2016 through property transactions and the sale of non-strategic assets, including its subsidiary in Vietnam. The scope of this debt reduction plan was increased to €4 billion with the disposal of Big C Thailand.

1.3.2. BUSINESS AND STRATEGY

A. Group profile in 2015

Casino is a leading food retailer in France and abroad. At 31 December 2015, it had a total of 15,344 stores in various formats and across various channels.

The Group operates in five segments:

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

The France Retail segment accounts for 41% of net sales and 23% of trading profit. Casino operates 117 Géant Casino hypermarkets[1], 408 Casino Supermarkets[1], 867 Franprix stores, 698 premium stores (Monoprix), 810 discount stores (Leader Price), 6,916 convenience stores and 146 stores in the Indian Ocean region (Vindémia)[2].

In the international markets, Casino operates in six countries (Brazil, Colombia, Thailand, Argentina, Uruguay and Vietnam) and has a total of 4,717 stores in all formats. In Latin America and Asia, it holds leadership or co-leadership positions. International operations can be broken down into three sub-segments:

- Latam Retail: 32% of net sales and 49% of trading profit;
- Latam Electronics: 11% of net sales and 19% of trading profit;
- Asia: 9% of net sales and 19% of trading profit.

The E-commerce segment (Cnova) accounts for 7% of net sales and a trading loss.

In 2015, consolidated net sales totalled €46.1 billion, an organic increase of 0.3%[3] on 2014, and net underlying profit, Group share amounted to €412 million.

B. Business and strategy – France Retail

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

France Retail generated net sales of €18,890 million in 2015 and trading profit of €337 million.

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

In this environment, the multi-format structure and heavy weighting to convenience and discount formats give the Group a definite competitive advantage.

At end-2015, the Group operated a total of 10,627 stores in France covering all food retailing formats.

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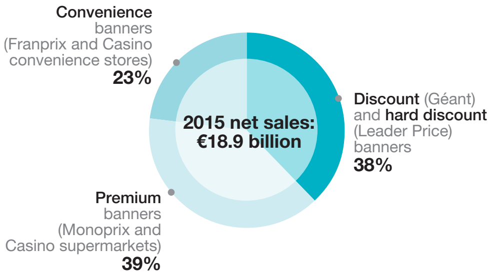
(1) Excluding international affiliates.
(2) Vindémia, whose head office is located in Reunion, is included in the France Retail segment.
(3) Excluding petrol and calendar effects.
(4) Source: Kantar.

Number of stores by format (at 31 December 2015)[1]

Format/ positioning	Number of stores
HYPERMARKETS	128
URBAN AND RURAL SUPERMARKETS	441
TOWN CENTRE SUPERMARKETS	698
CONVENIENCE/NATIONAL (SUPERETTES)	6,916
CONVENIENCE (PARIS REGION)	867
DISCOUNT	810
OTHER OPERATIONS (Foodservices, drive-in, etc.)	621
INDIAN OCEAN REGION	146

Breakdown of France Retail sales by format (at 31 December 2015)



The portfolio of stores in France presents a balanced mix in terms of segment, brand and format.

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

Sustained development in private label goods

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

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

The strength of the brand now lies in its competitive pricing, broad product range and ability to regularly renew its product lines. Casino brand products were sold in around 8,000 stores in France in 2015. Private label and value-line products accounted for 46% of total volumes of FMCG and refrigerated products sold across the Casino network.

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

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

A targeted positioning for each banner

Each banner has a different sales strategy, giving it a unique positioning much appreciated by consumers.

HYPERMARKETS

Géant Casino's positioning is based on an enjoyable, comfortable shopping experience in people-friendly stores with low prices (average selling area of 7,000 sq.m., compared with the market standard of about 9,000 sq.m.). It is a popular banner with a highly competitive offering.

At end-2015, Géant operated 128 hypermarkets, of which seven affiliates in France and 11 affiliates abroad.

Géant confirmed its recovery during the year as a result of its price repositioning strategy. According to panellists, at end-2015, Géant had become co-leader in terms of prices in the hypermarket segment in France.

In non-food, Géant continued to reposition its offering in the more buoyant apparel, housewares and leisure segments. Alongside this refocusing plan, store space is being reorganised and scaled down to improve return on capital employed.

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

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

The strategy complements efforts to revitalise the hypermarket model with smaller stores and an optimised non-food offering.

Hypermarkets[2] generated net sales of €4,703 million in 2015, while Géant Casino generated net sales of €4,423 million.

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[1] Including international affiliates (of which Géant Casino hypermarkets: 11, Casino Supermarkets: 33, Monoprix: 93).
[2] Including Géant Casino and mainly the business of the four Codim stores in Corsica.

CASINO SUPERMARKETS

Casino Supermarkets operate in town centres or rural areas, with a total of 441 stores. They are concentrated in three main regions – south-eastern France, the Rhone Valley and Greater Paris – which account for more than 80% of total stores.

Casino Supermarkets have an average selling area of 1,637 sq.m. offering mainly food products, of which approximately one-third are Casino brand goods. The banner's positioning is based on a commitment to taste, choice and customer service.

14 Casino Supermarkets were opened in France in 2015.

Casino Supermarkets' net sales amounted to €3,214 million in 2015.

MONOPRIX

Monoprix is the leading premium town centre retailer, with 698 stores in France at end-2015.

Its expertise in town centre retailing is reflected first and foremost in its stores. The Monoprix banner, with an average selling area of 1,000 sq.m., is designed to appeal to an active urban clientele. It stands out for its very broad and innovative offering (up to 30,000 items) of both food and non-food products, with a wide range of private label products.

Monoprix has also developed other formats:

- monop' is an ultra-convenience concept. With a selling area of 150 to 600 sq.m., these practical, welcoming stores provide a varied offering that meets basic daily needs as well as pleasure purchases. monop' operates in busy urban areas and on motorways. Its 113 stores cater to an active, urban clientele;
- monop'beauty is a store entirely dedicated to beauty and hygiene products. Aimed at men as well as women, it offers a broad selection of national brand products, designer brands and alternative brands that are usually sold in pharmacies;
- monop'daily combines fast food with ultra-freshness. With an average selling area of 50 to 100 sq.m., it offers a broad range of snacks, ready meals, dairy products, beverages, fruit and desserts, enabling consumers to choose a different menu every day;
- monop'station is a relatively new concept that first opened in late 2011. The stores are located in railway stations and stock the main monop' and monop'daily items for the convenience of travellers;
- Naturalia is the leading specialist retailer of organic products in the Paris region, with 126 stores offering more than 6,000 items.

In 2015, Monoprix pursued an active expansion policy across all its formats, opening a total of 84 new stores (including six abroad).

Monoprix's E-commerce business continued to grow in 2015.

Monoprix posted net sales of €4,135 million in 2015.

FRANPRIX

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

Franprix has established itself as a powerful, differentiated concept in the Parisian convenience segment. In 2015, it launched the Mandarine concept to transform the shopping experience with pleasant, friendly and easy-to-use stores and a focus on quality. The concept's popularity has helped lift Franprix's sales.

Ease of access and flexible opening hours also contribute to the success of the Franprix banner. It further developed its loyalty card in 2015.

At end-2015, Franprix operated a total of 867 stores, including 350 franchises.

Franprix reported net sales of €1,661 million in 2015.

LEADER PRICE

Leader Price is positioned as a major player on the discount food retailing sector, with a focus on meeting two key criteria: lowest prices in the market and high-quality products.

The banner is aimed at price-sensitive consumers and offers an extensive food range (4,500 items), including fresh and frozen products and a few core regional products.

Leader Price is the banner with the lowest prices in France, which allowed it to gain market share in 2015.

It stands out because of its offering, composed of more than 80% Leader Price private label products, 10% Le Prix Gagnant value-line products and 10% national brand products.

Leader Price seeks to offer its customers the best quality through internal or external tasting panels and analysis of customer suggestions and ambassador networks. When selecting products and recipes, it received guidance from the late Jean-Pierre Coffe, a French TV personality and food critic.

Leader Price stores are located in urban and suburban areas across France. At end-2015, they numbered 810.

In 2015, Leader Price generated net sales of €2,576 million.

CONVENIENCE STORES

There are five main convenience banners: Petit Casino, Leader Price Express, Casino Shop, Vival and Spar.

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

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

Recognised expertise in franchising is one of the key strengths of the convenience business model. The number of franchised stores has now reached more than 5,200, mainly under the Spar and Vival banners.

In 2011, the Group launched the Casino Shop and Casino Shopping banners with curved shelving displays and closed refrigerated displays to save energy. These stores, which provide an extensive range of services, have proved extremely popular with consumers and will be deployed mainly in urban areas. At end-2015, the Group had 418 Casino Shop and 11 Casino Shopping stores.

In 2015, the banner opened new franchised stores and continued to renovate existing outlets.

In 2015, the Group also confirmed its leadership in supplying food items to service stations. Since April 2013, it has supplied food items to more than 1,100 Total forecourt stores.

The Group now operates 6,916 convenience stores and continues to expand its network while actively managing its store base.

The Convenience & Other[1] segment posted consolidated net sales of €2,601 million in 2015.

THE INDIAN OCEAN REGION

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

Vindémia has a very strong market position in Reunion, which accounts for 79% of sales, but also operates in Madagascar, Mayotte and Mauritius.

It has a multi-format positioning with Jumbo hypermarkets, Score supermarkets, Cash discount stores, Spar convenience stores and Vival franchised stores. It has a total of 146 stores (including 83 franchised outlets).

OTHER BUSINESS

The Group has developed a number of other retail-related businesses:

Property development

Group-related property activities are discussed in section 1.4.

Casino Restauration

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

In the past few years, it has been repositioning through innovative concepts such as family restaurants (À la Bonne Heure), theme restaurants (Villa Plancha), takeout food (Cœur de Blé), corporate food service (R2C: Restauration Collective Casino) and events catering (Saveurs d'Événements).

Banque Casino

Created in 2001, Banque Casino provides consumer finance and other financial services in Géant Casino hypermarkets, Casino Supermarkets and on the Cdiscount website. It has almost one million customers.

In October 2011, Banque Casino launched a bank 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. Presentation of international business and strategy

International business now accounts for the majority of sales and earnings. The Group operates in six countries[2] with a total of 4,717 stores. International operations can be broken down into three sub-segments:

- Latam Retail (the food banners of GPA, Éxito, Disco Uruguay and Libertad): 32% of net sales and 49% of trading profit;
- Latam Electronics (the banners of Via Varejo: Casas Bahia and Ponto Frio): 11% of net sales and 19% of trading profit;
- Asia (the banners of Big C Thailand and Big C Vietnam): 9% of net sales and 19% of trading profit.

The portfolio of international assets has been thoroughly remodelled since 2006. Casino now operates in countries with high growth potential, large, young populations, fast-growing economies and a largely fragmented retail structure.

In the past, the Group focused on two core regions: Latin America and South-East Asia. Its subsidiaries held leadership positions thanks to their long-established store banners and close-to-the-customer relations. The Latam Retail segment performed strongly throughout the year, with organic sales growth[3] of 5.8%. The year was more challenging for the Latam Electronics and Asia segments, which saw organic sales[3] contract by 15.1% and 0.8%, respectively.

In December 2015 and February 2016, Casino announced a plan to sell its operations in Thailand and Vietnam. The plan is in line with its asset rotation strategy of selling mature assets and acquiring new, key assets.

LATAM RETAIL

Casino operates in Brazil, Colombia, Argentina and Uruguay. It has leading positions in most of these markets. In 2015, Latam Retail accounted for 32% of consolidated net sales and 49% of trading profit.

Food retailing sales in Latin America totalled €14,714 million in 2015, with a trading margin of 4.8%.

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[1] Includes cafeterias, real estate, other operations and the Indian Ocean region.
[2] Vindémia is included in the France Retail segment.
[3] Excluding petrol and calendar effects.

Colombia[1]

Casino has operated in Colombia since 1999 through its subsidiary Éxito, Colombia's leading food retailer. At end-2015, Éxito had 1,668 stores in 217 cities across the country. Most of its stores are hypermarkets and supermarkets, but it also operates in the convenience and discount segments. The Group also stands out for its multi-channel model, with the development of online shopping through the Éxito.com and Carulla.com websites.

Éxito seeks to consolidate its coverage of large cities, enter small and mid-sized urban markets and develop convenience formats. It continues to expand its Surtimax banner, specialised in discount stores (1,095 Surtimax Aliados stores, of which 610 opened in 2015), as well as to develop its online sales through the Éxito.com and Carulla.com websites. This approach is fully in line with the multi-format strategy adopted by the Group.

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

- a 50% interest in its French holding company, which holds voting shares in its Brazilian subsidiary GPA representing around 18.8% of GPA's share capital;
- 100% of Libertad, a Group subsidiary in Argentina.

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

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

Éxito has been fully consolidated since 1 May 2007. Casino held a 54.8% interest in its share capital at end-2015.

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

Hypermarkets

› Éxito: 85 stores

Éxito is a hypermarket banner with stores in 55 cities. Its food and non-food product offering is tailored to the needs of all segments of the Colombian population. Éxito stands out for the quality of its private label textile range, which enjoys a very good reputation with consumers. The stores also provide a variety of services including the "Éxito Points" loyalty programme, travel deals and financial services (insurance).

Supermarkets: 163 stores

› Éxito Super and Vecino: 83 stores

The Éxito brand also includes two different supermarket banners: Éxito Super (38 stores in 13 cities offering a range of primarily food products) and Éxito Vecino (45 stores in 28 cities offering a wider assortment of non-food products). Both banners benefit from the sales action plan put in place by the Éxito brand.

› Carulla: 80 stores

Carulla is the main supermarket banner and is renowned for its high quality. It is aimed at affluent customers and offers targeted gourmet products. The network operates mainly in Colombia's two largest cities: Bogotá and Medellín. It has a loyalty programme called "Supercliente Carulla".

Convenience: 113 stores

› Éxito Express: 93 stores

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

› Carulla Express: 20 stores

Carulla Express is the second of the "minimarket" formats. It also provides take-out products such as sandwiches, fresh fruit and cakes and pastries.

Discount: 1,306 stores

› Surtimax: 153 proprietary stores

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

During 2015, Éxito continued to expand its network of independent franchises, known as "Aliados". By the end of the year, it had a total of 1,095 franchised stores.

› Super Inter: 58 proprietary stores

In 2014, Éxito bought 19 stores and signed a management lease agreement for the 31 remaining stores, on which it exercised a purchase option in April 2015. Eight stores were transferred, opened or acquired in 2015. The Super Inter chain is located in the Cali and Coffee regions.

Uruguay

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

Casino operated a total of 65 stores at end-2015.

Supermarkets

› Disco: 29 stores

Originally a chain of family supermarkets, Disco enjoys strong recognition throughout the country and focuses on competitive pricing. Disco stores are conveniently located and much appreciated by consumers. Its two key strengths are reflected in its signature: "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 signature "Price and quality. Always", Devoto clearly states its strong positioning focused on affordability, but also on product quality and customer service.

Hypermarkets

› Géant: 2 stores

With its signature "The lowest price", Géant hypermarkets offer a broad range of products at the lowest price in the country.

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[1] Company information available at www.grupoexito.com.co.

Convenience stores

- **Devoto Express: 10 stores**

In 2015, the first ten Devoto Express stores were opened, showcasing a new convenience format. With an average selling area of 170 sq.m., the banner offers customers competitive prices.

Argentina

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

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

In 2015, the Group had a total of 27 stores.

Hypermarkets

- **Libertad: 15 stores**

Libertad is the leading hypermarket chain outside the capital, operating mainly in large inland cities. It is typically the anchor store in a shopping centre.

- **Mini Libertad: 12 stores**

With an average selling area of approximately 160 sq.m., Mini Libertad stands out as the foremost food convenience format in large cities such as Cordoba.

Brazil (food banners)[1]

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

In 2009, GPA acquired Globex and its Ponto Frio banner, the second-largest retailer of consumer electronics and household appliances in Brazil. The 2010 takeover by GPA of Casas Bahia (the leading non-food retailer in Brazil) saw GPA become the unrivalled leader in consumer electronics and household appliances, via the retailer Via Varejo, with a 27.5% share of the brick-and-mortar market (excluding hypermarket sales and E-commerce) at end-2015.

With these major strategic initiatives, GPA has consolidated its position as the leading Brazilian retailer in both the food and consumer durable segments.

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

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

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

At end-2015, GPA operated a total of 1,167 food retail stores, with strong market positions in the two most economically buoyant states, São Paulo and Rio de Janeiro.

In 2015, the GPA food banners contributed €10,052 million to Casino's consolidated net sales.

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

Hypermarkets

- **Extra HM: 137 stores**

Extra hypermarkets offer a vast range of food products as well as personal and household equipment, aiming to meet the demands of as many consumers as possible at the best prices.

Supermarkets

- **Pão de Açúcar: 185 stores**

Pão de Açúcar premium convenience supermarkets offer a broad array of high quality products. Always at the leading edge of technology, the banner also offers a range of services to meet the needs of a relatively affluent clientele.

- **Extra SM: 199 stores**

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

Convenience stores

- **Minimercado Extra: 249 stores**

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

- **Minuto Pão de Açúcar: 62 stores**

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

Drugstores: 157

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 health and well-being products for the entire family at competitive prices. Specialist staff guide customers and facilitate their shopping experience, helping them to make the right purchase.

Cash and carry

- **Assaí: 95 stores**

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

The Assaí, Pão de Açúcar and convenience formats all gained market share in 2015.

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[1] Company information available at www.gpari.com.br.

LATAM ELECTRONICS
(Brazil, non-food banners)

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

Via Varejo is the leading consumer electronics and furniture retailer in Brazil.

In December 2013, GPA made an initial public offering of shares in Via Varejo, its non-food retail subsidiary. Its percentage interest in Via Varejo subsequently fell from 52.4% to 43.3%, with no change of control.

In August 2015, Casino sold to Éxito a 50% interest in its French holding company, which holds voting shares in GPA representing around 18.8% of GPA's share capital. Its percentage interest in Via Varejo subsequently fell to 14.2%.

At end-2015, Via Varejo operated a total of 1,014 stores.

Via Varejo contributed €5,187 million to Group consolidated net sales and its trading margin was 5.2%.

The segment accounted for 11% of net sales and 19% of consolidated trading profit.

Ponto Frio: 254 stores

Ponto Frio is aimed mainly at the middle-income segment. It provides a broad range of household appliances and furniture, accompanied by advice and services.

Casas Bahia: 760 stores

Casas Bahia is the leading Brazilian retailer in its category, offering household goods aimed at the lower income segment. Its success is due to its large range of competitively priced furniture, household appliances and consumer electronics. It also owes it appeal to a broad geographical reach covering 19 States, as well as the quality of its customer service.

ASIA

The Group has operated in Asia since 1999, where it focuses on Thailand and Vietnam.

In December 2015, Casino announced a plan to dispose of all of its assets in Vietnam. At end-2015, it operated 32 hypermarkets (including 29 shopping centres), ten convenience stores and several cash and carry corners in 15 of the 17 largest cities.

In February 2016, the Group announced the sale of its 58.6% interest in Big C Thailand for €3.1 billion.

In 2015, Asia generated consolidated net sales of €3,973 million with a trading margin of 7.0%.

The region accounted for 9% of Group sales and 19% of consolidated trading profit.

Thailand[1]

Casino began operating in Thailand in 1999 after acquiring an interest in Big C, the country's number two large-surface food retailer.

Big C enjoys the image of a powerful local banner selling products at low prices and aligned with local tastes.

There were 734 stores at end-2015, including 125 hypermarkets. Big C also operates in the convenience segment with its 391 Mini Big C stores, *versus* 324 at end-2014.

One of Big C's specific features is that it operates as many shopping centres as hypermarkets.

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

At end-2015, the Group held a 58.6% majority interest in Big C.

On 21 March 2016, Casino finalised the sale of its interest in Big C to the TTC Group.

Hypermarkets: 125 stores

Big C hypermarkets offer regular promotions and excellent value for money. They differentiate themselves from rival banners by creating an enjoyable and pleasant shopping experience (through in-store events, etc.) that makes customers want to come back.

Supermarkets: 55 stores

Big C Market was launched in 2010, with an average selling area of 1,000 sq.m.

Convenience: 391 stores

Big C operates in the convenience store segment through its Mini Big C banner, which aims to attract an urban clientele that wants shopping to be as quick and easy as possible.

Other

- Pure: 163 stores

Launched in 2008, Pure is a new store concept offering a range of 3,000 health, beauty and personal care items.

Vietnam

Casino subsidiary Vindémia opened the first "French-style" hypermarket in Vietnam in 1998 under the Big C banner. Vietnam is a highly promising market, with a large, young population, a fast-growing economy and substantial potential for developing modern trade.

At end-2015, Big C had a total of 32 hypermarkets operated in line with the dual development strategy.

Big C stores stand out for their quality of service, range of fresh produce and store price image (source: Neilsen) and the Big C Vietnam brand is recognised as a favourite with Vietnamese consumers.

There are also ten predominantly food-oriented convenience stores offering a large range of fresh and ready-to-eat products.

In December 2015, Casino announced its plan to sell Big C Vietnam.

E-COMMERCE (CNOVA)

On 6 May 2014, Casino outlined a plan to create an E-commerce business 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).

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

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

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(1) Company information available at www.bigc.co.th.

Gross Merchandise Volume (GMV) amounted to €4.8 billion in 2015, making Cnova the E-commerce leader in France (Cdiscount) and Brazil (Cnova Brasil).

Over the year, the number of visits rose by 28.9% to 1,711 million.

Growth is supported by robust proprietary sales on the Group's different E-commerce sites (Cdiscount in France and Extra.com, CasasBahia.com and Pontofrio.com in Brazil) and the rapid expansion of marketplaces, which accounted for 20.5% of GMV in 2015, compared with 11.3% in 2014.

Cnova offers its 15 million active customers a wide range of products, several quick and easy delivery options and convenient payment methods.

Thanks to the Group's worldwide store network, Cnova had almost 19,800 collection points (Click & Collect) in France and 1,300 in Brazil at end-2015.

After pursuing a strategy of expansion in 2014 and the first half of 2015 (launch of Cdiscount site in Brazil, introduction of the Finlandek private label in France, opening of specialist sites in France and international development in Colombia, Thailand, Vietnam, Ivory Coast, Cameroon, Ecuador, Panama, Belgium and Senegal), the Group decided in the second half to refocus its activities:

- In France, on specialist sites presenting significant operational synergies with the core activities of Cdiscount. In particular, this involved the sale of MonShowRoom to Monoprix and the merger of MonCornerKids with MonCornerbaby and MonCornerJardin with MonCornerDeco.
- In the international markets, on countries where operations are advancing in line with the initial development plan. At end-2015, Cnova operated in Colombia, Ivory Coast, Cameroon, Senegal and Belgium.

In 2015, Cnova generated €3,381 million in net sales, representing 7% of the consolidated total.

At end-2015, Cnova was 43.3% owned by the Casino Group.

1.4. PROPERTY MANAGEMENT

1.4.1. ROLLING OUT THE DUAL RETAILING AND PROPERTY MANAGEMENT MODEL IN FRANCE AND ABROAD

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

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

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

Outside France, the Group holds strong positions in commercial properties with a total 798,000 sq.m. of Gross Leasable Area (GLA) in shopping centres at end-2015, broken down as follows:

- Leading shopping centre operator in Colombia with 310,000 sq.m. of GLA;
- Third shopping centre operator in Argentina with 145,000 sq.m. of GLA;
- One of the leading operators in Brazil with 338,000 sq.m. of GLA in Brazil and 5,000 sq.m. in Uruguay.

1.4.2. ENHANCING THE VALUE OF EXISTING ASSETS THROUGH ACTIVE MANAGEMENT

Casino actively manages its property assets in France. In 2015, it acquired €87 million and disposed of €7 million worth of property assets, bringing the total value of its portfolio of fully consolidated French properties to €4 billion[2] (*versus* €4.1 billion in 2012, €4.2 billion in 2013 and €4.1 billion in 2014). In 2015, property development operations totalled €439 million.

Casino adapts to changing consumer habits. The hypermarket model is constantly tweaked to respond to new challenges, for example by downsizing selling areas and other spaces (stock rooms, etc.). The newly available space presents an opportunity to increase the size and appeal of shopping centres. Work under way will be continued in light of the smaller share of non-food items in hypermarkets.

This strategy is also being replicated at certain Monoprix stores, but with the goal of increasing selling areas. Five sites were sold to Mercialys in 2015 as part of this approach which contributes to recurring business in value creation through property development projects.

Property development continued in 2015 with the delivery of the Millau project (shopping centre with around 40 stores, opened in September 2015), the retail park in Amiens (3,180 sq.m., three new banners, opened in the fourth quarter of 2015) and the development of car park areas (restaurants, pizza kiosks, car washes, etc.).

In order to make Casino sites more attractive, a more contemporary and visible identity was rolled out at all sites in partnership with co-owners, including red and white façades and new signage.

Internationally, the Group continues to develop its retail property activities as follows:

- In Colombia, a target of 600,000 sq.m. of GLA has been set for 2019 and a dedicated fund has been announced to enhance the value of property assets in the country and bring projects to completion more quickly;
- In Brazil, the Group can capitalise on significant development potential;
- In Argentina, a target of 195,000 sq.m. of GLA has been set for 2019.

[1] *Casino also holds a non-consolidated minority interest (40.2%) in Mercialys, a leading French retail property investor.*

[2] *Asset valuation calculated on the basis of the Group's percentage interest and 100% for controlled French subsidiaries. It is based on external appraisals or updates using the customary methods (discounted cash flow, yields), with specific assumptions for each country and each asset type.*

Casino Group property portfolio at end-2015 (in economic interests)[1]

(€ billions)	**2015**	2014
France[2]	5.4	5.3
of which wholly-owned store properties	*4.1*	*4.0*
International[3]	2.3	2.8
TOTAL[3]	**7.7**	**8.1**
of which store properties	4.7	5.7
of which shopping centres	2.9	2.4

(1) Asset valuation calculated on the basis of the Group's percentage interest and 100% for controlled French subsidiaries. It is based on external appraisals or updates using the customary methods (discounted cash flow, yields), with specific assumptions for each country and each asset type.

(2) French property portfolio in economic interests, including 40.2% stake of the value of Mercialys' property assets.

(3) Including Thailand.

1.4.3. OPTIMISING "NON-FLOOR" SPACE

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

GreenYellow is a leading French player in rooftop PV systems, with a current installed base of 100 MWp comprising more than 50 installations covering about 500,000 sq.m. of shopping centre and solar canopy rooftops, mainly on Group sites. These systems save 8,000 tonnes of CO_2 a year and are sufficient to cover the annual consumption of 45,000 households. In 2016, GreenYellow plans to install a further 10 MWp of rooftop PV systems.

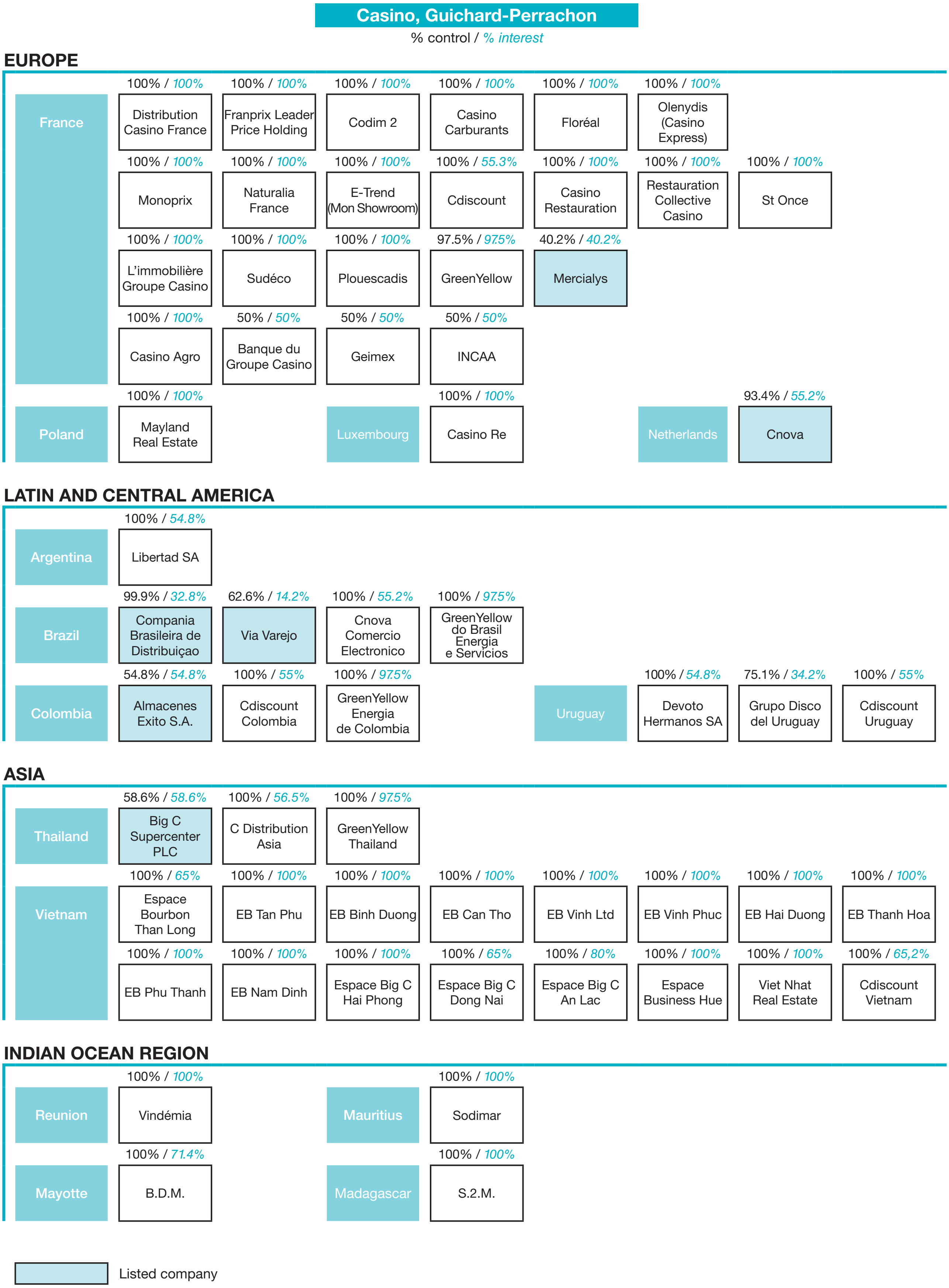
In 2012, GreenYellow also launched a major programme to sustainably reduce energy consumption in Casino Group stores by 25%. At end-2015, nearly 600 energy performance contracts were in place, of which more than 150 outside of France. All Géant hypermarkets and a significant majority of Géant supermarkets are equipped with energy efficiency solutions, which are also being deployed at other Group units and international stores.

1.5. STOCK MARKET VALUE OF LISTED COMPANIES

At 31 December 2015 and before the sale of Big C Thailand, Casino's interests in its listed companies had an aggregate market value of €5.1 billion.

Listed company	Share price at 31 Dec. 2015	Market capitalisation (100%, in € millions)	% direct interest	Casino's share (€ millions)
GPA (Brazil)	BRL 41.86	2,584	22.5%	581
Grupo Éxito (Colombia & Uruguay)	COP 13,500	1,721	54.8%	942
Big C (Thailand)	THB 202	4,224	58.6%	2,473
Cnova (United States)	USD 2.41	968	43.3%	419
TOTAL				**4,416**
Mercialys	EUR 18.63	1,714	40.2%	688
TOTAL				**5,104**

1.6. SIMPLIFIED ORGANISATION CHART (AT 31 DECEMBER 2015)



Casino, Guichard-Perrachon

% control / *% interest*

EUROPE

France	Distribution 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	E-Trend (Mon Showroom)	100% / *100%*
France	Cdiscount	100% / *55.3%*
France	Casino Restauration	100% / *100%*
France	Restauration Collective Casino	100% / *100%*
France	St Once	100% / *100%*
France	L'immobilière Groupe Casino	100% / *100%*
France	Sudéco	100% / *100%*
France	Plouescadis	100% / *100%*
France	GreenYellow	97.5% / *97.5%*
France	▨ Mercialys	40.2% / *40.2%*
France	Casino Agro	100% / *100%*
France	Banque du Groupe Casino	50% / *50%*
France	Geimex	50% / *50%*
France	INCAA	50% / *50%*
Poland	Mayland Real Estate	100% / *100%*
Luxembourg	Casino Re	100% / *100%*
Netherlands	▨ Cnova	93.4% / *55.2%*

LATIN AND CENTRAL AMERICA

Argentina	Libertad SA	100% / *54.8%*
Brazil	▨ Compania Brasileira de Distribuiçao	99.9% / *32.8%*
Brazil	▨ Via Varejo	62.6% / *14.2%*
Brazil	Cnova Comercio Electronico	100% / *55.2%*
Brazil	GreenYellow do Brasil Energia e Servicios	100% / *97.5%*
Colombia	▨ Almacenes Exito S.A.	54.8% / *54.8%*
Colombia	Cdiscount Colombia	100% / *55%*
Colombia	GreenYellow Energia de Colombia	100% / *97.5%*
Uruguay	Devoto Hermanos SA	100% / *54.8%*
Uruguay	Grupo Disco del Uruguay	75.1% / *34.2%*
Uruguay	Cdiscount Uruguay	100% / *55%*

ASIA

Thailand	▨ Big C Supercenter PLC	58.6% / *58.6%*
Thailand	C Distribution Asia	100% / *56.5%*
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% / *65,2%*

INDIAN OCEAN REGION

Reunion	Vindémia	100% / *100%*
Mauritius	Sodimar	100% / *100%*
Mayotte	B.D.M.	100% / *71.4%*
Madagascar	S.2.M.	100% / *100%*

▨ Listed company

Chapter 2

Business Report

FINANCIAL HIGHLIGHTS

Financial highlights of 2015 were as follows:

Continuing operations (€ millions)	2013 restated[1]	2014	**2015**	Change (%)	Organic change[2]
Consolidated net sales	47,870	48,493	46,145	-4.8%	+0.3%[3]
Gross margin	12,222	12,092	11,165	-7.7%	
EBITDA[4]	3,284	3,191	2,343	-26.6%	-22.1%
Net depreciation and amortisation	(958)	(960)	(897)	-6.6%	
Trading profit	2,326	2,231	1,446	-35.2%	-30.6%
Other operating income and expense	266	(494)	(478)		
EBIT, including:	(720)	(678)	(818)	-20.7%	
Net financing costs	*(636)*	*(640)*	*(569)*	*+11.1%*	
Other financial income and expense, net	*(84)*	*(38)*	*(249)*	*n.s.*	
Pre-tax income	1,872	1,059	150	-85.9%	
Income tax expense	(390)	(310)	(61)	+80.3%	
Share in the profit of equity associates	43	77	66	-15.3%	
Net profit from continuing operations	1,525	826	154	-81.4%	
o/w Group share	*856*	*253*	*(47)*	*n.s.*	
Attributable to minority interests	*669*	*573*	*201*	*-64.9%*	
Consolidated net profit	1,524	824	158	-80.9%	
o/w Group share	*855*	*251*	*(43)*	*n.s.*	
Attributable to minority interests	*669*	*573*	*201*	*-64.9%*	
Net underlying profit, Group share[5]	619	556	412	-25.8%	

(1) 2013 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 Monoprix assets and liabilities acquired.

(2) Based on a comparable scope of consolidation and constant exchange rates, excluding the impact of asset disposals (real estate mutual investment funds).

(3) Excluding fuel and calendar effect.

(4) EBITDA = Earnings before Interest, Taxes, Depreciation and Amortisation.

(5) Net underlying profit corresponds to net profit from continuing operations adjusted for the impact of other income and operating expenses, the impact of non-recurring financial items, and non-recurring income tax expense/benefits (see Notes).

2.1. BUSINESS REPORT

Main changes in the scope of consolidation and associated effects

- Full consolidation of Super Inter in Colombia from 16 October 2014.
- Full consolidation of Disco in Uruguay from 1 January 2015.
- Consolidation of Europrice, Leader Centre Gestion and Parfidis groups (Franprix-Leader Price) in 2015.
- Disposal of 110 Franprix-Leader Price stores to two master franchisees on the second semester of 2015.

Currency impact

Measured against 2014, the currencies of the countries in Latin America in which the Group operates fell significantly against the euro (on average the Brazilian real falling 15.7% and the Colombian peso falling 13%). In contrast, the Thai baht rose 13.5% against the euro. At a constant exchange rate, the main aggregates of the consolidated income statement were as follows:

Continuing operations (€ millions)	2014	**2015 at CER**
Sales	48,493	49,246
EBITDA	3,191	2,499
Trading profit	2,231	1,553
Net underlying profit, Group share	556	416

2015 highlights include:

- in France, recovery in the activity and results in the second half of 2015:
  - ongoing new commercial strategy:
    - major price repositioning in 2013 and 2014 at Géant Casino and Leader Price,
    - deployment of new concepts at Géant Casino and Franprix and store refurbishments,
    - commercial growth of Monoprix with store openings outside the Paris region,
  - acceleration of recovery in activity in H2 2015,
  - continuous market share gains during H2 2015 for the Group and notably for Géant Casino and Leader Price[1],
  - signature of a purchasing partnership with Dia and extension of the agreement with Intermarché,
  - profitability rose sharply in H2 2015 with trading profit of €390 million, up 34.1% on H2 2014 after investments in prices and costs during the first half of 2015 weighed on the trading profit, notably at Géant and Leader Price;
- internationally, subsidiaries are adjusting rapidly to changes in economic conditions:
  - good performance by Éxito in Colombia, Uruguay and Argentina,
  - in Brazil, GPA Food performed well and the share of the most buoyant formats in the mix grew:
    - Multivarejo:
      - high margin at 7.7%[2], including 9.2%[2] in Q4,
      - gain in market share by Pão de Açúcar and in convenience,
      - strengthening of teams since H2 2015 to continue with the relaunch of the Extra store,
    - Assaí:
      - growth acceleration in Q4 (up +27.8% organically[2]) driven by sales and expansion,
      - gains in market share: +2%[2] on 2013,
  - decrease in activity of Via Varejo in connection with the decline in consumption in Brazil,
  - consolidation of the Group's activities in Latin America:
    - Éxito acquires 50% of GPA voting shares held by Casino Group and 100% of Libertad in August 2015,
    - significant synergies: value creation by boosting Éxito margin by 50 bp (around US$160 million),
    - very good performance of Big C in Thailand and in Vietnam,
    - negative results from Cnova attributable notably to Cnova Brazil impacted by the macroeconomic environment and by a detected fraud. The operating performance of Cdiscount is satisfactory,
    - negative impact of exchange rate,
- deleveraging plan to strengthen the Group's financial flexibility:
  - rebalancing of debt within the Group in 2015 in order to significantly reduce Casino's NFD in France[3] by end 2015;
  - announcement of a deleveraging plan of around €4 billion, with a significant initial stage to be implemented in the first quarter of 2016:
    - proposed disposal of Big C Vietnam activities announced at end 2015,
    - sale of the Group's stake in Big C Thailand announced on 7 February 2016,
  - the proceeds from the disposals will be allocated to further reducing Casino's debt in France[3].

In 2015, Group consolidated revenue was down 4.8% (up +1.6% at constant CER). Changes in consolidation scope accounted for +1.4%. Exchange rate variation had a net negative impact of -6.4%.

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[1] Kantar data.
[2] Figures as disclosed by the subsidiary.
[3] Casino Group holding company scope, including the French activities of wholly-owned subsidiaries.

Sales excluding fuel and calendar effect grew organically by +0.3%:

- In France, organic food sales excluding fuel and calendar effect was +1.1% of which +2.7% in Q4 2015. Recovery in the activity was confirmed in France by recurring market share gains[1].
  - Géant Casino posted steadily growing revenues and the banner continued to gain market share;
  - Leader Price had a steady expansion with strongly recovering sales and gains in market share;
  - the Group's other banners reported good performances.
- Internationally:
  - food retail sales in Latin America reported good growth at +5.8% in 2015 excluding fuel and calendar effect, driven by resilient sales in Brazil and strong performance in all Éxito Group countries;
  - Via Varejo sales were down throughout the year but recovered slightly in Q4;
  - organic growth excluding fuel and calendar effect in Asia was -0.8% year-on-year.
- E-commerce grew organically by +6.6% in 2015.

Trading profit was down as a result of previous price cuts in France, and the economic slowdown in Brazil impacting Via Varejo and Cnova Brazil. Group trading profit in 2015 was €1,446 million (€1,553 million at constant exchange rates) *versus* €2,231 million the previous year.

- In France, trading profit slipped compared to 2014 to €337 million. Operating results were impacted by the last significant effects of price cuts in H1 at Géant Casino and Leader Price, and by the recovery in activity growth in H2 2015. Monoprix and Franprix posted good operating performances. Trading profit in France recovered sharply in H2 2015 (€390 million), and was up +34.1% compared with H2 2014 (€291 million).

  In France, Casino carries out property development activities, as part of the implementation of its dual business model and has 21 property development projects including 10 Géant Casino sites and five Monoprix sites representing more than 75,000 sq. m of floor space in development. These activities have generated similar EBITDA over the last two financial years: €167 million in 2015 and €162 million in 2014.
- The Latam Retail segment's trading profit decreased compared with 2014 to €703 million. In Brazil, cost inflation put pressure on the margin for the year against a backdrop of weak growth in net sales. The margin on the food retail businesses in Latin America remained at a high level of 4.8%. The performances registered by Colombia, Argentina, and Uruguay were highly satisfactory.
- The Latam Electronics segment's trading profit was down *versus* 2014 at €271 million impacted by the sharp contraction in business since Q2 2015. Via Varejo's new management implemented action plans to re-launch its price competitiveness, which saw the subsidiary end the year with less erosion of sales sequentially and market share gains.
- Trading profit in Asia amounted to €277 million. Margin was slightly down (-27 bp) despite very tight cost control. The Group has announced the planned disposal of its activities in Thailand and Vietnam.
- EBITDA for the e-commerce segment was negative in 2015. Operating performance at Cdiscount was satisfactory with a positive EBITDA in H2 2015. Performance in Brazil was affected by the macroeconomic environment and by fraud identified at Cnova Brazil in the form of falsified stock returns at its distribution centres and anomalies in supplier payables, receivables and goods in transit with carriers (Note 2 to the consolidated financial statements).

Trading margin was down at 3.1% (-147 bp in total). In comparison to 2014 figures:

- trading margin for the France Retail segment was down slightly at 1.8%;
- trading margin for the Latam Retail segment was down at 4.8%;
- trading margin for the Latam Electronics segment was down at 5.2%;
- trading margin for the Asia segment was slightly down at 7.0%;
- trading margin for the e-commerce segment was down at -4.2%.

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[1] Kantar data.

Simplified Group organisation chart

FRANCE		BRAZIL		LATIN AMERICA (excluding Brazil)		ASIA	
Casino France	100%	GPA Food	38.4% 32.8%	Éxito (Colombia)	54.8%	Big C Thailand (Thailand)	58.6%
FP - LP	100%	Via Varejo	16.7% 14.2%	Libertad (Argentina)	84.9% 54.8%	Big C Vietnam (Vietnam)	100%[1]
Monoprix	100%			Devoto (Uruguay)	54.8%		
				Disco (Uruguay)	34.2%		

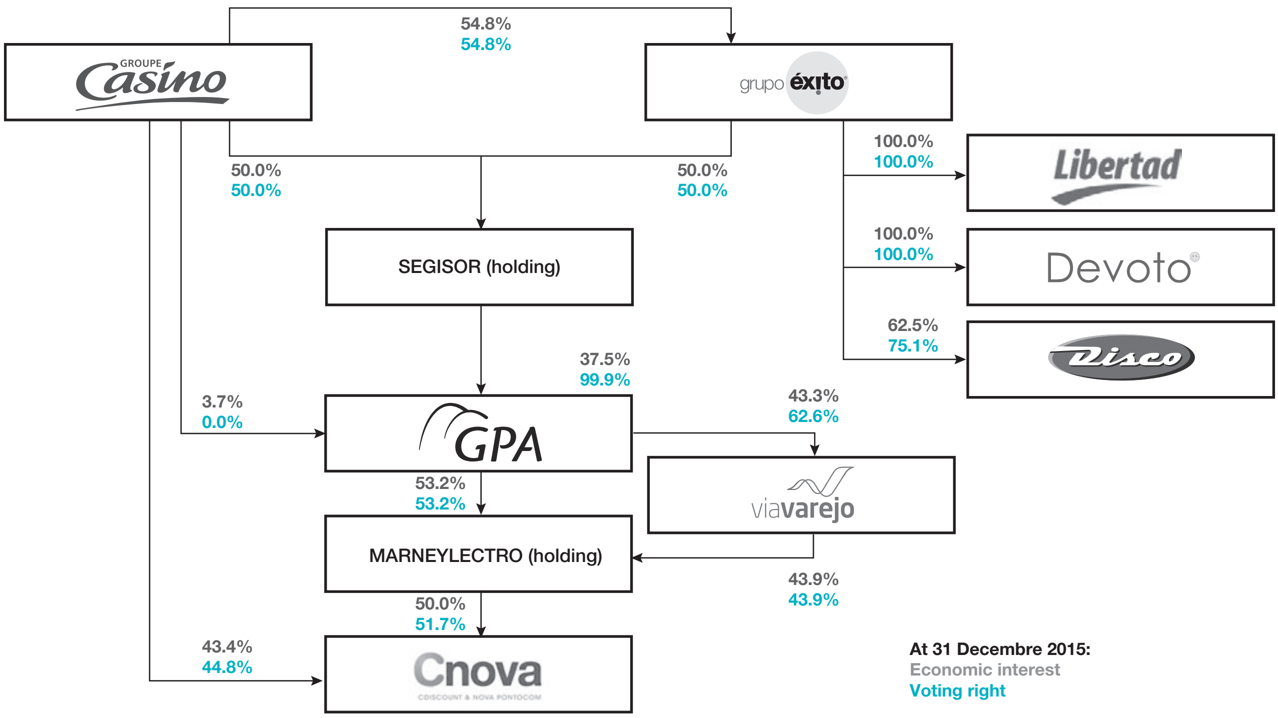
E-COMMERCE	
Cnova	57.1% 55.2%

▨ % average interest in 2015 [2]

🟦 **% year-end interest**

[1] *Including limited minority interests in operating subsidiaries below the wholly-owned holding company.*
[2] *Average monthly interest held.*

Simplified South American and e-commerce activities organisation chart



At 31 Decembre 2015:
Economic interest
Voting right

2.1.1. FRANCE RETAIL

(€ millions)	2014	2015
Net sales	18,848	18,890
EBITDA	836	726
EBITDA margin	4.4%	3.8%
Trading profit	397	337
Trading margin	*2.1%*	*1.8%*

Food retail sales in France amounted to €18,890 million in 2015 *versus* €18,848 million in 2104. Organically excluding fuel and calendar effect, sales were up +1.1% (+2.7% in Q4 2015). The second half of 2015 was marked by a recovery in sales growth.

France Retail trading profit was €337 million, down from 2014 taking into account the last significant price cuts primarily at Géant Casino and Leader Price. Monoprix and Franprix posted strong operating performances.

Property development activities posted similar EBITDA to the previous year with €167 million in 2015 and €162 million in 2014. In H2 2015, property development activities contributed €86 million (including projects on five Monoprix sites sold to Mercialys) *versus* €93 million in H2 2014.

The trading margin for the food retail business in France was 1.8% in 2015.

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

- At **Géant Casino**[1], the year was marked by a recovery to sales growth at 2% on an organic and same-store basis excluding fuel and calendar effect. Thanks to competitive pricing and continuing initiatives to strengthen its product range and offer enhanced in-store experience, the banner continuously gained market share[2] and posted strong volumes and customer traffic. In the second half, food sales were good and non-food sales were up on H1 2015.
- **Leader Price** sales grew +3.9% on an organic basis over the year of which +7.5% in Q4 2015 excluding fuel and calendar effect. Customer traffic increased since Q2 2015 to reach +6.7% in Q4 2015. Leader Price continued its action plans to improve in-store service by fast checkout, extending opening hours and improving product ranges and targeted promotions.
- **Monoprix** posted continuing growth of food sales on a same-store basis in 2015. Apparel and housewares performed well thanks to numerous retail initiatives and designer collaborations throughout the year. Organic growth was driven by very highly dynamic expansion: 84 store openings (gross) in 2015. The buoyant format, Monop' and Naturalia, accelerated their development.
- **Casino Supermarkets** posted positive same-store sales since Q3 2015. Customer traffic was positive over the entire second half. The banner continued its initiatives to boost store attractiveness by improving customer comfort and launching a new loyalty program.
- **Franprix** posted positive same-store sales over the entire second half and maintained high profitability against a backdrop of heavy store redevelopment. The new Mandarine concept significantly improved customer traffic and sales in renovated stores.
- **Proximity** posted +7.0% same-store sales growth year-on-year excluding fuel and calendar effect. The banner continued the renovation of its consolidated stores and the franchise network showed strong momentum thanks to a more competitive offering and store renovations.

2.1.2. LATAM RETAIL

(€ millions)	2014	2015 at CER	2015
Net sales	15,422	17,033	14,714
EBITDA	1,215	1,148	993
EBITDA margin	7.9%	6.7%	6.7%
Trading profit	895	810	703
Trading margin	*5.8%*	*4.8%*	*4.8%*

Latam Retail segment sales were €14,714 million in 2015, up 5.8% in organic terms excluding fuel and calendar effects.

In Brazil, GPA food sales grew steadily by +6.4% in organic terms excluding fuel and calendar effects (+7.1% reported by the subsidiary, including fuel and calendar effects). The Group continued adapting the format mix to changes in customer needs.

[1] Excluding business primarily from Codim (four hypermarkets) in Corsica.
[2] Kantar.

Multivarejo posted stable sales in organic terms in 2015 and continued its expansion into premium and proximity formats with the opening of 79 stores. The Group continued renovating Extra stores.

Assaí posted strong growth at +25.5% on an organic basis year-on-year with the opening of 11 stores for a total of 95 stores at year end 2015.

Exito (excluding Brazil) accelerated its growth with sales up +4.0% on an organic basis excluding fuel and calendar effects in 2015, of which +6.6% in Q4 2015. In 2015, Colombia continued its expansion with store openings (656 stores including 610 Surtimax Aliados) and continuing property development. Argentina and Uruguay posted strong growth.

Trading profit for Latam Retail remained healthy despite cost inflation which put pressure on the margin for the year against a backdrop of weak growth in net sales. Margins remained high thanks to the many initiatives on margin and costs. Argentina and Uruguay posted very strong performances.

2.1.3. LATAM ELECTRONICS

(€ millions)	2014	2015 at CER	2015
Net sales	7,245	6,150	5,187
EBITDA	737	396	334
EBITDA margin	*10.2%*	*6.4%*	*6.4%*
Trading profit	677	322	271
Trading margin	*9.3%*	*5.2%*	*5.2%*

Latam Electronics segment sales were €5,187 million in 2015. Via Varejo sales were heavily impacted from the secondhalf of the year by the recession in the equipment goods sector in Brazil. Sales in Q4 2015 slipped less against 2014 than in previous quarters. The banner gained market shares in Q4 2015.

The trading profit of Latam Electronic was down *versus* 2014 at €271 million, impacted by the sharp contraction in activity since Q2 2015. Via Varejo implemented action plans to improve price competitiveness and boost the effectiveness of promotions, lower the operating cost base and close unprofitable stores. New management was implemented in October 2015.

2.1.4. ASIA

(€ millions)	2014	2015 at CER	2015
Net sales	3,513	3,487	3,973
EBITDA	361	346	394
EBITDA margin	*10.3%*	*9.9%*	*9.9%*
Trading profit	255	243	277
Trading margin	*7.2%*	*7.0%*	*7.0%*

Sales for Asia were €3,973 million *versus* €3,513 million in 2014, a rise of +13.1% as a result of favourable foreign exchange effects.

Thailand expanded strongly with a net 98 store openings, 69 of them in H2 2015. Property activities were on the right path in 2015 with +4.8%[1] growth in rental income in Q4 2015.

Vietnam continued its expansion in terms of stores and commercial galleries.

Trading profit in Asia improved *versus* 2014 to €277 million thanks to favourable exchange rates. Margin was down slightly by -27 bp. The Group has announced the planned disposal of its activities in Thailand and Vietnam.

(1) Data reported by the subsidiary, local scope.

2.1.5. E-COMMERCE (CNOVA)

(€ millions)	2014	2015
GMV (business volume) reported by Cnova	4,487	4,835
EBITDA	41	(104)
Of which Cdiscount in France	8	6
Of which international sites	(16)	(22)
Of which Holdings	(1)	(9)
Of which Cnova Brazil	50	(79)

E-commerce gross merchandise volume (GMV) was €4,835 million, up 16.4% at constant exchange rates in 2015 thanks to high growth in marketplace activity accounting for 20.5% of total volumes.

In **France,** Cdiscount posted strong performance with +18.9% GMV growth and marketplace up 27.5% at year-end 2015. In Q4 2015, Cdiscount gained 130 bp market shares to reach 27.4%.

In **Brazil,** Cnova Brazil performance was impacted by the recession and by the discovery of fraud.

Cnova announced the disposal or closing of sites operating in the following countries: Thailand, Vietnam, Panama, and Ecuador, together with the closing of some vertical sites.

Cnova published its 2015 accounts including the temporary impact of the fraud detected in its logistics centers. Given the non-significant incidence of the latter on consolidated aggregates, the Group recognised the impact under the period's results in accordance with IAS8 without restating previous years: -€25 million in EBITDA and -€23 million in other operating expenses.

EBITDA for the e-commerce segment was negative in 2015. Operating performance at Cdiscount was satisfactory with a positive EBITDA in H2 2015. Performance in Brazil was impacted by the macroeconomic environment and by fraud detected at Cnova Brazil.

2.1.6. OVERVIEW OF THE CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to Regulation (EC) 1606/2002 of the European Union of 19 July 2002, Casino Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) as adopted by the European Union on the date that the financial statements are approved by the Board of Directors, and applicable on 31 December 2015.

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

The accounting methods described in the notes to the consolidated financial statements' have been applied continuously across the periods presented in the consolidated financial statements, after taking into account the new standards and interpretations.

These amendments had no significant impact on the Group's profits or financial position.

It should be noted that the Group had opted for early application of IFRIC 21 – Levies for its annual consolidated financial statements for the year ended 31 December 2014.

Sales

Consolidated sales excluding taxes for 2015 amounted to €46,145 million, *versus* €48,493 million in 2014, a decline of -4.8%.

Changes in consolidation scope had a positive 1.4% impact on sales. The foreign exchange impact was slightly unfavourable at -6.4%.

A more detailed review of changes in sales can be found above in the comments on the activity of each of the Group's five segments.

Trading profit

Trading profit in 2015 was €1,446 million, down -35.2% *versus* 2014.

Changes in consolidation scope had an impact of +2.0% and foreign exchange variations of -4.8%.

Restated for these impacts, organic trading profit was down by- 30.6%.

A more detailed review of changes in trading profit can be found above in the comments on the activity of each of the Group's five segments.

Operating profit

Other operating income and expenses amounted to a net expense of -€478 million in 2015 *versus* a net expense of -€494 million in 2014.

The net expense of €-478 million in 2015 mainly concerned:

- provisions and charges for restructuring totalling €309 million, including €193 million in France and €86 million in Brazil;
- provisions and charges for taxes, contingencies and litigation totalling €131 million, mainly for GPA in Brazil (€148 million);
- net income related to consolidation scope transactions amounted to €47 million consisting mainly of the revaluation of the previously held percentage of Disco at its takeover in the amount of €262 million and €133 million in fees and ancillary expenses connected with the consolidation scope transactions.

- various charges for €71 million, mainly includes €23 million for 2015 under fraud in Cnova Brazil.

The net expense of -€494 million in 2014 mainly comprised:

- provisions and charges for restructuring totalling €197 million, including €34 million in Brazil;
- provisions and charges for contingencies and litigation totalling €97 million, mainly for GPA in Brazil (€84 million);
- net expense related to consolidation scope transactions amounting to €136 million, including €31 million for GPA Group in Brazil, €47 million for French companies, and €26 million IPO expenses.

After the impact of other operating income and expenses, **operating profit** for 2015 was €967 million *versus* €1,736 million in 2014.

Financial income and Earnings before tax

Financial income for the period showed a net expense of €818 million (*versus* a net expense of €678 million in 2014). This comprised:

- net finance costs amounting to €569 million, an improvement of 11.1% compared with 2014 (€640 million);
- other financial expenses amounting to a net expense of €249 million (*versus* a net expense of €38 million in 2014), impacted notably by the change in value of derivatives on the activities of the Group's subsidiaries (GPA equity: Note 11.4 to the consolidated financial statements).

Earnings before tax were €150 million in 2015 (*versus* €1,059 million in 2014).

Net profit, Group share

Income tax was €61 million, representing 40.9% of pre-tax income (*versus* €310 million in 2014). After restating for non-recurring items, the standard tax rate was 30.4%, *versus* 29.0% in 2014.

The share of profit of equity-accounted entities was €66 million (*versus* €77 million in 2014).

Non-controlling interests was €201 million *versus* €573 million in 2014. After restating for non-recurring items, income from non-controlling interests was €330 million *versus* €665 million in 2014.

Net profit (loss), Group share of continuing operations was a loss of €47 million, down mainly as a result of previous price cuts in France and the downturn in Brazil.

Consolidated net profit, Group share was a loss of €43 million.

Net underlying profit, Group share from continuing operations was €412 million. Net profit restatements to establish net underlying profit can be found in the notes.

Financial situation

Net financial debt of Casino group at 31 December 2015 stood at €6,073 million *versus* €5,733 million at 31 December 2014[1].

Net financial debt of Casino in France at 31 December 2015 amounted to €6,081 million, down 20% reflecting the reorganisation of Group assets in Latin America.

Cash flow statement for Casino in France

(€ millions)	2015
Operating cash flow of the wholly-owned French activities after tax[1]	838
Net CAPEX	(498)
Dividends received from international subsidiaries and equity associates	194
Dividends paid, and coupons on preferred securities	(400)
Net financial expenses paid	(130)
FREE CASH FLOW AFTER FINANCIAL EXPENSES AND DIVIDENDS	**6**

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

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[1] The Group has reviewed in 2015 the definition of net financial debt mainly in view of net assets held for sale in connection with its debt reduction plan and debt of "minorities puts".
The 2014 NFD has been restated according to this new definition.

Cash flow from operating activities in France after tax amounted to €838 million and from dividends received was €194 million. It covers net capex (€498 million), financing costs (€130 million) and dividends paid to shareholders and holders of Casino's subordinated securities (€400 million).

As at 31 December 2015, **Casino in France**(1) had €5.5 billion cash and cash equivalents. This represents a significant **gross cash position** of €1.7 billion, and €3.9 billion in **confirmed undrawn credit facilities.** Outstanding commercial paper at that date amounted to €424 million.

Casino is rated BBB-/Outlook Stable by Fitch Ratings and BB+/ Outlook Stable by Standard & Poor's.

The Group has announced a €4 billion **deleveraging plan** with the first stage scheduled for Q1 2016 with the disposal of Big C in Thailand for €3.1 billion (€3.3 billion including liabilities).

Group **equity capital** amounted to €12,419 million, *versus* €15,608 million at 31 December 2014 and €14,813 million at 30 June 2015.

2.1.7. APPENDIX: RECONCILIATION OF REPORTED PROFIT WITH UNDERLYING PROFIT(2)

(€ millions)	2014	Restated items	2014 restated	**2015**	Restated items	2015 restated
TRADING PROFIT	**2,231**		**2,231**	**1,446**		**1,446**
Other operating income and expenses	(494)	494		(478)	478	
OPERATING PROFIT	**1,736**	**494**	**2,231**	**967**	**478**	**1,446**
Finance costs, net	(640)		(640)	(569)		(569)
Other financial income and expense[1]	(38)	58	20	(249)	344	95
Income tax expense[2]	(310)	(157)	(467)	(61)	(234)	(296)
Share in the profit of equity associates	77		77	66		66
NET PROFIT FROM CONTINUING OPERATIONS	**826**	**395**	**1,221**	**154**	**588**	**742**
Attributable to minority interests[3]	*573*	*93*	*665*	*201*	*128*	*330*
o/w Group share	**253**	**303**	**556**	**(47)**	**459**	**412**

(1) The main items restated for other financial income and expense are the effects of monetary updating of tax liabilities in Brazil (-€25 million in 2014 and -€15 million in 2015), fair value adjustments of Total Return Swaps on GPA and Big C shares, forwards and GPA call options (-€33 million in 2014 and -€334 million in 2015).
(2) Tax liabilities are restated for tax effects corresponding to the above restated financial items and non-recurring income tax expense/benefits.
(3) Non-controlling interests are restated for amounts associated with the above restated items.

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(1) Casino in France: the scope includes Casino, Guichard-Perrachon, the parent company, the French business activities, and the wholly-owned holding companies.

(2) Net underlying profit corresponds to net profit from continuing operations, adjusted for the impact of other operating income and expenses (as defined in the "Significant Accounting Policies" section of the notes to the annual consolidated financial statements), non-recurring financial items and non-recurring income tax expense/benefits. Non-recurring financial items include fair value adjustments to certain financial instruments at fair value whose market value may be highly volatile. For example, changes to fair value adjustments of financial instruments that do not qualify for hedge accounting and derivatives indexed to the Casino share price are excluded.
Non-recurring income tax expense/benefits correspond to tax effects related directly to the above restatements and to direct non-recurring tax effects. In other words, the tax on underlying profit before tax is calculated at the standard average tax rate paid by the Group.
Underlying profit is a measure of the Group's recurring profitability.

2.2. PARENT COMPANY INFORMATION

2.2.1. BUSINESS

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

In 2015, the Company reported revenue (excluding taxes) of €139.4 million *versus* €137 million in 2014 corresponding mainly to trademark and banner royalties and management fees received from subsidiaries.

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

2.2.2. COMMENTS ON THE PARENT COMPANY FINANCIAL STATEMENTS

The statutory financial statements have been prepared in accordance with the 2015 French generally accepted accounting principles approved by ministerial decree dated 8 September 2015, and all additional related regulations issued by the French accounting standards authority (*Autorité des normes comptables* – ANC).

The accounting principles and policies applied to prepare the statutory financial statements are substantially the same as those used in the previous year.

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

At 31 December 2015, the Company had total assets of €18,628 million and equity of €8,045 million.

Non-current assets amounted to €16,367 million, mainly corresponding to long-term investments.

At 31 December 2015, total liabilities stood at €8,924 million, *versus* €10,581 million at year-end 2014, and net debt amounted to €8,089 million, *versus* €9,900 million in the prior year. A breakdown of loans and other borrowings is provided in Note 13 to the parent company financial statements. No Company assets are pledged as collateral to secure debt. At 31 December 2015, the Company had confirmed undrawn bank credit lines totalling €3,243 million.

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

	1 to 30 days before due date		31 to 60 days before due date		61 to 90 days before due date		More than 91 days before the due date		Past due		Total	
(in € millions)	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
Trade payables and related accounts											**51.40**	**56.86**
Accounts payable	17.08	26.67	0.36	0.29					2.39	0.39	19.82	27.35
Bills payable	1.43	1.20	0.89	0.10					0.09		2.41	1.31
Invoices not yet received											29.16	28.20
Amounts due to suppliers of non-current assets and related accounts											**1.70**	**0.19**
Accounts payable	0.04	0.07		0.06							0.04	0.14
Bills payable	1.18	0.02	0.39	0.01							1.57	0.04
Invoices not yet received											0.10	0.02

Operating profit for the year stood at €7 million *versus* €6 million in 2014.

The Company reported a net financial expense of €121 million in 2015 *versus* net financial income of €142 million in 2014. The 2015 net financial expense mainly takes into account:

- €759 million in income from investments in subsidiaries and associates *versus* €429 million in 2014;
- a €43 million loss arising on the liquidation of DTC Finance and a €44 million reversal of impairment of DTC Finance shares recognised in previous reporting periods;
- amortisation of bond redemption premiums for €21 million;
- provision for losses on the Total Return Swap (TRS) on GPA shares for €156 million;
- impairment losses and technical merger deficits on Distribution Casino France shares and Geimex shares for €360 million and €14 million, respectively;
- net reversal of unrealised foreign exchange losses for €3 million;
- a loss on the sale of treasury shares of €3 million.

The Company reported recurring losses before tax of €114 million in 2015 *versus* recurring profit before tax of €147 million in 2014.

Non-recurring income amounted to €244 million in 2015, compared with a €54 million expense in 2014. It mainly comprised non-recurring gains of €340 million resulting from the reorganisation of Group businesses in Latin America, restructuring costs totalling €8 million, a write-off of a €7 million receivable from CStore and €57 million in compensation due in relation to the Morzan dispute.

Profit before tax came to €130 million *versus* €94 million in 2014.

As the parent company of the French tax group, Casino, Guichard-Perrachon recorded a tax benefit of €314 million in 2015, corresponding to the tax saving arising from netting off the losses of Casino, Guichard-Perrachon and its subsidiaries against the profits of the consolidated Group. After taking this benefit into account, net profit for the year was €444 million compared with €370 million in 2014.

2.2.3. NON-DEDUCTIBLE EXPENSES

In accordance with the disclosures required by Articles 223 *quater* and *quinquies*, 39-4 and 39-5 of the French General Tax Code *(Code général des impôts)*, no non-deductible expenses were incurred during the year.

2.3. SUBSIDIARIES AND ASSOCIATES

The business performance of the main subsidiaries and controlled companies is described on pages 3 to 24.

A list of consolidated companies is provided on pages 116 to 118.

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

2.3.1. INVESTMENTS MADE AND CONTROL ACQUIRED IN 2015

The direct interests and direct or indirect control acquired as a result of merger-related asset transfers, acquisitions or company creations in France in 2015 were as follows:

Casino, Guichard-Perrachon

Aronia (100%), Carvi (100%), Casino Agro (100%), Casino Supply Chain (100%), Cybélius (100%), Hémione (100%), Ichor (100%), Ilybis (100%), Kerria (100%), Khémalys (100%) and Spathe (100%);

Casino Agro group

Entreprise Laitière de Sauvain – E.L.S. (90%) and Luché Tradition Volailles (100%);

Casino Restauration group

Casino Restauration Rapide (100%);

Distribution Casino France group

Établissements Henri Prost (100%), Prades Distribution (100%) and GC Distribution (100%);

Franprix-Leader Price Holding sub-group

Blafind (100%), Castelnau Discount (100%), Clidis (80%), Discount Centre (100%), Disprice (100%), Europrice (99.99%), Euroshop (100%), Financière du Cers (100%), HD Lead Onet (100%), HD Lead Villefranche de Rouergue (100%), JOF Distribution (100%), Lattes Discount (100%), Leader Auvergne Distribution (100%), Leader Price Argentière (99%), Leader Price Campagne (99%), Leader Price Champagnole (99%), Leader Price Falaise (99%), Leader Price Fruges (99%), Leader Price Gex (99%), Leader Price Gratentour (99%), Leader Price Halloy (99%), Leader Price Ham (99%), Leader Price Lagnieu (99%), Leader Price Lamotte (99%), Leader Price Limours (99%), Leader Price Morsang-sur-Orge (99%), Leader Price Orbec (99%), Leader Price Pezenas (99%), Leader Price Quillan (99%), Liser (100%), Lymer (100%), Mazamet Discount (100%), Millau Discount (100%), Mini LP 73 (99%), Mini LP 80 (99%), Mini LP 83 (99%), Mini LP 89 (99%), Mini LP 90 (99%), Nano Boutique 6 (99%), Nano Boutique 8 (99%), Nano Boutique SF 7 (99%), Newdnera 2 (99%), Newdnera 3 (99%), Newdnera 5 (99%), Newdnera 6 (99%), Newdnera 7 (99%), Newdnera 8 (99%), Newdnera 9 (99%), Newdnera 10 (99%), Newdnera 11 (99%), Newdnera 12 (99%), Newdnera 13 (99%), Newdnera 14 (99%), Newdnera 15 (99%), Newdnera 16 (99%), Newdnera 17 (99%), Newdnera 18 (99%), Newdnera 19 (99%), Newdnera 20 (99%), Parfidis (100%), Publidis (100%), Revel Discount (100%), RV Narbonne (100%), SAS RV Béziers (100%), SAS RV Celleneuve (100%), Société de Distribution de Tournefeuille – Sodito (100%), Sodiclerc (100%), Sorfind (100%), Verdalis (100%) and Vias Discount (100%);

GreenYellow group

CS Magnan (100%);

L'Immobilière Groupe Casino

Iznik (100%), Sorny Immobilier Gabriel LP (100%) and Sorny Immobilier Jules Office (100%);

Monoprix group

Cash Price 1 (100%), Cash Price 2 (100%), Cash Price 3 (100%), Cash Price 4 (100%), Monop'Station Participations (100%), Montaudistri (100%), Next Dis (100%), Richer (100%), Simonop'1 (51%) and Simonop'1 Gestion (100%);

Plouescadis group

Carré Gramont (100%).

2.3.2. SHAREHOLDER AGREEMENTS

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

Franprix-Leader Price

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

Almacenes Éxito (Colombia)

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

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

Disco Uruguay group (Uruguay)

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

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

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

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

The shareholder agreement is valid up until 31 December 2016 and can be renewed with the consent of the parties.

Pão de Açúcar group (Brazil)

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

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

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

2.3.3. PLEDGED ASSETS

Assets pledged by the Company or companies in the Group do not represent a material percentage of the Group's assets (0.8% of non-current assets or €205 million).

2.3.4. RELATED PARTY TRANSACTIONS

The Company maintains normal relations with all its subsidiaries in its day-to-day management of the Group, as described on page 25.

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

The Company also receives strategic support from Euris, the ultimate holding company, which is chaired by its majority shareholder Jean-Charles Naouri. Euris provides strategy and development consultancy services on a permanent basis under an agreement signed in 2003 and amended on 9 April 2015. The annual amount paid by the Company for these services in 2015 was €840,000 excluding taxes.

The Statutory Auditors' special report on related party agreements and commitments is presented on page 147.

In accordance with the provisions of Article L. 225-40-1 of the French Commercial Code (from order no. 2015-863 of 31 July 2015), the Board of Directors has reviewed the agreements entered into and authorised in previous years which remained in force during the past financial year, and concluded that they required no particular observations.

No agreements were entered into in 2015, 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 practices specifically concerning related party agreements, at its 16 February 2015 meeting the Board of Directors decided to introduce a formal internal review procedure to be led by the Audit Committee or by a special-purpose committee concerning certain agreements and transactions between the Company or one of its wholly-owned subsidiaries, on the one hand, and a related party on the other hand. Its implementation should guarantee balanced related party transactions and thereby protect minority interests. Further details are provided in the section "Procedure for the prior review of related party agreements by the Audit Committee", on page 191.

2.4. RECENT EVENTS

On 7 February 2016, the Group announced the **sale of its 58.6% holding in Big C Thailand** for a total €3.1 billion or €3.3 billion, taking account of Big C 's debt. The sale price was THB 252.88 per share. This transaction values Big C at 1.7 x sales and 16.8 x EBITDA. The transaction was completed on 21 March 2016.

The Group also engaged the **project to sell all the assets of Big C Vietnam,** specifically: 32 hypermarkets (with 29 shopping centres), 10 local stores and cash & carry corner stores as at 31 December 2015, located in 15 of the 17 largest cities.

In January 2016, three private shareholders each filed a request for a class action suit against Cnova N.V., certain of its executives and directors as well as the financial establishments underwriting its IPO in November 2014. The plaintiffs allege a breach of US securities laws. For two of the cases, proceedings were filed before the United States District Court for the Southern District of New York. The third case was filed before the New York State Supreme Court. The latter case was then referred to the United States District Court. Cnova N.V. stated that these complaints are groundless and that it intends to vigorously defend these allegations.

Following confirmation of Casino's BBB-/Outlook Stable credit rating on 11 December 2015, Standard & Poor's began a review of the Group's credit position on 15 January 2016. On 21 March 2016, Standard & Poor's reduced Casino's credit rating by one notch to BB+/Outlook Stable.

The downgrading of Casino's credit rating will result in a minor increase in the cost of debt of the Group's bonds (less than €20 million before tax in 2016 excluding any future bond redemptions) and will have no effect on Casino's cash position.

The agency's decision has no impact on Group liquidity as the availability of financial resources is unrelated to Standard & Poor's credit rating.

Casino is also rated by Fitch Rating at BBB-/Outlook Stable.

2.5. OUTLOOK AND CONCLUSION

The Group's perspectives are as follows:

- Significant deleveraging

  The Group is accelerating its deleveraging and particularly in France[1] with the reorganisation of the Group's structure in Latin America and the announcement of a disposal plan of about €4 billion, of which the sale proceeds will be allocated to debt reduction of Casino in France[1]. The Group's subsidiaries in Latin America have strong balance sheets.
- Strategy of asset rotation

  The Group has been implementing a policy involving the ongoing purchase of key assets and disposal of mature assets for the past 10 years. As with the disposals of businesses in Thailand and Vietnam, these deals mostly took place after growth intensification phases resulting in maximisation of asset value.
- Profitable growth in France (operationnal sector Retail France)

  The Casino Group has leading positions based on diversified brands and formats in France, and is pursuing its strategy based on three formats that meet consumers' current and future needs: discount, premium and proximity.

  The Group has implemented plans to improve its profitability in 2016, based on a like-for-like growth assumption above +1.5% and target annual increases of over 100 bp in its commercial margin, and of over 30 bp in its costs which of around 10 bp of carry-over effect.
- In E-commerce, further growth and improvement of profitability

  Continuation of growth on markets with growth potential and reduction of losses with the objective of a better trading profit for Cdiscount in 2016 as compared to 2015 and an ambition to get Cnova Brazil EBITDA close to breakeven in 2016. In France, the Group is pursuing the strong growth dynamics at Cdiscount. Internationally, Casino is reducing losses and is focusing on Cnova Brazil.
- Consolidation of leadership and growth in Latin America

  Following the consolidation of its strategic position in 2012 and 2015, the Casino Group has leading positions in food retail and commercial real estate. In this region, the Group has access to 300 million potential customers. The potential for the Group is strong both in retail and commercial real estate.

Listed subsidiaries each have disclosed their objectives and perspectives at the occasion of their annual results.

Concerning France (operational sector Retail France), the Group confirms the following objectives in 2016:

- EBITDA of around €900 million;
- Trading profit of more than €500 million;
- Free cash flow[1] of at least €200 million after financial expense and payment of the dividend[2].

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

[2] Cash flow from operating activities in France after income tax – Capex of French activities + dividends received from international subsidiaries and equity associates – dividends paid (including coupons on hybrid debt) – net financing costs.

Chapter 3

Consolidated financial statements
Year ended 31 December 2015

3.1. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2015

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

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

To the Shareholders,

In compliance with the assignment entrusted to us by your shareholders' meeting, we hereby report to you, for the year ended 31 December 2015, on:

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

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

I. Opinion on the consolidated financial statements

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

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2015 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

II. Justification of assessments

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

Non current assets

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

Provisions

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

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

III. Specific verification

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

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

Neuilly-sur-Seine and Lyon, 10 March 2016

The Statutory Auditors

Deloitte & Associés		Ernst & Young et Autres	
Antoine de Riedmatten	Gérard Badin	Sylvain Lauria	Yvon Salaün

3.2. FINANCIAL STATEMENTS

3.2.1. CONSOLIDATED INCOME STATEMENT

(€ millions)	Notes	2015	2014
CONTINUING OPERATIONS			
Net sales	6.1	46,145	48,493
Cost of goods sold	6.2	(34,980)	(36,401)
Gross profit		**11,165**	**12,092**
Other income	6.1	540	568
Selling expenses	6.3	(8,746)	(8,857)
General and administrative expenses	6.3	(1,514)	(1,573)
Trading profit	**5.1**	**1,446**	**2,231**
as a % of net sales		*3.1%*	*4.6%*
Other operating income	6.5	499	244
Other operating expenses	6.5	(977)	(738)
Operating profit		**967**	**1,736**
as a % of net sales		*2.1%*	*3.6%*
Income from cash and cash equivalents		166	204
Finance costs		(735)	(844)
Net finance costs	**11.4.1**	**(569)**	**(640)**
Other financial income	11.4.2	238	152
Other financial expenses	11.4.2	(487)	(190)
Profit before tax		**150**	**1,059**
as a % of net sales		*0.3%*	*2.2%*
Income tax expense	9.1	(61)	(310)
Share of profit of equity-accounted entities	3.3.4	66	77
Net profit from continuing operations		**154**	**826**
as a % of net sales		*0.3%*	*1.7%*
attributable to owners of the parent		(47)	253
attributable to non-controlling interests		201	573
DISCONTINUED OPERATIONS			
Net profit (loss) from discontinued operations		**4**	**(2)**
attributable to owners of the parent		4	(2)
attributable to non-controlling interests		-	-
CONTINUED AND DISCONTINUED OPERATIONS			
Consolidated net profit		**158**	**824**
attributable to owners of the parent		(43)	251
attributable to non-controlling interests	12.8	201	573

Earnings per share

(in €)	Notes	2015	2014
From continuing operations attributable to owners of the parent	**12.10.3**		
• Basic earnings per share		(0.84)	2.06
• Diluted earnings per share[1]		(1.22)	1.68
From continuing and discontinued operations attributable to owners of the parent	**12.10.3**		
• Basic earnings per share		(0.81)	2.04
• Diluted earnings per share[1]		(1.19)	1.67

(1) In accordance with IAS 33, the calculation of diluted earnings per share takes account of the maximum dilutive effect of the Monoprix mandatory convertible bonds (MCB) issued on 27 December 2013. The Group holds a call option on these MCB. The maximum dilution, equivalent to €0.38 per share at end-December 2015, would be reduced to zero if the option were exercised.

3.2.2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€ millions)	**2015**	2014
Net profit for the year	**158**	**824**
Items that may subsequently be reclassified to profit or loss	**(2,874)**	**33**
Cash flow hedges	-	32
Foreign currency translation adjustments[1]	(2,844)	19
Available-for-sale financial assets	-	(12)
Net investment hedges in foreign operations	(2)	-
Share of items from associates and joint ventures that may subsequently be reclassified to profit or loss	(30)	-
Income tax	2	(7)
Items that will never be reclassified to profit or loss	**(23)**	**(1)**
Actuarial gains and losses	(34)	(2)
Income tax	12	1
Other comprehensive income (loss) for the year, net of tax	**(2,897)**	**31**
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR, NET OF TAX	**(2,739)**	**856**
Attributable to owners of the parent	*(1,269)*	*261*
Attributable to non-controlling interests	*(1,470)*	*595*

[1] The €2,844 million negative change in 2015 arose primarily from the depreciation of the Brazilian and Colombian currencies (€2,381 million and €414 million, respectively). The €19 million positive change in 2014 arose primarily from the offset between the depreciation of the Colombian currency (-€236 million) and the appreciation of the Thai and Brazilian currencies (€144 million and €69 million, respectively).

Movements in each period are shown in Note 12.7.2.

3.2.3. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

(€ millions)	Notes	2015	2014
Goodwill	10.1	10,351	11,009
Intangible assets	10.2	3,622	4,289
Property, plant and equipment	10.3	8,769	9,643
Investment property	10.4	771	667
Investments in associates and joint ventures	3.3	629	897
Other non-current assets	6.9	1,858	2,244
Deferred tax assets	9.2.1	490	366
Total non-current assets		**26,490**	**29,115**
Inventories	6.6	4,884	5,311
Trade receivables	6.7	1,287	1,513
Other current assets	6.8	1,857	1,786
Current tax assets		189	161
Cash and cash equivalents	11.1	4,588	7,359
Assets held for sale	3.5	538	36
Total current assets		**13,343**	**16,165**
TOTAL ASSETS		**39,833**	**45,280**

Equity and Liabilities

(€ millions)	Notes	2015	2014
Share capital		173	173
Additional paid-in capital, treasury shares and retained earnings		5,709	7,534
Equity attributable to owners of the parent		**5,883**	**7,707**
Non-controlling interests		**6,536**	**7,901**
Total equity	**12**	**12,419**	**15,608**
Non-current provisions for employee benefits	8.2	307	292
Other non-current provisions	13.1	538	719
Non-current financial liabilities	11.2	9,594	9,186
Non-current put options granted to owners of non-controlling interests	3.4.1	50	38
Other non-current liabilities	11.3	786	745
Deferred tax liabilities	9.2.2	1,225	1,423
Total non-current liabilities		**12,500**	**12,402**
Current provisions for employee benefits	8.2	9	-
Other current provisions	13.1	187	169
Trade payables		8,073	8,324
Current financial liabilities	11.2	2,140	4,501
Current put options granted to owners of non-controlling interests	3.4.1	102	24
Current tax liabilities		93	106
Other current liabilities	11.3	4,126	4,147
Liabilities associated with assets held for sale	3.5	184	-
Total current liabilities		**14,914**	**17,270**
TOTAL EQUITY AND LIABILITIES		**39,833**	**45,280**

3.2.4. CONSOLIDATED STATEMENT OF CASH FLOWS

(€ millions)	**2015**	2014
Consolidated net profit	**158**	**824**
Depreciation, amortisation and provisions	1,031	1,011
Unrealised (gains)/losses arising from changes in fair value	261	56
(Income)/expenses on share-based payment plans (see Note 8.3.1)	9	25
Other non-cash items	26	41
(Gains)/losses on disposal of non-current assets	2	77
(Gains)/losses due to changes in percentage ownership of subsidiaries resulting in the gain/loss of control or of non-controlling interests	(263)	(6)
Share of (profit)/loss of equity-accounted entities (see Note 3.3.4)	(66)	(77)
Dividends from associates and joint ventures (see Notes 3.3.1 and 3.3.3)	128	64
Cash flows from operating activities before change in working capital, net finance costs and income tax	**1,286**	**2,015**
Net finance costs (excluding changes in fair value)	602	631
Current and deferred tax expenses (see Note 9.1)	63	310
Income tax paid	(228)	(424)
Change in working capital (see Note 4.1)	1,198	343
Net cash from operating activities	**2,921**	**2,874**
Cash outflows related to acquisitions of:		
• property, plant and equipment, intangible assets and investment property	(1,488)	(1,529)
• non-current financial assets	(64)	(15)
Cash inflows related to disposals of:		
• property, plant and equipment, intangible assets and investment property	161	64
• non-current financial assets	7	3
Effect of changes in scope of consolidation resulting in the gain or loss of control (see Note 4.2)	(160)	(101)
Effect of changes in scope of consolidation related to joint ventures and associates	-	(34)
Change in loans and advances granted	-	1
Net cash used in investing activities	**(1,545)**	**(1,611)**
Dividends paid:		
• to owners of the parent (see Note 12.9)	(352)	(353)
• to non-controlling interests (see Note 12.8)	(170)	(122)
• to holders of deeply-subordinated perpetual bonds (see Note 12.9)	(48)	(27)
Increase/(decrease) in the parent's share capital	1	4
Transactions between the Group and owners of non-controlling interests (see Note 4.3)	17	(259)
(Purchases)/sales of treasury shares	(82)	(11)
Additions to financial debt	3,201	3,616
Repayments of financial debt	(4,911)	(1,348)
Interest paid, net	(648)	(639)
Net cash from/(used in) financing activities	**(2,992)**	**861**
Effect of movements in exchange rates on cash held	**(1,047)**	**(37)**
CHANGE IN CASH AND CASH EQUIVALENTS	**(2,663)**	**2,087**
Net cash and cash equivalents at beginning of period	7,197	5,110
• Net cash and cash equivalents from operations held for sale	-	-
Reported cash and cash equivalents at beginning of period (see Note 11.1)	**7,197**	**5,110**
Net cash and cash equivalents at end of period	4,534	7,197
• Net cash and cash equivalents from operations held for sale (see Note 3.5)	(129)	-
NET REPORTED CASH AND CASH EQUIVALENTS AT END OF PERIOD (SEE NOTE 11.1)	**4,405**	**7,197**

3.2.5. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(€ millions) (before appropriation of profit)	Share capital	Additional paid-in capital[1]	Treasury shares	Perpetual deeply subordinated bonds (TSSDI)	Retained earnings and profit for the year
AS AT 1 JANUARY 2014	**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[3]	-	-	-	-	(371)
Dividends payable to perpetual deeply subordinated bond holders and owners of non-controlling interests in GPA[3][4]	-	-	-	-	(6)
Share-based payments	-	-	-	-	4
Cnova initial public offering	-	-	-	-	213
Exercise of the call option for 3.4% of GPA shares (see Note 3.2.1)	-	-	-	-	(16)
Other changes in percentage interest not resulting in the gain or loss of control of subsidiaries	-	-	-	-	(21)
Other movements	-	-	-	-	2
AS AT 31 DECEMBER 2014	**173**	**4,092**	**(2)**	**1,350**	**2,987**
Other comprehensive income (loss) for the year	-	-	-	-	-
Net profit (loss) for the year	-	-	-	-	(43)
Consolidated comprehensive income (loss) for the year	**-**	**-**	**-**	**-**	**(43)**
Issue of share capital	-	1	-	-	-
Purchases and sales of treasury shares	-	-	(78)	-	(2)
Dividends paid[3]	-	-	-	-	(394)
Dividends payable to perpetual deeply subordinated bond holders[3]	-	-	-	-	(5)
Share-based payments	-	-	-	-	2
Changes in percentage interest resulting in the gain or loss of control of subsidiaries[5]	-	-	-	-	-
Changes in percentage interest not resulting in the gain or loss of control of subsidiaries[6]	-	-	-	-	(73)
Other movements	-	-	-	-	(1)
AS AT 31 DECEMBER 2015	**173**	**4,093**	**(80)**	**1,350**	**2,469**

(1) Additional paid-in capital: premiums on shares issued for cash or contribution in kind, or in connection with mergers or acquisitions, and legal reserves.

(2) Attributable to the shareholders of Casino, Guichard-Perrachon.

(3) See Note 12.9 for dividends paid and to be paid to holders of ordinary shares and perpetual deeply subordinated bonds. Dividends paid to non-controlling interests during the year primarily concern the entities Éxito, Big C and GPA and amount to €41 million, €23 million and €20 million, respectively (€37 million, €22 million and €19 million, respectively, in 2014).

(4) In 2014, the negative impact of €76 million corresponded to the minimum dividends to be paid to GPA and Via Varejo shareholders, in accordance with Brazilian law.

(5) Relating primarily to the acquisition of full control of Disco (see Note 3.1.1).

(6) The negative change of €38 million corresponds primarily to (i) the impact of the €90 million put option on Disco shares (see Note 3.1.1); (ii) the change in put options granted to owners of non-controlling interests in Franprix-Leader Price for €15 million offset by (iii) the impact of the change in the ownership interest of Monoprix in its subsidiary Simonop'1 for €72 million (see Note 3.1.6).

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
(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	4
15	**(31)**	**(858)**	**(31)**	**11**	**7,707**	**7,901**	**15,608**
-	(1)	(1,202)	(23)	-	(1,226)	(1,671)	(2,897)
-	-	-	-	-	(43)	201	158
-	**(1)**	**(1,202)**	**(23)**	**-**	**(1,269)**	**(1,470)**	**(2,739)**
-	-	-	-	-	1	-	1
-	-	-	-	-	(81)	-	(81)
-	-	-	-	-	(394)	(94)	(488)
-	-	-	-	-	(5)	-	(5)
-	-	-	-	-	2	7	9
-	-	-	-	-	-	157	157
-	-	(1)	-	-	(75)	36	(38)
(3)	-	-	-	-	(4)	(1)	(5)
13	**(31)**	**(2,061)**	**(54)**	**12**	**5,883**	**6,536**	**12,419**

3.3. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DETAILED SUMMARY OF NOTES TO THE FINANCIAL STATEMENTS

REPORTING ENTITY CASINO GROUP, GUICHARD-PERRACHON

Casino, Guichard-Perrachon is a French company (*société anonyme*), listed on compartment A of Euronext Paris. The Company and its subsidiaries will hereinafter be referred to 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 2015 reflect the accounting situation of the Company and its subsidiaries, as well as the Group's interests in associates and joint ventures.

The 2015 consolidated financial statements of Casino, Guichard-Perrachon were approved for publication by the Board of Directors on 8 March 2016.

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

1.1. Accounting standards

Pursuant to European Commission regulation 1606/2002 of 19 July 2002, the consolidated financial statements of the Casino Group have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as adopted by the European Union on the date of approval of the financial statements by the Board of Directors and applicable as at 31 December 2015.

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

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

These amendments had no material impact on the Group's financial performance or position.

It is reminded that the Group had applied interpretation IFRIC 21 – Levies in its consolidated financial statements for the year ended 31 December 2014.

Standards, amendments to standards, and interpretations adopted by the European Union and mandatory for financial year beginning on 1 January 2015

Annual improvements to IFRS standards 2011-2013 cycle: These amendments to the standard shall be applied prospectively. The standards concerned are:

- IFRS 3 – Business Combinations:

  This amendment clarifies the following:
  - the creation of all forms of partnerships as defined by IFRS 11 – Joint arrangements (*i.e.* joint ventures and joint operations) is excluded from the scope of IFRS 3;
  - this exclusion applies only to the financial statements of joint ventures or joint operations.
- IFRS 13 – Fair Value Measurement:

  This amendment clarifies that the exception of IFRS 13 which allows the fair value of a group of financial assets and liabilities to be measured on a net basis applies to all contracts within the scope of IAS 39 – Financial Instrument – Recognition and Measurement or IFRS 9 – Financial Instruments, regardless of whether they meet the definition of financial assets or financial liabilities as defined in IAS 32 Financial Instruments – Presentation.
- IAS 40 – Investment Property:

  This amendment clarifies the following:
  - the use of judgement is necessary for determining whether the acquisition of an investment property consists in the acquisition of an asset, a group of assets or a business combination that falls under the scope of IFRS 3 – Business Combinations;
  - this judgement must be based on the measures contained in IFRS 3 – Business Combinations.

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

1.2.1. Basis of evaluation

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

- assets and liabilities re-measured 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 and judgments

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:

- re-measurement of the interest previously held in Disco and non-controlling interests (see Note 3.1.1);
- impairment of non-current assets and goodwill (see Note 10.5);
- recoverable amounts of deferred tax assets (see Note 9);
- 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);
- modification of the useful lives of property, plant and equipment (see below).

In accordance with IAS 16, the Group has revised the useful lives of certain categories of property, plant and equipment (including the structure of buildings, refrigeration facilities and electrical installations). Given that it is a change in estimate, the revision was applied prospectively.

NOTE 2. SIGNIFICANT EVENTS OF THE YEAR

Highlights of the year included:

New organisation of Group businesses in Latin America

The Casino Group has changed its organisation by grouping together all its businesses in Latin America around the Colombian subsidiary Éxito. On 20 August 2015, the Group sold the following to Éxito:

- 50% of the capital of Segisor (a French holding company) which owns shares with voting rights in its Brazilian subsidiary GPA, representing approximately 18.8% of the company's capital;
- 100% of Libertad, a subsidiary of the Group in Argentina.

Following this transaction, Éxito fully consolidates all the businesses owned by the Casino Group in Latin America (Brazil, Colombia, Argentina and Uruguay). The Casino Group, which has a 54.8% stake in Éxito, remains its controlling shareholder and continues to fully consolidate Exito and its subsidiaries (which now include GPA and Libertad).

The transaction amounted to $1,829 million (€1,629 million).

On the date of the transaction, given that this reorganisation took place between fully consolidated companies, there was no impact on the consolidated accounts of the Casino Group. As from this date, the Group's share in the net income of GPA, Via Varejo, Cnova and Libertad resulting from the dilution related to Éxito's non-controlling interests was 32.8%, 14.2%, 55.1% and 54.8%, respectively, and 41.3%, 17.9%, 58.1% and 100%, respectively, before the transaction. Costs and tax impacts related to the transaction, amounting to €71 million, were recognised under "Other operating expenses" (see Note 6.5).

Deleveraging plan

On 15 December 2015, the Group announced that it had decided to reinforce its financial flexibility with a more than €2 billion deleveraging plan in 2016. This is to be done primarily through property development transactions and disposals of non-strategic assets, including in particular the planned disposal of the Group's businesses in Vietnam (see Note 3.5). On 14 January 2016, the plan was raised to €4 billion as a result of the sale of its subsidiary BIG C Thailand. The signing of the sale contract was announced on 7 February 2016 (see Note 15).

Alliance with DIA

The Casino and DIA groups have entered into an international strategic alliance for purchasing and services that is now operational with the exception of the Latin American part, which is subject to the approval of the relevant local competition authorities, and will be supported by a joint venture ICDC Services. The investment of the Casino Group in this new company does not have a significant impact on the consolidated statement of financial position and income statement in 2015.

Irregularities discovered in the subsidiary Cnova Brazil

On 18 December 2015, the Board of Directors of Cnova announced that it was appointing independent consultants to help it carry out an investigation, mainly concerning alleged irregularities supposed to have been committed by employees during the management of the inventory returns of its Brazilian subsidiary in its distribution centres. During this investigation, the subsidiary also identified anomalies relating to the amounts of trade payables and receivables related to goods in transit with carriers.

In the current state of the investigation, which is still ongoing, the main accounting impacts that Cnova has disclosed are as follows:

- Net sales and trade receivables: Cnova's management has identified a valuation of net sales in excess of €30 million and associated receivables net of impairment losses of €20 million due to the non-cancellation of a second sale when an alternative product is sent to the client after a damaged or defective product has been received.
- Inventories: the management of Cnova appointed independent consultants, assisted by Cnova Brazil employees, to carry out a complete physical inventory of the seven Cnova Brazil distribution centers as at 31 December 2015. Although the findings of this inventory did not reveal any significant anomaly with respect to the expected quantities in stock, it led the Cnova management to recognise an additional impairment of damaged/returned product stocks of €13 million for the 2015 financial year.
- Trade payables and others: the management discovered that some Cnova Brazil accountants had deliberately prepared written reports and recorded incorrect trade payables at the request of former Cnova Brazil employees. Consequently, it adjusted the amount of its trade payables upwards by €15 million.

Casino considered that the share of these adjustments corresponding to errors on prior years is not sufficiently material to justify the restatement of previously published financial statements. The impacts described above were recognised under trading profit for the portion relating to the year ended 31 December 2015 for €25 million, while €23 million was recognised under other operating expenses for the portion relating to prior years.

Other significant changes in Group structure in 2015

- Acquisition of control of the Uruguayan subsidiary Disco (see Note 3.1.1);
- Acquisition of control of 29 additional Super Inter stores as a result of the exercise of the call option by Éxito (see Note 3.1.2);
- Changes in scope within the Franprix-Leader Price subgroup (see Note 3.1.3);
- Asset exchange agreements between Éxito and Caja de Compensación Familiar – CAFAM (Cafam) (see Note 3.1.4);
- Creation of SCI Simonop'1 and entrance to the capital of investors (see Note 3.1.6).

NOTE 3. SCOPE OF CONSOLIDATION

Accounting principles

Basis of consolidation

The consolidated scope presented in Note 16 includes 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 with respect to the exercise price, date and terms.

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

Joint ventures

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

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

Associates

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

Equity method of accounting

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

Profits/losses from internal acquisitions or disposals with equity-accounted associates are eliminated within the limit of the percentage of the Group's interest in these companies. The Group follows a transparent approach to consolidate associates under the equity method and takes into account, if relevant, the final percentage held by the Group in order to determine the proportion of profit (loss) to eliminate.

With no standard or interpretation applicable to the dilution of the Group in a subsidiary of an equity-accounted company, the impact of a dilution is recognised as a share of profit (loss) of associates and joint ventures.

Business combinations

As required by IFRS 3 revised, the consideration transferred (acquisition price) in a business combination is measured at the fair value of the assets transferred, equity interests issued and liabilities incurred on the date of the transaction. Identifiable assets acquired and liabilities assumed are measured at their acquisition-date fair values. Acquisition-related costs are recognised in "Other operating expenses", except for those related to the issue of equity instruments.

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

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

In case of acquisition by stages, the previous interest held is re-measured 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 and whatever the likelihood of occurrence. 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 re-measured 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 reporting date;
- income statement and cash flow items are translated into euros using the average rate of the period unless significant variances occur.

The resulting translation differences are recognised directly within a separate component of equity. When a foreign activity is disposed of, the cumulative amount of the translation differences in equity relating to that activity 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 activity are recognised in the consolidated financial statements as a separate component of equity and reclassified to profit or loss on disposal of the net investment.

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. Changes in Group structure in 2015

3.1.1. Acquisition of control of the Uruguayan subsidiary Disco

Éxito exercised joint control over the subgroup Disco in which it held a 62.49% interest. This subgroup was therefore accounted for using the equity method until 31 December 2014.

Following the signing of a contractual agreement granting it over 75% of voting rights and consequently exclusive control over strategic decisions, Éxito took control of the subgroup Disco as from 1 January 2015.

The change in accounting method from the equity method at 62.49% (percentage of Éxito's holding) to full consolidation (no change in the percentage of interest) resulted in the recognition, in accordance with IFRS 3, of a €262 million gain from the re-measurement of the interest previously held which was recognised under "Other operating income" (see Note 6.5). The measurement of Disco was performed by an independent expert on the basis of a multi-criteria analysis (discounted cash flow and market multiples method).

The statement of financial position of the Disco subgroup and the goodwill generated are as follows:

(€ millions)	As at 1 January 2015
Intangible assets	36
Property, plant and equipment	149
Investment property	24
Other non-current assets	8
Deferred tax assets	10
Inventories	37
Trade receivables	21
Other assets	25
Cash and cash equivalents	49
TOTAL ASSETS	**358**
Other non-current liabilities	4
Deferred tax liabilities	22
Current financial liabilities	1
Trade payables	75
Other current liabilities	36
TOTAL LIABILITIES	**139**
Fair value of net identifiable assets and liabilities at 100% (A)	**218**
Fair value of the previously-held 62.49% interest (B)[1]	**368**
Fair value of non-controlling interests (full goodwill method) (C)[1]	**155**
GOODWILL (B+C-A)	**304**

[1] Non-controlling interests were measured at their fair value, which included a discount for the absence of control and restriction attached to the disposal of securities.

As at 31 December 2015, the main fair value adjustments concerned the recognition of trademarks (€36 million), real estate assets (€86 million) and net deferred tax liabilities attached (€20 million).

Measurement of the fair value of identifiable assets and liabilities resulted in the recognition of €304 million in goodwill allocated to the Uruguay CGU.

The contributions of the activities of the Disco subgroup to the Casino Group sales and consolidated net profit (excluding gain from the re-measurement of the interest previously held) for the period between 1 January 2015 and 31 December 2015 were €436 million and €33 million, respectively. The costs resulting from the acquisition are not significant.

Furthermore, the Group has granted a put option on 29.8% of Disco's capital to the family shareholders. The option is exercisable until 21 June 2021. Its price is based on the Disco subgroup's consolidated operating profit, with a minimum price of US$41 million plus interest at 5% per year. The valuation of this put option was €90 million as at 31 December 2015 (Note 3.4.1).

3.1.2. Exercise of the call option on Super Inter stores

On 15 April 2015, Éxito exercised a call option that enabled it to acquire 29 Super Inter stores operated by Éxito since October 2014 as well as the Super Inter brand. Although it was an independent transaction, it finalises Éxito's acquisition of control of the Super Inter network. The acquisition price was COP343,920 million (€124 million) of which COP284,173 million (€99 million) paid as at 31 December 2015.

The fair value of the identifiable assets and liabilities of these stores was determined by an independent expert as at the date of acquisition are summarised below:

(€ millions)	As at 1 April 2015
Super Inter brand	23
Property, plant and equipment	7
TOTAL ASSETS	**30**
Fair value of net identifiable assets and liabilities at 100% (A)	**30**
Acquisition price (B)	**124**
GOODWILL (B-A)	**95**

This goodwill of €95 million which is tax-deductible is allocated to the Colombia CGU; it is attributable to access to a new customer base and economies of scale resulting from the combined businesses of Éxito and Super Inter. The costs resulting from the acquisition are not significant.

3.1.3. Changes in scope relating to the Franprix-Leader Price subgroup

In 2015, Franprix-Leader Price took control of the following subgroups:

- the Europrice subgroup for which Franprix-Leader Price had granted a put option on 99.99% of its capital. The amount disbursed for this acquisition was €18 million, generating provisional goodwill of €11 million;
- the Leader Centre Gestion subgroup for which Franprix-Leader Price had granted a put option on 51% of its capital. The amount disbursed for this acquisition was €14 million. Since this subgroup was previously equity-accounted in the consolidated financial statements of the Casino Group, the re-measurement, in accordance with IFRS 3, of the interest previously held generated a loss of €2 million. The transaction generated provisional goodwill of €18 million;
- the Parfidis subgroup for which Franprix-Leader Price had granted a put option on 64% of its capital. The amount disbursed for this acquisition was €21 million. Since this subgroup was previously equity-accounted in the consolidated financial statements of the Casino group, the re-measurement, in accordance with IFRS 3, of the interest previously held generated a gain of €4 million. The transaction generated provisional goodwill of €26 million.

The contribution of the activities of the Europrice and Leader Centre Gestion subgroups to the Casino Group net sales and pre-tax profit for the period between 1 June and 31 December 2015 was €57 million and -€2 million, respectively. The contribution of the activities of the Parfidis subgroup to Casino Group net sales and pre-tax profit for the period between 1 July and 31 December 2015 was €27 million and -€9 million, respectively. Had these acquisitions been made on 1 January 2015, the additional contribution to net sales and pre-tax profit would have been €66 million and -€3 million, respectively.

The costs related to these acquisitions are not significant.

Furthermore, as part of the franchisees redeployment projects at Franprix-Leader Price, in the second half of 2015, the subsidiary recognised the disposal to two master franchisees of a group of Franprix and Leader Price stores that was loss-making under the integrated management mode. The disposal of a 51% interest generated a net impact of -€58 million recognised under "Other operating expenses".

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

Simultaneously, these master franchisees acquired a 49% interest in a group of profit-making Franprix and Leader Price stores. These disposals without loss of control had an impact of -€52 million on equity attributable to owners of the Group's parent and +€52 million on non-controlling interests.

3.1.4. Asset exchange agreements between Éxito and Cafam

In September 2010, Éxito and "La Caja de Compensación Familiar – Cafam" signed an agreement, allowing Éxito to operate stores held by Cafam on one hand, and allowing Cafam to operate drugstores held by Éxito on the other hand.

On 23 February 2015, the two parties signed an agreement that provides for the following:

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

The costs resulting from the acquisition are not significant.

The conditions precedent including the approval of the competition authorities were lifted on 27 May 2015.

3.1.5. Acquisition of non-controlling interests in Lanin

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

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

In October 2015, Monoprix and two of its subsidiaries created SCI Simonop'1. Subsequently, on 22 December 2015, Monoprix and two of its subsidiaries transferred 11 property assets valued at €138 million, which housed Monoprix supermarkets as contributions in kind. On the same date, 49% of Simonop'1 shares were sold to three property development companies managed by the management company Ciloger for a total price of €73 million (see Note 4.3) leading to an impact of €72 million on equity (including €4 million of equity attributable to owners of the parent).

3.2. Changes in Group structure in 2014

3.2.1. Change in percentage interest in GPA

EXERCISE OF CALL OPTION

On 4 April 2014, Casino acquired 8,907,123 preference 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 had been recognised directly in equity, bringing Casino's interest in GPA to 41.32% as at 31 December 2014.

3.2.2. Franprix-Leader Price subgroup transactions

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 goodwill of €17 million.

In 2014, Franprix-Leader Price also 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 goodwill of €25 million.

Had these acquisitions been made on 1 January 2014, the additional contribution to net sales and pre-tax profit would have been €76 million and -€5 million, respectively.

3.2.3. 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) was thus €22 million.

In addition, Cdiscount Group 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.

In September 2015, Cdiscount Group sold its controlling interest in Monshowroom to Monoprix. The impact of this inter-company transaction was eliminated in the consolidated financial statements.

3.2.4. Super Inter

In September 2014, the Colombian competition authority authorised Éxito to purchase 19 Super Inter stores for COP200,000 million (€75 million, of which €24 million was paid in 2015).

Éxito had also signed an initial 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 depending 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 which was exercised in 15 April 2015 – see Note 3.1.2). An agreement had been signed with Super Inter to organise the control of these 31 stores.

Given the net identifiable assets of COP20,588 million (€8 million) acquired on 16 October 2014, goodwill stood at COP179,412 million (€68 million), attributable to the acquisition of a new customer base and economies of scale resulting from the combined businesses of Éxito and Super Inter. This goodwill allocated to the Colombia CGU is tax-deductible.

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 consolidated net profit would have been €111 million and €4 million, respectively.

3.3. Investments in associates and joint ventures

3.3.1. Significant associates

The following table presents the fully 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 adjustments linked to the fair value valuation at the acquisition-date or loss of control date and adjustments made to accounting policies, bringing them in line with those of the Group and eliminations of inter-company acquisitions or disposals up to the percentage of interest in the associates:

	2015			2014		
(€ millions)	Mercialys[1]	Banque du Groupe Casino	FIC[2]	Mercialys[1]	Banque du Groupe Casino	FIC[2]
Country	France	France	Brazil	France	France	Brazil
Business	Real estate	Banking	Banking	Real estate	Banking	Banking
% interests and voting rights[3]	40%	50%	50%	40%	50%	50%
Net sales	172	122	302	155	105	329
Net profit from continuing operations	87	2	61	85	(5)	70
Other comprehensive income (loss)	-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME (LOSS)	**87**	**2**	**61**	**85**	**(5)**	**70**
Non-current assets	2,797	25	9	2,415	27	11
Current assets[4]	117	826	903	198	739	1,184
Non-current liabilities	(1,243)	(2)	(4)	(1,040)	(2)	(5)
Current liabilities[4]	(239)	(756)	(712)	(182)	(670)	(920)
of which credit activity-related liabilities	-	*(738)*	*(712)*	-	*(655)*	*(920)*
Net assets	**1,432**	**94**	**197**	**1,391**	**94**	**271**
of which net assets attributable to owners of the parent	*1,325*	*94*	*197*	*1,391*	*94*	*271*
Share of net assets	**533**	**47**	**98**	**560**	**47**	**135**
Goodwill	20	33	-	20	33	-
Elimination of share of internal margin	(177)	-	-	(122)	-	-
Other adjustments[5]	-	-	(14)	-	-	(19)
Value of investments in equity-accounted entities	**376**	**80**	**84**	**457**	**80**	**116**
Dividends received from associates	**61**	**-**	**41**	**44**	**-**	**4**

(1) As at 31 December 2015, the Group held 40.25% of Mercialys capital. The Group considers that it exercises significant influence over the financial and operational policies of the Mercialys Group. This position is based on the analysis of the effective voting rights expressed during the last Mercialys Annual General Meetings (Casino and its related parties do not control the Annual General Meeting), the absence of a majority on strategic decisions within the company's Board of Directors, which is mostly made up of independent directors, the governance rules that provide that Casino representatives in Mercialys do not take part in decisions concerning operations carried out with the Group and operational contractual agreements concluded between the Group and the company on an arm's length basis.

(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. The data presented above correspond to FIC; BINV is less significant.

(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 current assets and liabilities of the entities Banque du Groupe Casino and FIC primarily concern their credit business.

(5) The amount of the reserve statutorily 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 was the only significant joint venture in the Group's 2014 consolidated statements. This subgroup was subject to a put option in 2015 (see Note 3.1.1). The amount of dividends received from Disco for 2014 amounted to €7 million.

3.3.3. Other investments in associates and joint ventures

As at 31 December 2015, the net carrying amount of the interests held in other associates and joint ventures totalled €9 million and €75 million, respectively (see Note 3.3.4). The aggregate amount of the financial items regarding these associates and joint ventures is immaterial. The amount of dividends received from these associates and joint ventures amounted to €26 million in 2015 compared with €9 million in 2014.

3.3.4. Changes in investments in associates and joint ventures

(€ millions)	1 January 2015	Impairment losses	Share of profit (loss) for the year	Dividends	Other	31 December 2015
Associates						
GPA Group associates (FIC & BINV)	95	-	36	(8)	-	122
Banque du Groupe Casino	83	-	(3)	-	-	80
Mercialys	561	-	34	(44)	(94)[2]	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**
Associates						
GPA Group associates (FIC & BINV)	122	-	30	(34)	(30)	88
Banque du Groupe Casino	80	-	1	-	(1)	80
Mercialys	457	-	34	(61)	(55)[2]	376
Other	21	-	(9)	-	(2)	9
Joint ventures						
Disco[1]	129	-	-	-	(129)	-
Others	87	-	10	(26)	4	75
2015	**897**	**-**	**66**	**(121)**	**(213)**	**629**

[1] The Disco subgroup has been fully consolidated since the date of acquisition, i.e. 1 January 2015 (see Note 3.1.1).

[2] The negative changes of €94 and €55 million in 2014 and 2015, respectively are the result of the neutralisation of the gain on the sale of property assets by Casino to Mercialys up to the investment held in that entity.

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 €691 million, determined using the market price as at 31 December 2015, compared with €682 million as at 31 December 2014. This value does not reflect an impairment loss. Mercialys' EPRA adjusted triple net asset value (ANR) amounted to €1,788 million at 100% as at 31 December 2015.

The impairment tests carried out as at 31 December 2015 did not result in an impairment loss (€10 million for the Franprix-Leader Price sector as at 31 December 2014).

3.3.6. Share of contingent liabilities in associates and joint ventures

As at 31 December 2015 and 31 December 2014, 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.

	2015				2014			
	Associates		Joint ventures		Associates		Joint ventures	
(€ millions)	Transaction	Balance	Transaction	Balance	Transaction	Balance	Transaction	Balance
Loans	21	21	-	-	(8)	-	-	-
Receivables	8	17	(15)	3	3	9	(7)	18
Liabilities	(12)	5	(4)	5	4	17	2	9
Expenses	73(1)	-	55	-	66(1)	-	68	-
Income	398(2)	-	50	-	317(2)	-	40	-

(1) Of which rental revenue excluding occupancy costs for the 105 leases signed with Mercialys for €42 million in 2015 (104 leases for €25 million in 2014). As at 31 December 2015, lease commitments to Mercialys for property assets amounted to €99 million, of which €43 million due within one year.

(2) Of which €61 million of dividends received from Mercialys (€44 million in 2014) and income related to property development transactions with Mercialys presented under "Other Income" for €303 million (€243 million in 2014).

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 and has entered into administrative and cash management agreements.

Under the partnership agreement between Casino and Mercialys and in line with its asset disposal transactions in 2014, Casino sold in 2015 property development projects to Mercialys (of which six Distribution Casino France sites and five Monoprix sites) for a total amount of €355 million, generating, after taking into account elimination up to the stake in Mercialys and rate of progress of each project, the recognition of other income for €200 million and a positive contribution to EBITDA of €107 million.

In addition, on 1 June 2015, Mercialys created Hyperthetis Participations, bringing together six property assets from property development projects that Casino sold to Mercialys in 2014. This new company is 51%-owned by Mercialys and 49%-owned by SPF2 (a regulated French property investment vehicle – OPCI), whose majority shareholder is BNP Paribas. This transaction led to the recognition under "Other income" of €22 million in respect of the additional 49% fraction of the property development profit that had been previously eliminated to the tune of 40%. Subsequently, on 10 November 2015, the Group sold three property development projects to Hyperthetis Participations for a total amount of €64 million excluding transfer taxes, generating the recognition of other income for €52 million and a positive contribution to EBITDA of €25 million. Furthermore, the Group has a call option at a guaranteed price (the higher price of the fair value and IRR) concerning all the assets or all the securities of this new entity that can be exercised from 30 September 2020 until 31 March 2022 (see Note 3.4.2).

Finally, on 22 October 2015, Mercialys incorporated Immosiris, to which it transferred a shopping centre. It then sold 49% of the shares of this new company to an OPCI majority-owned by BNP Paribas REIM France. Subsequently, on 10 November 2015, the Group sold a property development project to Immosiris for a total amount of €36 million excluding transfer taxes, generating the recognition of other income for €29 million and a positive contribution to EBITDA of €15 million. Furthermore, the Group has a call option at a guaranteed price (the higher price of the fair value and IRR), concerning the property assets that had been sold previously, which can be exercised from 31 March 2021 until 30 September 2022 (see Note 3.4.2).

The dilution of the Group in Hyperthetis Participations and Immosiris was recognised as a "share of profit of equity-accounted entities" and amounted to €5 million.

3.3.8. Commitments to joint ventures

As at 31 December 2015 and 31 December 2014, 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 – "PUTs options"

Accounting principle

The Group has granted put options to the owners of non-controlling interests in some of its subsidiaries. The exercise price may be fixed or based on a predetermined formula. In accordance with IAS 32, obligations under these PUTs options 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 options may be carried out at any time or at a defined date. In 2015, the Group decided to disclose the PUTs options in the consolidated statement of financial position on a specific line. This modification has been treated retrospectively.

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, specify 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 France's securities regulator (*Autorité des Marchés Financiers*):

- the former are accounted for using the goodwill method: the difference between the debt of PUTs options 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 latter are accounted for as equity transactions between shareholders: the difference between the debt of PUTs options 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 2015:

(€ millions)	% Group interest	Commitment to non-controlling interests	Fixed or variable exercise price	Non-current liabilities[3]	Current liabilities[3]
Franprix-Leader Price[1]	50.00% to 74.00%	26.00% to 50.00%	F/V	48	11
Disco[2]	62.49%	29.82%	V	-	90
Monoprix (Somitap)	55.42%	44.58%	F	1	1
TOTAL COMMITMENTS				**50**	**102**

[1] The value of these put options on subsidiaries of the Franprix-Leader Price subgroup is generally based on net profit. The +/-10% change in the indicator does not have a significant impact; these options expire between 2016 and 2031.
[2] The option is exercisable until 21 June 2021.
[3] As at 31 December 2014, non-controlling put options amounted to €62 million, of which €24 million of current part. The increase in 2015 is primarily due to the acquisition of full control of Disco (see Note 3.1.1)

3.4.2. Off-balance sheet commitments

Accounting principle

Under the terms of the option contracts, the exercise price of written put and call options may be determined using earnings multiples of the companies. In this case, evaluations are 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.

The amount of put options on non-controlled companies stood at €19 million as at 31 December 2015 compared with €163 million as at 31 December 2014, and concerns the Franprix-Leader Price subgroup exclusively. The decrease is primarily due to the acquisition of full control of Disco (see Note 3.1.1).

The Group also has a call option at the higher of the fair value and a guaranteed minimum IRR concerning all assets or all the shares of Hyperthetis Participations and a call option at the higher of the fair value and a guaranteed minimum IRR concerning a property asset previously sold to Immosiris (see Note 3.3.7) valued at a total amount of €311 million as at 31 December 2015.

3.5. 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. Considering these caracteristics, the Group's share in the net assets held for sale is presented in minoration of the net financial debt (see Note 11).

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

Assets held for sale and related liabilities were €538 million and €184 million, respectively, as at 31 December 2015 compared with €36 million of assets held for sale as at 31 December 2014. They are composed primarily of Retail and E-commerce assets of the subgroup in Vietnam.

The Group's share of assets held for sale net of related liabilities stood at €315 million as at 31 December 2015 (compared with €28 million in 2014), of which €289 million for Vietnam (€287 million and €2 million for Retail and E-commerce activities respectively).

As at 31 December 2015, held-for-sale assets and liabilities relating to Retail and E-commerce activities of the Vietnam subgroup were broken down as follows:

(€ millions)	Before intra-Group elimination	Intra-Group elimination	After intra-Group elimination
Goodwill, intangible assets, property, plant and equipment, and investment property	184	-	184
Other non-current assets	107	-	107
Total non-current assets	**291**	**-**	**291**
Other current assets	87	-	87
Cash and cash equivalents	129	-	129
Total current assets	**216**	**-**	**216**
TOTAL ASSETS	**507**	**-**	**507**
Non-current financial liabilities	223	186	36
Other non-current liabilities	-	-	-
Total non-current liabilities	**223**	**186**	**36**
Current financial liabilities	30	-	30
Trade payables	94	-	94
Other current liabilities	24	-	24
Total current liabilities	**148**	**-**	**148**
TOTAL LIABILITIES	**370**	**186**	**184**
Net assets	**137**		**323**
attributable to owners of the parent(1)	*103*	*186*	*289*

(1) Of which €100 million and €3 million of net assets attributable to owners of the parent before intra-group elimination relating respectively to Vietnam Retail activity presented in the Asia segment and Cdiscount Vietnam activity presented in the E-commerce segment.

In addition, to calculate the gain on disposal, amounts recognised under other comprehensive income such as foreign currency translation adjustments and net investment hedges totalling -€34 million as at 31 December 2015 should be taken into account.

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

Accounting principle

The statement of cash flows is prepared using the indirect method based on consolidated net profit (loss) and is broken down according to three categories:

- cash flows from operating activities including taxes, acquisition costs in relation to acquisition of control and payments received as subsidies;
- cash flows from investing activities: in particular in case of acquisition of control (excluding acquisition costs), loss of control including transaction costs, acquisitions and disposals of non-consolidated investments and of associates and joint ventures (including transaction costs), contingent consideration paid for business combinations up to the liability determined in the measurement period as well as acquisitions and disposals of fixed assets (including costs and deferred payments) excluding financial leases;
- cash flows from financing activities: in particular loan issues and repayments, issues of equity instruments, equity transactions between shareholders (including transaction costs and any deferred payments), net interests paid (cash flows related to finance costs), transactions related to treasury shares and dividends paid.

4.1. Change in working capital

(€ millions)	**2015**	2014
Inventories of goods	(253)	(653)
Property development work in progress	65	127
Trade payables	1,147	1,310
Trade receivables	(65)	5
Finance receivables (credit activity)	111	4
Finance payables (credit activity)	(108)	3
Other receivables/payables	302	(452)
CHANGE IN WORKING CAPITAL	**1,198**	**343**

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

(€ millions)	**2015**	2014
Amounts paid for acquisition of control	(241)	(130)
Cash/(bank overdrafts) related to acquisition of control	37	1
Amounts received for loss of control	41	28
(Cash)/bank overdrafts related to loss of control	3	-
IMPACT OF CHANGES IN SCOPE OF CONSOLIDATION RESULTING IN THE GAIN OR LOSS OF CONTROL	**(160)**	**(101)**

In 2015, the impact of these transactions on the Group cash position mainly comprises:

- acquisition of control of Super Inter for -€124 million (see Notes 3.1.2 and 3.2.4);
- acquisition of control of Europrice, Leader Centre Gestion and Parfidis by the Franprix-Leader Price subgroup amounting to -€18 million, -€14 million and -€21 million, respectively (see Note 3.1.3);
- cash acquired from Disco for €49 million (see Note 3.1.1);
- assets exchange under the agreement with Cafam for a net amount of -€17 million (see Note 3.1.4).

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

- acquisition of 19 Super Inter stores for -€49 million (see Note 3.2.4);
- acquisitions of control by the Franprix-Leader Price subgroup of 46 Le Mutant stores for -€32 million (see Note 3.2.2) and various other companies for -€27 million (the main companies are described in Note 3.2.2).

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

(€ millions)	**2015**	2014
Monoprix: Simonop'1 (see Note 3.1.6)	73	-
Lanin/Devoto (see Note 3.1.5)	(17)	(1)
Payment of Sendas debt	(21)	(22)
Exercise of the GPA call option (see Note 3.2.1)	-	(330)
Increase of Cnova capital associated with the initial public offering	-	117
Buybacks of non-controlling interests in Franprix-Leader Price subsidiaries	-	(10)
Other	(18)	(13)
IMPACT ON CASH OF TRANSACTIONS WITH NON-CONTROLLING INTERESTS	**17**	**(259)**

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

(€ millions)	**2015**	2014
Change in cash and cash equivalents	**(2,663)**	**2,087**
Additions to financial debt	(3,201)	(3,616)
Repayments of financial debt	4,911	1,348
Non-cash changes in debts	122	(104)
• Change in net assets held for sale attributable to owners of the parent	229	(53)
• Change in other financial assets	88	-
• Financial debt related to changes in scope of consolidation	(12)	(17)
• Trade payables – structured program (see Note 11.2)	(285)	-
• Change in cash flow and fair value hedge	70	(11)
• Others	32	(23)
Effect of changes in foreign currency translation adjustments	490	(101)
CHANGE IN NET FINANCIAL DEBT (SEE NOTE 11.2)	**(340)**	**(386)**
Net financial debt at beginning of period	5,733	5,346
Net financial debt at end of period (see Note 11.2)	6,073	5,733

NOTE 5. SEGMENT INFORMATION

Accounting principle

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

The main segments are presented below:

- France Retail: segment including operating segments relating to retail activities in France (mainly the Casino, Monoprix, Franprix-Leader Price and Vindémia banners);
- Latam Retail: segment including operating segments relating to food retail activities in Latin America (mainly the Éxito, Disco – Devoto and Libertad banners as well as the GPA food banners);
- Latam Electronics: segment corresponding to the operating segment of Via Varejo (Casas Bahia and Ponto Frio banners);
- Asia: segment including the two operating segments of Big C Thailand and Big C Vietnam,
- E-commerce: segment including the activities of Cnova (Cdiscount, its vertical and international sites and Cnova Brazil).

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

Given the dual strategy and interconnection between retail and real estate, the operating segments comprise pure retail activities, real estate asset management and property development projects.

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

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	**2015**
External net sales	18,890	14,714	5,187	3,973	3,381	46,145
EBITDA	726[1]	993	334	394	(104)	2,343
Current amortisation expense (see Note 6.4)	(389)	(290)	(63)	(117)	(38)	(897)
Trading profit	337	703	271	277	(142)	1,446

[1] Of which €167 million for property development transactions carried out in France.

(€ millions)	France Retail	Latam Retail	Latam Electronics	Asia	E-commerce	2014
External net sales	18,848	15,422	7,245	3,513	3,465	48,493
EBITDA	836[1]	1,215	737	361	41	3,191
Current amortisation expense (see Note 6.4)	(439)	(320)	(61)	(107)	(34)	(960)
Trading profit	397	895	677	255	7	2,231

[1] Of which €162 million for property development transactions carried out in France.

5.2. Key indicators by geographical area

(€ millions)	France	Latin America	Asia	Other regions	Total
External net sales for the year ended 31 December 2015	**20,578**	**21,569**	**3,997**	**2**	**46,145**
External net sales for the year ended 31 December 2014	20,431	24,539	3,523	-	48,493

(€ millions)	France	Latin America	Asia	Other regions	Total
Non-current assets as at 31 December 2015[1]	**12,099**	**10,143**	**2,066**	**43**	**24,351**
Non-current assets as at 31 December 2014[1]	12,245	12,231	2,264	55	26,794

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

NOTE 6. ACTIVITY DATA

6.1. Total revenue

Accounting principle

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

"Net sales excluding taxes" includes sales of the Group's stores, Internet sites, self-service restaurants and warehouses, as well as financial services, rental services, income from the banking business and other miscellaneous services rendered by the establishments.

"Other income" consists of revenue from the property development and property trading businesses, 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 income related to energy efficiency activities.

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)	2015	2014
Net retail sales	46,145	48,493
Other income	540	568
TOTAL REVENUE	**46,685**	**49,061**

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)	**2015**	2014
Purchases and change in inventories	(33,199)	(34,602)
Logistics costs	(1,780)	(1,799)
COST OF GOODS SOLD	**(34,980)**	**(36,401)**

6.3. Expenses by nature and function

Accounting principle

Selling expenses

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

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	**2015**
Employee benefits expense	(599)	(3,809)	(893)	(5,301)
Other expenses	(1,116)	(4,257)	(468)	(5,841)
Depreciation and amortisation expense	(66)	(680)	(152)	(897)
TOTAL	**(1,780)**	**(8,746)**	**(1,514)**	**(12,040)**

(€ 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".

France's third amended 2012 Finance Act introduced a competitiveness and employment tax credit (CICE). This is a tax credit (repayable from the end of the third year) of 6% (7.5% for Vindémia) based on salaries equal to or less than 2.5 times the French minimum wage. The Group recognised in 2015 this CICE income of €93 million (€93 million in 2014) which was presented in reduction to employee expenses and sold without recourse its receivable for €88 million (€87 million in 2014).

6.4. Depreciation and amortisation

(€ millions)	**2015**	2014
Depreciation and amortisation expense – owned assets (see Notes 10.2.2, 10.3.2 and 10.4.2)	(855)	(911)
Depreciation and amortisation expense – finance leases (see Notes 10.2.2, 10.3.2 and 10.4.2)	(29)	(37)
Lease payments for land use (see Note 7.2)	(13)	(12)
TOTAL DEPRECIATION AND AMORTISATION EXPENSE	**(897)**	**(960)**

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)	2015	2014
Total other operating income	**499**	**244**
Total other operating expenses	**(977)**	**(738)**
	(478)	**(494)**
BREAKDOWN BY TYPE		
Gains and losses on disposal of non-current assets	16	(4)
Restructuring provisions and expenses(1)(5)	(309)	(197)
Provisions and expenses for litigation and risks(2)(5)	(131)	(97)
Net income/(expenses) related to changes in scope of consolidation(3)(5)	47	(136)
Other net impairment losses of assets(5)	(30)	(53)
Other(4)	(71)	(7)
TOTAL OTHER NET OPERATING INCOME AND EXPENSES	**(478)**	**(494)**

(1) The 2015 restructuring expense concerns primarily the France Retail sectors for €193 million (of which €63 million, €57 million and €24 million relative to Distribution Casino France, Franprix-Leader Price and Monoprix, respectively), Latam Electronics for €52 million and Latam Retail for €40 million. In 2014, the 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).

(2) Provisions and expenses for litigation and risks concern mainly the Latam Retail (primarily GPA) and France Retail segments for €95 million and €28 million, respectively, and primarily relate to the litigation with Morzan Empreendimentos (€113 million) described in Note 13.3. In 2014, provisions and expenses for litigation and risks primarily concerned the Latam Retail (primarily GPA) and Latam Electronics segments, for €76 million and €22 million, respectively.

(3) The €47 million of net income recognised in 2015 arose mainly from the remeasurement of the interest previously held in Disco when it was acquired for €262 million (see Note 3.1.1) as well as the expenses and impacts related to changes in scope of consolidation amounting to -€133 million (primarily France Retail for -€116 million and Latam Retail for -€17 million mainly in connection with the new reorganisation of activities in Latin America described in Note 2 and the changes in scope at Franprix-Leader Price described in Note 3.1.3). 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 GPA in connection with the creation of Via Varejo (€28 million) and some expenses arising from the Cnova initial public offering (€26 million).

(4) It included an expense of €23 million recognised for 2015 for irregularities in the Cnova Brazil subsidiary (see Note 2).

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

(€ millions)	Notes	2015	2014
Goodwill impairment losses	10.1	(3)	-
Net impairment reversals/(losses) on intangible assets	10.2.2	(20)	(25)
Net impairment reversals/(losses) on property, plant and equipment	10.3.2	(93)	(21)
Net impairment reversals/(losses) on other assets		(7)	(7)
TOTAL NET IMPAIRMENT LOSSES		**(122)**	**(53)**
of which presented under "Restructuring provisions and expenses"		*(48)*	-
of which presented under "Other net impairment losses of assets"		*(30)*	*(53)*
of which presented under "Net income/(expenses) related to changes in scope of consolidation"		*(46)*	-
of which presented in "Gains and losses on disposal of non-current assets"		*5*	-

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.

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

(€ millions)	2015	2014
Goods	4,676	5,139
Property assets	319	263
Gross amount	**4,995**	**5,402**
Accumulated impairment losses on goods	(73)	(65)
Accumulated impairment losses on property assets	(38)	(26)
Accumulated impairment losses	**(111)**	**(91)**
NET INVENTORIES	**4,884**	**5,311**

6.7. Trade receivables

Accounting principle

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

6.7.1. Breakdown of trade receivables

(€ millions)	2015	2014
Trade and other receivables	1,005	976
Accumulated impairment losses on trade receivables	(95)	(95)
Trade receivables from credit activity (Via Varejo)	435	704
Accumulated impairment losses on trade receivables from credit activity (Via Varejo)	(59)	(73)
NET TRADE RECEIVABLES	**1,287**	**1,513**

6.7.2. Accumulated impairment losses on trade receivables

(€ millions)	2015	2014
ACCUMULATED IMPAIRMENT LOSSES ON TRADE RECEIVABLES		
As at 1 January	**(95)**	**(93)**
Losses	(57)	(28)
Reversals	53	27
Changes in scope of consolidation	-	-
Reclassifications	-	-
Foreign currency translation adjustments	3	-
AS AT 31 DECEMBER	**(95)**	**(95)**
ACCUMULATED IMPAIRMENT LOSSES ON FINANCE RECEIVABLES		
As at 1 January	**(73)**	**(66)**
Losses	(5)	(6)
Reversals	-	-
Changes in scope of consolidation	-	-
Reclassifications	-	-
Foreign currency translation adjustments	19	(1)
AS AT 31 DECEMBER	**(59)**	**(73)**

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)	2015	2014
Other receivables	1,165	1,270
Financial assets held for cash management purposes and financial investments (see Note 11.2)	71	-
Financial assets arising from a significant disposal of non-current assets (see Note 11.2)	12	-
Tax and employee-related receivables in Brazil (see Note 6.9)	208	200
Current accounts of unconsolidated companies	40	61
Accumulated impairment losses on other receivables and current accounts	(35)	(74)
Fair value hedges – assets (see Note 11.6.1)	231	136
Derivatives not qualifying for hedge accounting and cash flow hedges – assets (see Note 11.6.1)	27	25
Prepaid expenses	139	167
OTHER CURRENT ASSETS	**1,857**	**1,786**

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)	2015	2014
As at 1 January	(74)	(81)
Losses	(23)	(13)
Reversals	62	20
Changes in scope of consolidation	-	-
Reclassifications and other movements	(2)	-
Foreign currency translation adjustments	2	-
AS AT 31 DECEMBER	**(35)**	**(74)**

6.9. Other non-current assets

(€ millions)	2015	2014
Available-for-sale financial assets (AFS)	40	89
Non-current fair value hedges (see Note 11.6.1)	418	430
Other financial assets	624	771
Loans	*97*	*88*
Non-hedge derivatives – assets	*-*	*-*
Loans and advances to unconsolidated companies and others	*91*	*91*
Judicial deposits paid by GPA (see Note 13.2)	*229*	*262*
Other non-current receivables	*207*	*331*
Tax and employee-related receivables in Brazil (see below)	567	665
Prepaid expenses	209	288
OTHER NON-CURRENT ASSETS	**1,858**	**2,244**

GPA has a total of €775 million in tax receivables (of which €567 million for the non-current portion), related primarily to ICMS (VAT) for €635 million, PIS/COFINS (VAT) and INSS (employer social security contributions). The subsidiary estimates the recoverability of the main tax receivable (ICMS) as follows:

(€ millions)	**2015**
Due within one year	118
Due in one to five years	451
Due in more than five years	66
TOTAL	**635**

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 mainly legal, that support the registration and utilisation 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 as at 31 December 2015, 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.

Off-balance sheet commitments related to entities included in the scope of consolidation and commitments on lease contracts may be found in Note 3.4.2 and Note 7, respectively.

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)	**2015**	2014
Assets pledged as collateral[1]	205	271
Bank guarantees given[2]	1,966	2,589
Guarantees given in connection with disposals of non-current assets[3]	248	229
Other commitments	57	57
TOTAL COMMITMENTS GIVEN	**2,476**	**3,146**
Due:		
Within one year	*381*	*141*
In one to five years	*2,060*	*2,958*
Beyond five years	*35*	*47*

(1) Assets pledged, mortgaged or otherwise given as collateral. Concerns GPA for €202 million mainly for tax-related disputes (€268 million in 2014) described in Note 13.2.

(2) In 2015, included €1,826 million in bank guarantees given by GPA (including Cnova's Brazilian subsidiary) mainly for tax-related disputes (€2,437 million in 2014) described in Note 13.2.

(3) Including €200 million in relation to the issue of Monoprix mandatory convertible bonds (MCB) (see Note 12.6).

6.10.2. Commitments received

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

(€ millions)	**2015**	2014
Guarantees received	85	88
Securities on financial assets	78	70
Undrawn confirmed lines of credit (see Note 11.2.3)	4,515	4,204
Other commitments	40	31
TOTAL COMMITMENTS RECEIVED	**4,719**	**4,393**
Due:		
Within one year	*858*	*338*
In one to five years	*3,230*	*3,433*
Beyond five years	*630*	*622*

NOTE 7. LEASES

Accounting principle

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

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

Finance lease agreements

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

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

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

Operating leases

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

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

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

Prepaid rents

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 €1,105 million as at 31 December 2015 (including €1,026 million for property assets primarily divided between France Retail and Brazil for €557 million and €368 million, respectively) and €1,227 million as at 31 December 2014 (including €1,150 million for property assets).

The contribution of Vietnam and Thailand to rental expenses was €3 million and €5 million, respectively.

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 €135 million of prepaid rents (€229 million in 2014, of which €104 million relating to Vietnam). The prepaid rents reflect the right to use land in some Asian countries for an average period of 26 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 future minimum lease payments, which correspond to the commitments over the term of non-cancellable operating leases after taking into account, if applicable, the cancellation indemnity payment, break down as follows:

Operating leases on property where the Group is lessee

	Future minimum lease payments	
(€ millions)	**2015**	2014
Due within one year	748	776
Due in one to five years	970	877
Due in more than five years	619	656
TOTAL	**2,338**	**2,308**
of which France	*1,294*	*1,167*
of which GPA Food	*68*	*89*
of which Via Varejo	*241*	*192*
of which Éxito	*327*	*344*
of which Uruguay	*98*	*73*
of which Thailand	*259*	*226*
of which E-commerce	*49*	*37*

Future minimum lease payments receivable under non-cancellable sub-leases amounted to €88 million as at 31 December 2015 (including €45 million for Thailand), compared with €59 million as at 31 December 2014.

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

Operating leases on equipment where the Group is lessee

	Future minimum lease payments	
(€ millions)	**2015**	2014
Due within one year	68	34
Due in one to five years	158	45
Due in more than five years	43	-
TOTAL[1]	**269**	**79**

[1] Primarily represents the France Retail segment.

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)	**2015**	2014
Due within one year	108	117
Due in one to five years	112	106
Due in more than five years	73	86
TOTAL[1]	**294**	**309**

[1] Including Thailand, which presents a total commitment received of €101 million as at 31 December 2015.

Contingent rental revenue received by the Group included in the income statement in 2015 amounted to €12 million (€13 million in 2014).

7.4. Finance lease expenses

Contingent rental payments related to finance leases included in the income statement amounted to €1 million in 2015 and 2014.

The amounts of future finance lease payments are presented in Note 7.6.

7.5. Finance leases

The Group has finance lease agreements on real-estate assets and investment properties which break down as follows:

	2015			2014		
(€ millions)	Gross	Accum. depr.	Net	Gross	Accum. depr.	Net
Intangible assets	87	(44)	43	113	(47)	66
Land	29	(2)	27	31	(2)	29
Buildings	199	(109)	90	217	(116)	101
Equipment and other	497	(460)	37	538	(481)	57
TOTAL	**812**	**(615)**	**197**	**900**	**(646)**	**254**

7.6. Finance lease commitments

The Group has finance lease agreements on real-estate assets and investment properties on one hand, and on equipment items on the other hand. Reconciliation between future minimum lease payments under these leases and the present value of minimum payments is presented below.

As at 31 December 2015, the €81 million finance-lease liability (see Note 11.2) is related to property assets and equipment (€19 million and €62 million, respectively).

Finance leases on property where the Group is lessee

	2015		2014	
(€ 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	5	3	4	1
Due in one to five years	17	9	16	5
Due in more than five years	38	7	50	12
Total future minimum lease payments	**60**	**19**	**70**	**18**
Interest expense	(42)		(52)	
TOTAL PRESENT VALUE OF FUTURE MINIMUM LEASE PAYMENTS	**19**		**18**	

Finance leases on equipment where the Group is lessee

	2015		2014	
(€ 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	17	13	22	16
Due in one to five years	50	40	65	49
Due in more than five years	10	9	25	22
Total future minimum lease payments	**78**	**62**	**113**	**87**
Interest expense	(16)		(26)	
TOTAL PRESENT VALUE OF FUTURE MINIMUM LEASE PAYMENTS	**62**		**87**	

NOTE 8. EMPLOYEE BENEFITS EXPENSES

8.1. Employee benefits expenses by function

Employee expenses by function are shown in Note 6.3.

8.2. Provisions for 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.

The expense in the income statement comprises:

- costs of services provided during the year, which are recognised under trading profit;
- past service costs as well as all curtailments or settlements of plans that are generally recognised under "Other operating income and expenses";
- the expense net of interest on bonds and plan assets is accounted under "Other financial income and expenses". It is calculated by applying the discount rate defined by IAS 19 to net liabilities (amount of commitments after deducting the amount of assets of the plans) recognised under defined benefit plans, as determined at the beginning of the year.

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

Provisions for other long-term employee benefits during service

- **Other in-service long-term employee benefits,** such as jubilees, are also provisioned on the basis of an actuarial estimate of rights vested on the reporting date. With respect to these benefits, actuarial gains and losses are immediately recognised in profit or loss.

8.2.1. Composition of provisions for retirement benefit obligations

	2015			2014		
(€ millions)	Non-current portion	Current portion	Total	Non-current portion	Current portion	Total
Retirement benefits	256	8	264	249	-	249
Jubilees	37	1	38	32	-	32
Bonuses for services rendered	14	-	15	11	-	12
PROVISIONS FOR RETIREMENT BENEFIT OBLIGATIONS	**307**	**9**	**316**	**292**	**-**	**292**

8.2.2. Presentation of retirement 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. These subsidiaries 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 €354 million for 2015 and concerns up to 85% of the Group's French subsidiaries (€329 million and 85% for 2014, 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.

8.2.3. Main assumptions used in determining total obligations related to defined benefit plans (retirement benefit obligations)

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	
	2015	2014	**2015**	2014
Discount rate	2.20%	2.00%	2.0% to 7.5%	2.2% to 6.9%
Expected rate of future salary increases	1.5% to 2.0%	1.8% to 3.0%	1.31% to 10.0%	0.82% to 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 100-basis point increase (decrease) in the discount rate would lead, respectively, to a -8.3% decrease and a +15.9% increase in the total obligation.

A 100-basis point increase (decrease) in the expected rate of salary increases would lead, respectively, to a +15.5% increase and a -8.2% decrease in the total obligation.

8.2.4. Change in retirement benefit obligations 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 2015 and 31 December 2014.

		France		International		Total	
(€ millions)		**2015**	2014	**2015**	2014	**2015**	2014
Actuarial liability as at 1 January		**252**	**250**	**31**	**29**	**284**	**280**
Items included in the income statement		**10**	**18**	**4**	**4**	**14**	**22**
Service costs		12	12	2	2	14	14
Interest on defined benefit liabilities		4	7	1	2	5	8
Past service costs		-	-	1	-	1	-
Impact of curtailment/settlement of plans		(6)	-	-	-	(6)	-
Items included in other comprehensive income		**32**	**2**	**-**	**1**	**32**	**3**
• (1) Actuarial (gains) and losses related to:		32	2	1	1	33	3
(i) changes in financial assumptions		*(8)*	*15*	*1*	*1*	*(7)*	*16*
(ii) changes in demographic assumptions[1]		*37*	*(3)*	*-*	*-*	*37*	*(3)*
(iii) experience effects		*3*	*(10)*	*-*	*-*	*3*	*(10)*
• (2) Foreign currency translation adjustments		-	-	(1)	-	(1)	-
Other		**(25)**	**(18)**	**(10)**	**(3)**	**(35)**	**(21)**
Reduction in the liability (benefit payments)		(11)	(11)	(1)	(3)	(12)	(13)
Changes in scope of consolidation		(1)	-	-	-	(1)	-
Other movements		(13)	(8)	(9)	-	(22)	(8)
Actuarial liability as at 31 December	A	**269**	**252**	**26**	**31**	**295**	**284**
Weighted average duration of plans						**19**	**15**

[1] In 2015, the impact was primarily the result of the update of the turnover table.

		France		International		Total	
(€ millions)		**2015**	2014	**2015**	2014	**2015**	2014
Fair value of plan assets as at 1 January		**35**	**38**	**-**	**-**	**35**	**39**
Items included in the income statement		**-**	**-**	**-**	**-**	**-**	**-**
Interest on defined benefit assets		-	-	-	-	-	-
Items included in other comprehensive income		**1**	**1**	**-**	**-**	**1**	**1**
Actuarial (loss) and gains related to experience effect		1	1	-	-	1	1
Foreign currency translation adjustments		-	-	-	-	-	-
Other		**(5)**	**(5)**	**-**	**-**	**(5)**	**(5)**
Reduction in the liability (benefit payments)		(5)	(5)	-	-	(5)	(5)
Changes in scope of consolidation		-	-	-	-	-	-
Other movements		-	-	-	-	-	-
Fair value of plan assets as at 31 December	B	**31**	**34**	**-**	**-**	**31**	**35**

		France		International		Total	
(€ millions)		**2015**	2014	**2015**	2014	**2015**	2014
NET RETIREMENT BENEFIT OBLIGATION	**A-B**	**238**	**218**	**26**	**31**	**264**	**249**
Funding requirement		**215**	**198**	**-**	**3**	**215**	**201**
Present value of projected benefit obligation under funded plans		246	233	-	3	246	236
Fair value of plan assets		(31)	(35)	-	-	(31)	(35)
Present value of projected benefit obligation under unfunded plans		**23**	**20**	**26**	**28**	**49**	**48**

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

RECONCILIATION OF LIABILITIES IN THE STATEMENT OF FINANCIAL POSITION

	France		International		Total	
(€ millions)	**2015**	2014	**2015**	2014	**2015**	2014
As at 1 January	**218**	**212**	**31**	**29**	**249**	**241**
Expense for the year	10	18	4	4	14	22
Actuarial gains or losses recognised in equity	31	1	1	1	32	2
Foreign currency translation adjustments	-	-	(1)	-	(1)	-
Reduction in the liability (benefit payments)	(6)	(6)	(1)	(3)	(7)	(8)
Partial reimbursement of plan assets	-	-	-	-	-	-
Changes in scope of consolidation	(1)	-	-	-	(1)	-
Other movements	(13)	(8)	(9)	-	(22)	(8)
AS AT 31 DECEMBER	**238**	**218**	**26**	**31**	**264**	**249**

BREAKDOWN OF EXPENSE FOR THE YEAR

	France		International		Total	
(€ millions)	**2015**	2014	**2015**	2014	**2015**	2014
Service costs	12	12	2	2	14	14
Net interest on net defined benefit liabilities[1]	4	6	1	2	5	8
Past service costs	-	-	1	-	1	-
Impact of curtailment/settlement of plans	(6)	-	-	-	(6)	-
EXPENSE FOR THE YEAR	**10**	**18**	**4**	**4**	**14**	**22**

[1] Items in other financial income and expenses.

SCHEDULE OF FUTURE UNDISCOUNTED CASH FLOWS

	Schedule of undiscounted cash flows						
(€ millions)	Carrying amount	2016	2017	2018	2019	2020	Beyond 2020
Post-employment benefits	264	9	5	9	12	17	571

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" (see Note 6.5). The fair value of options is determined using the Black & Scholes option pricing model, based on the plan attributes, market data (including the market price of the underlying shares, share price volatility and the risk-free interest rate) at the grant date and assumptions concerning the probability of grantees remaining with the Group until the options vest.

The fair value of 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.

Bonus shares are 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 €9 million in 2015 (€25 million in 2014) was recognised by adjusting equity by the same amount (€2 million and €7 million for Casino, Guichard-Perrachon, and GPA, respectively).

8.3.2. Casino, Guichard-Perrachon stock option plans

As at 31 December 2015, there were no Casino, Guichard-Perrachon stock option plans. The last two stock option plans expired in 2015. During the year, 22,485 stock options were exercised at the weighted average exercise price of €57.18.

8.3.3. Bonus share plans

ASSUMPTIONS AND DETAILS OF BONUS SHARE PLANS

Year of creation of plan	Vesting date[1]	Number of bonus shares authorised	Of which performance shares[2]	**Number of shares to be delivered as at 31/12/2015**	Share price[3]	Fair value of the share (in euros)[3]
11 May 2015	11 May 2017	5,331	-	5,331	79.71	65.08
6 May 2014	6 May 2019	3,750	3,750	3,750	90.11	69.28
6 May 2014	6 May 2017	36,672	36,672	33,523	90.11	67.34
6 May 2014	6 May 2017	3,046	-	3,046	90.11	71.12
6 May 2014	6 May 2016	5,601	-	5,601	90.11	73.35
6 May 2014	6 May 2018	1,139	-	1,139	90.11	76.79
18 October 2013	18 October 2017	2,705	-	2,705	83.43	70.09
18 October 2013	18 October 2018	7,857	-	5,281	83.43	66.27
18 October 2013	18 October 2016	58,724	-	50,799	83.43	65.42
15 April 2011	15 April 2014	26,585	26,585	5,880	70.80	56.34
TOTAL				**117,055**		

(1) The shares are subject to a two-year lock-up period as from the vesting date.
(2) Performance-related conditions mainly involve organic sales growth and trading profit levels of the company to which the employee belongs.
(3) Weighted average.

MOVEMENTS IN BONUS SHARES

Unvested bonus shares	**2015**	2014
Number of outstanding shares as at 1 January	**166,864**	**437,480**
Shares granted	5,331	50,208
Shares cancelled	(33,144)	(217,808)
Shares issued	(21,996)	(103,016)
NUMBER OF OUTSTANDING SHARES AS AT 31 DECEMBER	**117,055**	**166,864**

8.3.4. Details of GPA stock option plans

The exercise price of Silver stock options corresponds to the average of the last 20 closing prices for GPA shares quoted on Bovespa, with a 20% discount. The number of shares resulting from the exercise of Silver stock options is fixed. The number of shares resulting from the exercise of Gold stock options is variable and depends on the ROIC (return on invested capital) performance-related 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). Gold options may not be exercised independently from Silver options.

Name of plan	Grant date	Exercise period start date	Expiry date	Number of options granted (in thousands)	Option exercise price (in reals)	**Number of options outstanding as at 31 December 2015 (in thousands)**
Series C2	29 May 2015	1 June 2018	30 November 2018	337	77.27	314
Series B2	29 May 2015	1 June 2018	30 November 2018	337	0.01	316
Series C1	30 May 2014	30 May 2017	30 November 2017	239	83.22	164
Series B1	30 May 2014	30 May 2017	30 November 2017	239	0.01	169
Series A7 – Silver	15 March 2013	31 March 2016	31 March 2017	358	80	151
Series A7 – Gold	15 March 2013	31 March 2016	31 March 2017	358	0.01	151
Series A6 – Silver	15 March 2012	31 March 2015	31 March 2016	526	64.13	2
Series A6 – Gold	15 March 2012	31 March 2015	31 March 2016	526	0.01	-
					39.57	**1,267**

MAIN ASSUMPTIONS APPLIED TO VALUE SHARE SUBSCRIPTION OPTIONS

GPA uses the following assumptions to value its plans:

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

The average fair value of options outstanding was BRL67.35 as at 31 December 2015.

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

	2015		2014	
	Number of outstanding options (in thousands)	Average weighted exercise price (in reals)	Number of outstanding options (in thousands)	Average weighted exercise price (in reals)
Options outstanding as at 1 January	**1,128**	**38.16**	**1,580**	**34.39**
Of which, vested options	*6*	*54.69*	-	-
Options granted during the period	674	38.64	477	41.61
Options exercised during the period	(418)	32.62	(830)	32.76
Options cancelled during the period	(117)	45.53	(99)	39.92
OPTIONS OUTSTANDING AS AT 31 DECEMBER	**1,267**	**39.57**	**1,128**	**38.16**
Of which, vested options	*2*	*64.13*	*6*	*54.69*

8.3.5. Details of Cnova equity instruments

On 19 November 2014, 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, on one hand, the smaller of 220% of the IPO price and the market price on the vesting date and, on the other hand, 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 not material.

On the same date, 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 2014 under "Other operating expenses" (including Cnova's IPO expenses) was €10 million. It was based on the value of the Cnova share on the vesting date.

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

(€ millions)	**2015**	2014
Short-term benefits excluding social security contributions[1]	27	24
Social security contributions on short-term benefits	3	2
Termination benefits for key executives	-	-
Share-based payments[2]	1	1
TOTAL	**31**	**27**

[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 supplementary retirement benefits.

NOTE 9. INCOME TAX

Accounting principle

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

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

The Group reviews the probability of 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 statutory 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 the income statement.

9.1. Income tax expense

9.1.1. Analysis of income tax expense

(€ millions)	2015			2014		
	France	International	Total	France	International	Total
Current income tax	(13)	(165)	(178)	(26)	(278)	(304)
Other taxes (CVAE)	(64)	-	(64)	(66)	-	(66)
Deferred taxes	180	1	181	136	(77)	59
Total income tax expense recognised in the income statement[1]	**102**	**(164)**	**(61)**	**44**	**(355)**	**(310)**
Tax effect recognised in "Other comprehensive income" (see Note 12.7.2)	**14**	**-**	**14**	**(6)**	**-**	**(6)**
Tax effect recognised in equity	**2**	**2**	**4**	**7**	**(5)**	**2**

[1] Of which -€63 million of tax expense relating to continuing operations and €2 million of tax benefit relating to operations discontinued in 2015.

9.1.2. Reconciliation of theoretical and actual tax expense

(€ millions)	2015		2014	
Profit (loss) before tax and share of profit (loss) of equity-accounted entities	**150**		**1,059**	
Theoretical French tax expense[1]	**(52)**	**-34.43%**	**(365)**	**-34.43%**
Reconciliation of theoretical and actual tax expense				
Impact of tax rate differences in foreign subsidiaries	80	53.5%	77	7.3%
Gains or losses on remeasurement of previously-held interests pursuant to transactions resulting in gain or loss of control and sale of shares	64	43.1%	-	-
Recognition of previously unrecognised tax benefits on tax losses and other deductible temporary differences	46	30.7%	43	4.1%
Non-recognition of deferred tax assets on tax loss carryforwards or other deductible temporary differences[2]	(178)	-118.8%	(32)	-3.0%
CVAE net of income tax	(42)	-27.9%	(39)	-3.7%
Non-deductible financial expenses[3]	(27)	-17.8%	(23)	-2.2%
Non-taxable CICE[4]	32	21.4%	32	3.0%
Additional contribution of 3% dividend	(11)	-7.1%	(11)	-1.0%
Temporary difference in the value of Mercialys shares retained	(10)	-6.7%	(18)	-1.7%
Tax on income offset by disposals of property assets to Mercialys	(22)	-14.4%	(30)	-2.8%
Deductible perpetual deeply subordinated bond coupons	29	19.1%	8	0.8%
Tax on Éxito equity	(22)	-14.6%	(14)	-1.3%
Tax amortisation of goodwill (Éxito)	18	11.9%	17	1.6%
Other	31	20.9%	43	4.0%
ACTUAL INCOME TAX EXPENSE/EFFECTIVE TAX RATE	**(61)**	**-41.1%**	**(310)**	**-29.3%**

[1] For 2015 and 2014, 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 2014 and 2015 for surtax on French companies with revenues of more than €250 million.

[2] Of which €85 million relating to the E-commerce segment and €59 million relating to Segisor in connection with the reorganisation of the Group's businesses in Latin America (see Note 2).

[3] Some foreign legislations impose a flat-rate ceiling on the deductibility of financial expenses paid by companies. For French companies, since the 2012 amended Finance Act, this restriction consists in reintegrating 25% of these financial charges into the taxable income for the period. The corresponding tax expense was €24 million in 2015, compared with €23 million in 2014.

[4] See Note 6.3.

9.2. Deferred taxes

9.2.1. Change in deferred tax assets

(€ millions)	**2015**	2014
As at 1 January	**366**	**392**
Benefit/(expense) for the year	157	54
Impact of changes in scope of consolidation	7	(3)
Impact of changes in exchange rates and reclassifications	(56)	(83)
Deferred tax assets recognised directly in equity	16	5
AS AT 31 DECEMBER	**490**	**366**

9.2.2. Change in deferred tax liabilities

(€ millions)	**2015**	2014
As at 1 January	**1,423**	**1,402**
Expense/(benefit) for the year	(24)	(3)
Impact of changes in scope of consolidation	20	1
Impact of changes in exchange rates and reclassifications	(194)	14
Deferred tax assets recognised directly in equity	-	9
AS AT 31 DECEMBER	**1,225**	**1,423**

9.2.3. Breakdown of deferred tax assets and liabilities by source

	Net amount	
(€ millions)	**2015**	2014
Intangible assets	(970)	(1,113)
Property, plant and equipment	(541)	(756)
of which finance leases	*(48)*	*(194)*
Inventories	65	46
Financial instruments	93	75
Other assets	(29)	(25)
Provisions	161	291
Regulated provisions	(182)	(184)
Other liabilities	76	121
of which finance lease liabilities	*10*	*14*
Tax loss carryforwards	592	490
NET DEFERRED TAX ASSETS (LIABILITIES)	**(735)**	**(1,057)**
Deferred tax assets recognised in the statement of financial position	490	366
Deferred tax liabilities recognised in the statement of financial position	1,225	1,423
NET	**(735)**	**(1,057)**

The Casino, Guichard-Perrachon Group tax relief agreement resulted in a tax saving of €323 million in 2015 compared with €287 million as at 31 December 2014.

Recognised tax loss carryforwards mainly concern GPA and Casino Guichard-Perrachon. The corresponding deferred tax assets have been recognised in the statement of financial position as their utilisation is considered probable in view of the forecast future taxable profits of the companies concerned. As at 31 December 2015, these deferred taxes amounted to €419 million for Casino, Guichard-Perrachon and €41 million for GPA. The recovery plans will run respectively for Casino, Guichard-Perrachon and GPA until 2021 and 2023.

9.2.4. Unrecognised deferred tax assets

As at 31 December 2015, the Group had €511 million of unused unrecognised tax loss carryforwards (€168 million of unrecognised deferred tax assets) compared with €196 million in 2014 (and €65 million of unrecognised deferred tax assets). These losses mainly concern Ségisor, the Franprix-Leader Price subgroup, Cnova Brazil and Cdiscount.

EXPIRY DATES OF UNRECOGNISED TAX LOSS CARRYFORWARDS

(€ millions)	**2015**	2014
Less than one year	3	-
One to two years	6	1
Two to three years	14	2
More than three years	146	62
TOTAL	**168**	**65**

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)	**2015 Net amount**	2014 Net amount
Retail France	**5,606**	**5,520**
Hypermarkets, supermarkets and convenience stores	*1,446*	*1,455*
Franprix-Leader Price	*2,563*	*2,511*
Monoprix	*1,300*	*1,256*
Indian Ocean	*176*	*176*
Other	*121*	*122*
E-commerce	**368**	**496**
France	*57*	*79*
Brazil	*312*	*417*
Latam Retail	**3,206**	**3,695**
Argentina	*13*	*18*
Brazil (GPA Food)	*2,333*	*3,123*
Colombia	*525*	*490*
Uruguay	*335*	*64*
Latam Electronics (Via Varejo)	**406**	**544**
Asia	**764**	**754**
Thailand	*764*	*751*
Vietnam	*-*	*3*
CASINO GROUP	**10,351**	**11,009**

10.1.2. Movements for the year

(€ millions)	**2015**	2014
Carrying amount as at 1 January	**11,009**	**10,728**
Goodwill recognised during the year[1]	528	173
Impairment losses recognised during the year	(3)	-
Deconsolidation	(13)	(1)
Foreign currency translation adjustments	(1,167)	94
Reclassifications and other movements	(4)	15
CARRYING AMOUNT AS AT 31 DECEMBER	**10,351**	**11,009**

[1] As at 31 December 2015, the €528 million increase arose primarily from the acquisition of a controlling interest in Disco for €304 million (see Note 3.1.1), the exercise of the call option for additional Super Inter stores for €95 million (see Note 3.1.2), acquisition of controlling interests in Europrice, Leader Centre Gestion and Parfidis for €11 million, €18 million and €26 million, respectively (see Note 3.1.3), and the €44 million asset exchange agreement between Éxito and Cafam. In 2014, the €173 million increase arose primarily from the acquisition of a controlling interest in Super Inter for €68 million (see Note 3.2.4), Le Mutant for €18 million (see Note 3.2.2), and various stores within the Franprix-Leader Price scope (explained mainly in Note 3.2.2) and Distribution Casino France for €32 million and €30 million, respectively.

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 statement of financial position. Intangible assets are amortised on a straight-line basis over their useful lives, which are estimated for each asset category. Development costs are amortised over three years and software over three to ten years. Indefinite life intangible assets (including lease premiums and purchased trademarks) are not amortised, but are tested for impairment at each year-end or whenever there is an indication that their carrying amount may not be recovered.

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

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

10.2.1. Breakdown

	2015			2014		
(€ millions)	Gross amount	Accumulated depreciation, amortisation and impairment	Net amount	Gross amount	Accumulated depreciation, amortisation and impairment	Net amount
Concessions, trademarks, licences and banners	2,114	(31)	2,083	2,535	(35)	2,501
Lease rights	945	(38)	907	1,104	(42)	1,061
Software	1,083	(616)	466	1,105	(583)	522
Other	357	(191)	167	411	(206)	205
INTANGIBLE ASSETS	**4,499**	**(877)**	**3,622**	**5,155**	**(866)**	**4,289**

10.2.2. Movements for the year

(€ millions)	Concessions, trademarks, licences and banners	Lease rights	Software	Other intangible assets	Total
As at 1 January 2014	**2,498**	**1,036**	**503**	**171**	**4,208**
Changes in scope of consolidation	-	7	-	2	8
Increases and separately acquired assets	2	13	130	44	190
Assets disposed of during the year	-	(4)	(2)	-	(7)
Depreciation and amortisation expense	(4)	(2)	(114)	(27)	(148)
Net impairment reversals/(losses)	-	-	(23)	(2)	(25)
Foreign currency translation adjustments	4	7	1	(3)	9
Reclassifications and other movements	-	6	26	19	53
As at 31 December 2014	**2,501**	**1,061**	**522**	**205**	**4,289**
Changes in scope of consolidation	59	1	-	(2)	58
Increases and separately acquired assets	3	21	99	80	202
Assets disposed of during the year	-	(7)	-	(6)	(13)
Depreciation and amortisation expense	(3)	(2)	(110)	(26)	(140)
Net impairment reversals/(losses)	-	(9)	(11)	-	(21)
Foreign currency translation adjustments	(477)	(151)	(81)	(27)	(737)
Reclassifications and other movements	1	(8)	47	(57)	(16)
AS AT 31 DECEMBER 2015	**2,083**	**907**	**466**	**167**	**3,622**

Internally-generated intangible assets, mainly information systems developments, represented €34 million in 2015 compared with €19 million in 2014.

As at 31 December 2015, intangible assets included trademarks and lease premiums with an indefinite useful life for the amount of €2,075 million and €907 million, respectively. They are allocated to the following groups of CGU:

(€ millions)	2015	2014
Latam Retail	**1,247**	**1,581**
of which Brazil (GPA food)	*1,045*	*1,399*
of which Colombia	*170*	*182*
of which Uruguay	*32*	-
Latam Electronics (Via Varejo)	**698**	**936**
France Retail	**1,027**	**1,024**
of which Casino France	*78*	*77*
of which Franprix-Leader Price	*74*	*80*
of which Monoprix	*875*	*867*
Other	**9**	**15**

Intangible assets were tested for impairment as at 31 December 2015 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 amortisation 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 expenditure.

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

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

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

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

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

10.3.1. Breakdown

(€ millions)	2015			2014		
	Gross amount	Accumulated depreciation, amortisation and impairment	Net amount	Gross amount	Accumulated depreciation, amortisation and impairment	Net amount
Land and land improvements	2,197	(94)	2,103	2,386	(87)	2,299
Buildings, fixtures and fittings	5,652	(2,105)	3,546	6,305	(2,311)	3,993
Other	8,152	(5,032)	3,120	8,571	(5,220)	3,351
PROPERTY, PLANT AND EQUIPMENT	**16,001**	**(7,231)**	**8,769**	**17,261**	**(7,618)**	**9,643**

10.3.2. Movements for the year

(€ millions)	Land and land improvements	Buildings, fixtures and fittings	Other	**Total**
As at 1 January 2014	**2,189**	**3,826**	**3,280**	**9,295**
Changes in scope of consolidation	2	27	35	64
Increases and separately acquired assets	192	303	868	1,363
Assets disposed of during the year	(80)	(102)	(60)	(242)
Depreciation and amortisation expense	(5)	(221)	(551)	(777)
Net impairment reversals/(losses)	3	22	(46)	(21)
Foreign currency translation adjustments	1	14	9	23
Reclassifications and other movements	(2)	124	(184)	(62)
As at 31 December 2014	**2,299**	**3,993**	**3,351**	**9,643**
Changes in scope of consolidation	79	59	38	176
Increases and separately acquired assets	23	143	1,117	1,283
Assets disposed of during the year	(75)	(73)	(135)	(282)
Depreciation and amortisation expense	(1)	(191)	(518)	(709)
Net impairment reversals/(losses)	(1)	(1)	(91)	(93)
Foreign currency translation adjustments	(177)	(529)	(291)	(997)
Reclassifications and other movement[1]	(46)	144	(351)	(252)
As at 31 December 2015	**2,103**	**3,546**	**3,120**	**8,769**

(1) Of which primarily -€139 million relating to the Vietnam subgroup classified as assets held for sale (see Note 3.5) and -€54 million in connection with the property development business.

Property, plant and equipment were tested for impairment as at 31 December 2015 using the method described in Note 10.5 “Impairment of non-current assets.” The impact is shown 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 2015 remained unchanged from the previous year at €5 million, at an average interest rate of 13.06% compared with 11.4% in 2014.

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, amortisation 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

	2015			2014		
(€ millions)	Gross amount	Accumulated depreciation, amortisation and impairment	Net amount	Gross amount	Accumulated depreciation, amortisation and impairment	Net amount
Investment property	1,031	(260)	771	910	(243)	667

10.4.2. Movements for the year

(€ millions)	**2015**	2014
As at 1 January	**667**	**555**
Changes in scope of consolidation	32	(9)
Increases and separately acquired assets	79	34
Assets disposed of during the year	-	(1)
Depreciation and amortisation expense	(35)	(28)
Net impairment reversals/(losses)	-	-
Foreign currency translation adjustments	(32)	36
Reclassifications and other movements	60	80
AS AT 31 DECEMBER	**771**	**667**

The carrying amount of investment property totalled €771 million as at 31 December 2015, with €423 million (55%) concerning the subsidiary Big C Thailand, and €182 million (24%) concerning the subsidiary Éxito. It amounted to €667 million at year-end 2014 (with 63% for Big C Thailand and 24% for Éxito).

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

(€ millions)	**2015**	2014
Rental revenue from investment property[1]	269	254
Directly attributable operating expenses on investment properties		
• that generated rental revenue during the year	(25)	(26)
• that did not generate rental revenue during the year	(14)	(12)

[1] Including €214 million concerning Big C Thailand (€181 million in 2014).

FAIR VALUE OF INVESTMENT PROPERTY

Big C Thailand holds the main investment properties.

As at 31 December 2015, the fair value of investment property was €2,006 million (€1,737 million as at 31 December 2014). 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 HELD 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 2015 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 3.2%) and the discount rate (between 10% and 13.5%).

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 losses

An impairment loss is recognised when the carrying amount of an asset or the CGU to which it belongs is greater than its recoverable amount. Impairment losses are recorded as an expense under "Other operating income and expenses".

Impairment losses recognised in a prior period are reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. However, the increased carrying amount of an asset attributable to a reversal of an impairment loss may not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Impairment losses on goodwill cannot be reversed.

10.5.1. Movements for the year

The impairment losses recognised in 2015 on intangible assets and property, plant and equipment amounted to €122 million (including €46 million related to changes in the scope of consolidation of Franprix-Leader Price described in Note 3.1.3; €42 million arising from store closures or conversions in France and €10 million on IT developments in France).

As a reminder, the impairment tests carried out in 2014 led the Group to recognise 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).

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 2015 VALUES IN USE

Region	**2015 perpetual growth rate**[1]	**2015 after-tax discount rate**[2]	2014 perpetual growth rate[1]	2014 after-tax discount rate[2]
France (retailing)[3]	1.5%	5.5%	1.4%	5.5%[4]
France (other activities)[3]	1.5% to 2%	5.5% to 7.3%	1.4% to 1.9%	5.5% to 7.3%
Argentina	10.2%	17.7%	10.2%	17.1%
Brazil[4]	5.5%	11.3% to 13.6%	6.5%	12.0% to 14.9%
Colombia[4]	3.5%	8.5%	4.1%	9.4%
Uruguay	8.5%	15.8%	9.5%	16.2%
Thailand[4]	1.2%	6.3%	1.4%	7.5%
Vietnam	4.1%	12.0%	7.0%	14.0%
Indian Ocean[5]	1.5% to 5.2%	5.5% to 13.0%	1.4% to 8%	5.5% to 15.0%

(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) As at 31 December 2015, the market capitalisation of the listed subsidiaries GPA, BIG C, Éxito and Cnova was €2,580 million, €4,246 million, €1,748 million, and €977 million, respectively. Aside from Cnova, they are lower than the carrying amount of their net assets.
(5) 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 as at 31 December 2015 from the annual goodwill impairment test conducted at the end of the year. An external appraisal confirmed that there was no loss of impairment value on the Franprix-Leader Price CGU subsequent to the test conducted by the Group.

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. These sensitivity tests concerning the Disco/Devoto, Vindemia and Codim CGUs bring their recoverable value closer to their carrying amount.

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 2014).

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

- the continued improvement in customer traffic that began in the second quarter of 2015, mainly thanks to the commercial success of the Mandarine concept at Franprix and the adaptation of the price strategy at Leader Price, which increased traffic and volumes;
- the redeployment of a banner strategy based on a balance between integrated management stores and franchisees;
- the profitability of the two banners will increase, in particular with larger product volumes and by optimising store costs and upstream functions. The subsidiary thus estimates that its EBITDA margin will return to the historic recognised profitability by the end of 2018.

Management believes that a modification of a key assumption could result in a carrying amount greater than the recoverable value. The table below thus shows the amount of the individual variation of the key assumptions that would be required for the estimated recoverable value of the Franprix-Leader Price CGU to equal its carrying amount (of which €2,563 million in goodwill).

Change required for the Franprix-Leader Price CGU carrying amount to equal its recoverable amount	**31 December 2015[1]**	31 December 2014
After-tax discount rate (5.5%)	+100 bp	+90 bp
Perpetual growth rate (0.0%)	-110 bp	-90 bp
EBITDA margin for the cash flow projection	-130 bp	-90 bp

(1) With a reasonable change of a 100-point increase in the discount rate, or/and a 50-point decrease in the EBITDA margin for the cash flow projection, the carrying amount of the FPLP CGU would exceed its recoverable amount by between zero and €300 million.

10.5.3. Trademark impairment losses

For brands, recoverable amounts were estimated at the year-end using the "relief from royalty" method. The main trademarks concern the GPA and Via Varejo subsidiaries. Given the less favourable Brazilian economic situation, trademarks related to the Extra, Casas Bahia and Ponto Frio banners representing a total carrying amount of €927 million appear more sensitive to impairment risk. The tests did not reveal any evidence of impairment.

The main assumptions and sources of sensitivity of the recoverable values of these trademarks used during the tests relate to the growth in net sales, the discount rate (12.5%) and the royalty rates (between 0.6% and 0.9%). The following table shows the sensitivity tests:

Accumulated impairment as at 31 December 2015 (€ millions)	Extra	Casas Bahia	Ponto Frio
25 bp decrease in sales growth rate on projections	(15)	-	-
100 bp increase in discount rate after tax	(57)	(29)	(5)
10 bp decrease in royalty rate	(67)	(15)	(3)

NOTE 11. FINANCIAL STRUCTURE AND FINANCE COSTS

Accounting principle

Financial assets

With the exception of assets measured at fair value through profit or loss, all financial assets are initially recognised at fair value.

Financial assets are classified as current if they are due in less than one year and non-current if they are due in more than one year.

The Group does not own any financial assets qualified as held-to-maturity financial assets.

› Financial assets at fair value through profit or loss

A financial asset is classified as a financial asset at fair value through profit or loss if it is classified as held for trading or designated as such on initial recognition. They are measured at fair value and any ensuing changes that take into account interest income and dividend income, is recognised as net profit.

The Group can thus designate its short-term investments at fair value right from the beginning.

Loans and receivables

Loans and receivables are financial assets issued or acquired by the Group in exchange for cash, goods or services that are paid, delivered or rendered to a debtor. They are measured at amortised cost using the effective interest method. Long-term loans and receivables that are not interest-bearing or that bear interest at a below-market rate are discounted when the amounts involved are material. Any impairment losses are recognised in the income statement.

This category primarily includes trade receivables, liquid assets as well as other loans and receivables.

Available-for-sale financial assets

Available-for-sale financial assets correspond to all other financial assets. They are measured at fair value. Gains and losses arising from re-measurement at fair value are recognised in other comprehensive income until the asset is sold, collected or otherwise disposed of or until 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. Any subsequent changes in fair value are recognised directly in other comprehensive income.

When the available-for-sale asset is a debt instrument, a subsequent increase in fair value is recognised in the income statement for the impairment losses previously recognised in the income statement.

This category mainly comprises investments in non-consolidated companies.

Cash and cash equivalents

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

To be classified as 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.

The Group usually uses term deposits of less than three months.

Derecognition of financial assets

Financial assets are derecognised in the following two cases:

- the contractual rights to the cash flows from the financial asset 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 as insignificant the 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 reporting date, the receivables are derecognised. Certain subsidiaries retain responsibility for collecting assigned receivables.

Financial liabilities

Financial liabilities are classified as current if they are due in less than one year and non-current if they are due in more than one year.

Financial liabilities recognised at amortised cost

Borrowings and other financial liabilities at amortised cost are measured, at issue, at the fair value of the consideration received, and then at amortised cost, using the effective interest rate (EIR) method. Transaction costs, issue and redemption premiums directly attributable to the acquisition or issue of a financial liability are deducted from the value of said financial liability. Expenses are then amortised according to an actuarial method over the term of the liability by using the EIR rate.

Within the Group, some financial liabilities at amortised cost, in particular loans, are hedged.

Several subsidiaries have reverse factoring agreements with financial institutions in order to enable their suppliers to bring forward the payment of their receivables in the ordinary course of the purchases made.

The accounting policy relating to these transactions depends on whether or not the characteristics of the liabilities concerned have been changed. For example, when trade payables are not substantially modified (term and maturity, consideration, face value) they continue to be considered as trade payables. Otherwise, they are similar to a finance transaction and are presented in the “Trade payables – structured program” component of financial liabilities.

› Financial liabilities at fair value through profit or loss

These are financial liabilities intended to be held on a short-term basis for trading purposes. They are measured at fair value and gains and losses arising from remeasurement at fair value are recognised in the income statement. The Group does not recognise any financial liabilities at fair value through profit or loss.

The recognition of "put options granted to owners of non-controlling interests" is presented in Note 3.4.1.

Derivative financial instruments

All derivative instruments are recognised in the statement of financial position and measured at fair value.

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

In accordance with IAS 39, the Group applies hedge accounting to:

- fair value hedges (for example, swaps to convert fixed rate debt to variable rate). In this case, the debt is recognised at fair value up to the 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 profit or loss 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 net financial 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".

Definition of net financial debt

Net financial debt corresponds to loans and other borrowings including derivatives designated as hedges (liabilities) and trade payables – structured program, less (i) cash and cash equivalents, (ii) financial assets held for cash management purposes and financial investments, (iii) derivatives designated as hedges (assets), (iv) financial assets arising from a significant disposal of non-current assets and (v) net assets held for sale attributable to owners of the parent.

In 2015, the Group revised the definition of net debt, primarily with respect to net assets held for sale under its deleveraging plan and put options granted to owners of non-controlling interests.

11.1. Net cash and cash equivalents

11.1.1. Breakdown

(€ millions)	**2015**	2014
Cash equivalents	2,951	4,225
Cash	1,637	3,134
Cash and cash equivalents	**4,588**	**7,359**
Bank overdrafts (note 11.2.3)	(183)	(162)
NET CASH AND CASH EQUIVALENTS	**4,405**	**7,197**

As of 31 December 2015, cash and cash equivalents are not subject to any material restriction. Bank guarantees are presented in Note 6.10.1.

11.1.2. Breakdown of cash and cash equivalents by currency

(€ millions)	**2015**	%	2014	%
Euro	1,134	25%	2,160	29%
US dollar	94	2%	120	2%
Brazilian real	2,893	63%	3,721	51%
Thai baht	122	3%	299	4%
Colombian peso	252	5%	866	12%
Vietnamese dong	-	0%	114	2%
Other	93	2%	79	1%
CASH AND CASH EQUIVALENTS	**4,588**	**100%**	**7,359**	**100%**

11.2. Financial liabilities

Financial liabilities amounted to €11,735 million as at 31 December 2015 (€13,686 million as at 31 December 2014), broken down as follows:

		2015			2014		
(€ millions)	Note	Non-current portion	Current portion	Total	Non-current portion	Current portion	Total
Bonds	11.2.2	7,458	370	7,828	7,962	1,595	9,557
Other borrowings and financial liabilities	11.2.3	2,064	1,506	3,570	1,135	2,875	4,010
Trade payables – structured program[1]		-	245	245	-	-	-
Finance leases	7.6	65	15	81	87	18	105
Fair value hedges and cash flow hedges – liabilities	11.6.1	7	4	11	2	12	14
Financial liabilities		**9,594**	**2,140**	**11,735**	**9,186**	**4,501**	**13,686**
Fair value hedges and cash flow hedges – assets (see Note 11.6.1)		(418)	(258)	(675)	(430)	(136)	(567)
Other financial assets (see Note 6.8.1)		-	(83)	(83)	-	-	-
Assets held for sale net of related liabilities, attributable to owners of the parent (see Note 3.5)		-	(315)	(315)	-	(28)	(28)
Cash and cash equivalents		-	(4,588)	(4,588)	-	(7,359)	(7,359)
Cash and cash equivalents, other financial assets and net assets held for sale		**(418)**	**(5,244)**	**(5,662)**	**(430)**	**(7,523)**	**(7,954)**
NET DEBT[2]		**9,177**	**(3,104)**	**6,073**	**8,755**	**(3,022)**	**5,733**

[1] Corresponds to the trade payables – structured program as defined in the accounting principle of Note 11 and relating to Via Varejo.

[2] As defined by the Group in Note 11. The net debt of 2014 was restated accordingly with €62 million for "put options granted to owners of non-controlling interests" and €28 million for "assets held for sale net of related liabilities, attributable to owners of the parent".

BREAKDOWN OF NET DEBT

(€ millions)	2015				2014			
	Financial debt(4)	Cash and cash equivalents	Net assets classified under IFRS 5 attributable to owners of the parent	Net debt	Financial debt(4)	Cash and cash equivalents	Net assets classified under IFRS 5 attributable to owners of the parent	Net debt
France Retail	**7,787**	**(1,681)**	**(24)**	**6,081**	**10,099**	**(2,474)**	**(26)**	**7,598**
Latam Retail	**2,231**	**(1,236)**	**(2)**	**993**	**1,881**	**(2,530)**	**(1)**	**(650)**
of which GPA Food	*1,091*	*(864)*	*-*	*227*	*1,908*	*(1,562)*	*(1)*	*345*
of which Éxito(1)	*1,140*	*(372)*	*(2)*	*766*	*(27)*	*(968)*	*-*	*(995)*
Latam Electronics	**427**	**(1,294)**	**-**	**(867)**	**258**	**(1,381)**	**-**	**(1,124)**
Asia	**559**	**(188)**	**(225)**	**146**	**856**	**(404)**	**-**	**452**
of which Thailand	*306*	*(60)*	*-*	*246*	*623*	*(286)*	*-*	*337*
of which Vietnam(2)(3)	*253*	*(128)*	*(225)*	*(100)*	*233*	*(118)*	*-*	*115*
E-commerce(2)	**39**	**(318)**	**(1)**	**(280)**	**26**	**(570)**	**-**	**(544)**
Total	**11,042**	**(4,718)**	**(252)**	**6,073**	**13,119**	**(7,359)**	**(28)**	**5,733**
Cash after intra-group elimination of Retail and E-commerce activities of Vietnam classified under IFRS 5(2)	(66)	129	(63)	-	-	-	-	-
NET DEBT	**10,976**	**(4,588)**	**(315)**	**6,073**	**13,119**	**(7,359)**	**(28)**	**5,733**

(1) Éxito excluding GPA, including Argentina and Uruguay.

(2) Given the Big C Vietnam sales process (announced to the market on 15 December 2015 – see Note 2), the Group has decided to apply IFRS 5 to its Vietnamese businesses (included Cdiscount Vietnam). The cash position of these two activities (€63 million at 31 December 2015) is reclassified under "assets held for sale" under IFRS 5.

(3) In compliance with the "net debt" definition described in the Note 11 accounting principles, the net debt includes the net assets held for sale attributable to owners of the parent (€287 million after intra-group elimination and after reclassification of cash as explained in (ii) above, for a total impact of €225 million). In conclusion, Retail activity in Vietnam had a positive contribution of €100 million on the consolidated net debt, this amount corresponding to the net asset value before intra-group debt elimination for €186 million of Big C Vietnam against Casino (see Note 3.5).

(4) Correspond to financial liabilities net of fair value and cash flow hedge derivative assets and others financial assets.

11.2.1. Change in financial liabilities

(€ millions)	2015	2014
Financial liabilities as at 1 January	*13,686*	*11,018*
Fair value hedges – assets	*(567)*	*(291)*
Financial liabilities as at 1 January (including hedging instruments)	**13,119**	**10,727**
New borrowings(1)	3,201	3,622
Repayments(2)	(4,911)	(1,348)
Change in fair value of hedged debt	(45)	11
Foreign currency translation adjustments	(500)	101
Changes in scope of consolidation	26	16
Financial liabilities associated with non-current assets held for sale	(66)	-
Other and reclassifications(3)	236	(10)
Financial liabilities as at 31 December (including fair value hedges and cash flow hedges)	**11,059**	**13,119**
Financial liabilities as at 31 December	*11,735*	*13,686*
Fair value hedges and cash flow hedges – assets	*(675)*	*(567)*

(1) In 2015, new loans primarily comprised the transactions described below: (a) the use of €625 million of credit facilities by Casino, Guichard-Perrachon, (b) the taking out of new loans for Brazilian subsidiaries for €743 million, and (c) the taking out of new loans by Éxito as part of the reorganisation of its activities in Latin America for €1,785 million. 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, resulting in a net increase of €299 million.

(2) In 2015, loan repayments mainly concerned Casino, Guichard-Perrachon for €2,327 million (broken down into €750 million, €869 million and €707 million as repayment of a bond, net change in short-term commercial paper and repayments for loans and credit facilities, respectively), GPA for €1,144 million, Big C Thailand for €333 million and Éxito for €633 million. 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.

(3) Including €285 million of trade payables - structured program in 2015.

11.2.2. Bonds

(€ millions)	Principal	Interest rate[2]	Effective interest rate	Issue date	Maturity date	**2015[3]**	2014[3]
Bonds in euros[1]	**7,346**					**7,620**	**8,422**
2015 bonds	750	F: 5.50	5.60%	July 2009	January 2015	-	752
2016 bonds	386	F: 4.47	4.58%	October 2011	April 2016	387	388
2017 bonds	552	F: 4.38	5.85%	February 2010	February 2017	552	551
2018 bonds	508	F: 4.48	5.25%	May 2010	November 2018	538	543
2019 bonds	1,000	F: 3.16	2.83%	August 2012 April 2013	August 2019	1,050	1,054
2020 bonds	600	F: 3.99	4.05%	March 2012	March 2020	638	642
2021 bonds	850	F: 4.73	5.13%	May 2011	May 2021	906	912
2023 bonds	1,000	F: 3.31	3.23%	January 2013 April 2013	January 2023	1,084	1,097
2024 bonds	900	F: 3.25	4.16%	March 2014	March 2024	903	908
2025 bonds	650	F: 2.33	2.37%	December 2014	February 2025	649	647
2026 bonds	900	F: 2.80	2.84%	August 2014	August 2026	914	928
Bonds in COP[1]	**-**					**-**	**52**
Carulla bond issue	52	V: CPI +7.50%	CPI +7.50%	May 2005	May 2015	-	52
Bonds in BRL[1]	**209**					**208**	**1,084**
GPA bond issue	248	V: 108.5% CDI	108.5% CDI	December 2011	June 2015	-	248
GPA bond issue	124	V: 100% CDI + 1%	100% CDI + 1%	January 2012	July 2015	-	124
GPA bond issue	372	V: CDI + 1%	CDI + 1%	May 2012	November 2015	-	372
GPA bond issue	62	V: CDI + 0.72%	V: CDI + 0.72%	June 2012	January 2015	-	62
GPA bond issue	209	V: 107.0% CDI	107.0% CDI	September 2014	September 2019	208	278
TOTAL BONDS						**7,828**	**9,557**

[1] Corresponds to the principal of the bonds outstanding as at 31 December 2015.
[2] F (Fixed rate) – V (Variable rate) – CPI (Consumer Price Index) – CDI (Certificado de Depósito Interbancario).
[3] The amounts above include any impact on fair value hedges that have been converted by interest rate swaps. The amounts are presented without accrued interest.

11.2.3. Other borrowings

(€ millions)	Principal	Type of rate	Issue date	Maturity date	2015	2014
France						
Alaméa	300	Variable	April 2010	April 2015	-	300
Commercial paper (Casino, Guichard-Perrachon)	424	Fixed	[3]	[3]	424	1,294
Other Casino Finance borrowings	100	Variable	May 2014 to October 2014	December 2015	-	100
Other Franprix-Leader Price bonds	139	Variable/ Fixed[4]	2009 to 2015	2017 to 2021	74	164
Monoprix[1]	21	Variable	December 2013	December 2016	21	53
Other					26	25
International						
GPA	848	Variable[6]/ Fixed[5]	February 2008 to December 2014	January 2015 to November 2026	902	860
Via Varejo	154				182	29
BIG C Thailand	866	Variable	July 2015 to December 2015	December 2016 to July 2019	305	618
Éxito	1,188	Variable[6]	July 2015 to December 2015	December 2015 to December 2025	1,182	-
Other					2	75
Bank overdrafts[7]					**183**	**162**
Accrued interest[2]					**269**	**330**
TOTAL OTHER BORROWINGS					**3,570**	**4,010**

(1) Corresponds to the debt component of the Monoprix mandatory convertible bonds (MCB).
(2) Accrued interest relates to all financial liabilities including bonds. As at 31 December 2015, this accrued interest primarily concerned Casino, Guichard-Perrachon (€174 million) and GPA (€88 million).
(3) These commercial papers are short-term financing that usually mature in less than three months.
(4) Of which fixed-rate loans amounting to €10 million as at 31 December 2015 compared with €11 million as at 31 December 2014.
(5) Of which fixed-rate loans amounting to €4 million as at 31 December 2015 compared with €28 million as at 31 December 2014.
(6) GPA and Éxito's variable-rate loans are mostly remunerated on the basis of CDI and IBR, respectively.
(7) Overdrafts are mostly in France.

CONFIRMED BANK LINES OF CREDIT 2015

		Due			
(€ millions)	Interest rate	Within one year	More than one year	Amount of the facility	Drawdowns
Casino, Guichard-Perrachon syndicated credit lines[1]	Variable [1]	-	2,119	2,119	-
Casino, Guichard-Perrachon bilateral credit lines	Variable [2]	225	900	1,125	-
Other confirmed bank credit lines[4]	Variable [3]	604	668	1,271	-

(1) Syndicated credit lines comprise the €1.2 billion line the maturity of which was extended in 2015 to February 2020, and the US$1 billion credit line that matures in July 2018 and which are remunerated based on the Euribor + a margin that varies depending on the amount of the drawdown and depending on the Group's net debt to EBITDA ratio.
(2) Bilateral credit lines are remunerated on the basis of Euribor + a margin. For some credit lines, the margin varies depending on the amount drawn down (for lines totalling €300 million) and/or the level of the net debt to EBITDA ratio (for lines totalling €250 million). The cost of utilisation of lines totalling €500 million depends on the Group's rating and the amount drawn down.
(3) Interest on the other lines is based on the reference rate (depends on the currency of the credit line) + a margin. For some lines, the margin varies depending on the subsidiary's level of net debt to EBITDA ratio (for lines totalling €370 million) and/or the amount drawn down (for lines totalling €450 million).
(4) The other confirmed bank credit lines concerned Monoprix, GPA, Éxito and Big C (at €610 million, €313 million, €145 million and €204 million, respectively).

11.3. Other liabilities

	2015			2014		
	Non-current portion	Current portion	Total	Non-current portion	Current portion	Total
Derivative instruments – liabilities (see Note 11.6.1)[1]	251	268	519	193	5	198
Accrued tax and employee-related liabilities	142	1,586	1,728	205	1,718	1,923
Sundry liabilities	40	1,169	1,208	19	1,126	1,145
Amounts due to suppliers of fixed assets	20	299	319	22	256	277
Current account advances	-	4	4	-	13	13
Finance payables (Via Varejo)	39	535	574	42	851	893
Deferred income[2]	295	265	560	265	178	443
TOTAL	**786**	**4,126**	**4,911**	**745**	**4,147**	**4,892**

(1) Primarily comprises the fair value of total return swaps (TRS) and forward instruments (see Note 11.4.2).

(2) Includes deferred income recognised in the Via Varejo subsidiary following collection of an advance payment of 850 million Brazilian reals (€264 million) in 2014, related to an agreement for the exclusive sale of extended warranties with Zurich Minas Brasil Seguros S.A. As at 31 December 2015, the amount of the deferred income was 777 million Brazilian reals (€180 million). Via Varejo had previously terminated the contract with the prior provider of extended warranties in advance, (a) paying it compensation of 186 million Brazilian reals (€57 million) recognised in intangible assets and (b) reimbursing it for an advance payment of 398 million Brazilian reals (€123 million).

Furthermore, in connection with the renegotiation with Bradesco of the credit card issue agreement in Casas Bahia stores, Via Varejo had received an advance payment of 704 million Brazilian reals (€163 million) recognised as deferred income, which amounts to 699 Brazilian reals at 31 December 2015 (€162 million).

11.4. Net financial income (expense)

Accounting principle

Net finance costs

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

Other financial income and expenses

This item corresponds to financial income and expenses that are not included in net finance costs.

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 equity derivatives, discounting adjustments (including to provisions for retirement and other post-employment benefit obligations), exchange gains and losses and gains and losses on disposal of financial assets on items not included in net finance costs.

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)	2015	2014
Gains (losses) on disposals of cash equivalents	-	-
Income from cash and cash equivalents	166	204
Income from cash and cash equivalents	**166**	**204**
Interest expense on borrowings after hedging[1]	(726)	(832)
Interest expense on finance lease liabilities	(8)	(12)
Finance costs	**(735)**	**(844)**
NET FINANCE COSTS	**(569)**	**(640)**

(1) In 2015, income of €11 million was recognised as a result of an amendment relating to bonds redeemable in Monoprix preferred shares, which reduced the interest rate (6-month Euribor + 4.1%).

11.4.2. Other financial income and expenses

(€ millions)	**2015**	2014
Investment income	-	1
Foreign currency exchange gains (other than on borrowings)	98	17
Discounting and accretion adjustments	2	3
Gains on remeasurement to fair value of non-hedge derivative instruments[1]	8	44
Other financial income	130	88
Financial income	**238**	**152**
Foreign currency exchange losses (other than on borrowings)	(37)	(15)
Discounting and accretion adjustments	(15)	(17)
Losses on remeasurement to fair value of non-hedge derivative instruments[1]	(335)	(74)
Losses on remeasurement to fair value of financial assets at fair value through profit or loss	-	-
Other financial expenses	(99)	(84)
Financial expenses	**(487)**	**(190)**
TOTAL OTHER FINANCIAL INCOME AND EXPENSES	**(249)**	**(38)**

(1) In 2015, the net expense of €327 million was primarily due to the fair value adjustments to the Big C Thailand (-€17 million) and GPA (-€162 million) total return swaps (TRS) and the GPA forward (-€154 million). In 2014, the net expense of €30 million was primarily due to the fair value adjustments to the Big C Thailand (+€37 million) and GPA (-€23 million) total return swaps (TRS) and the GPA forward (-€47 million).

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 2014, this instrument now has an interest rate of 3-month Euribor + 2.61% and falls due in July 2017. This TRS is a derivative instrument measured at fair value through profit or loss. As at 31 December 2015, 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 €247 million (against 7.8 million ADRs, a notional amount of €332 million and a negative fair value of €96 million as at 31 December 2014).

At the end of December 2012, the Group entered into a 2-year forward contract on 5.8 million GPA shares. The contract will be settled in cash. Following a change to the forward entry price in 2014, Casino received €7 million. In addition, the instrument now pays interest at 3-month Libor + 2.50% and falls due in December 2016. It is a derivative instrument measured at fair value through profit or loss. As at 31 December 2015, the instrument covered 5.8 million ADRs (representing 2.2% of GPA's share capital), a notional amount of US$338 million (€310 million) and presented a negative fair value of €248 million (against 5.8 million ADRs, a notional amount of €333 million and a negative fair value of €97 million as at 31 December 2014).

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 2014, Casino received €17 million. In addition, the instrument now pays interest at 3-month Euribor + 2.23% and falls due in July 2016. This TRS is a derivative instrument measured at fair value through profit or loss. As at 31 December 2015, the instrument presented a notional amount of €127 million and a negative fair value of €21 million (against a notional amount of €127 million and a negative fair value of €5 million as at 31 December 2014).

The fair value of these instruments amounted to -€516 million as at 31 December 2015 (2014: -€198 million) (see Note 11.6.1).

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 reporting date. A market is considered as active if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are classified as Level 1.

The fair value of financial instruments which are not quoted in an active market (such as over-the-counter derivatives) is determined using valuation techniques. These techniques use observable market data wherever possible and make little use of the Group's own estimates. If all the inputs required to calculate fair value are observable, the instrument is classified as Level 2.

If one or more significant inputs are not based on observable market data, the instrument is classified as Level 3.

11.5.1. Financial assets and liabilities by category of instrument

FINANCIAL ASSETS

The following table shows financial assets by category.

The Group does not hold assets that would be classified in the categories "financial assets at fair value through profit or loss" or "held-to-maturity financial assets".

		Breakdown by category of instrument				
(€ millions)	Total financial assets	Held-for-trading financial assets	Hedging instruments	Loans and receivables	AFS – measured at fair value	AFS – measured at cost
31 DECEMBER 2015						
Other non-current assets[1]	1,081	-	418	623	36	4
Trade receivables	1,287	-	-	1,287	-	-
Other current assets[1]	1,218	-	258	961	-	-
Cash and cash equivalents	4,588	181	-	4,407	-	-
31 December 2014						
Other non-current assets[1]	1,288	-	430	770	37	51
Trade receivables	1,513	-	-	1,513	-	-
Other current assets[1]	1,151	-	161	990	-	-
Cash and cash equivalents	7,359	422	-	6,937	-	-

[1] Excluding non-financial assets.

FINANCIAL LIABILITIES

The following table shows financial liabilities by category.

		Breakdown by category of instrument		
(€ millions)	Total financial liabilities	Liabilities at amortised cost	Liabilities associated with non-controlling puts	Derivative financial instruments
31 DECEMBER 2015				
Bonds	7,828	7,828	-	-
Other borrowings and financial liabilities	3,826	3,815	-	11
Put options granted to owners of non-controlling interests	151	-	151	-
Finance leases	81	81	-	-
Trade payables	8,073	8,073	-	-
Other liabilities[1]	3,290	2,771	-	519
31 December 2014				
Bonds	9,557	9,557	-	-
Other borrowings and financial liabilities	4,024	4,010	-	14
Put options granted to owners of non-controlling interests	62	-	62	-
Finance leases	105	105	-	-
Trade payables	8,323	8,323	-	-
Other liabilities[1]	3,016	2,818	-	198

[1] Excluding non-financial liabilities.

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 2015 (€ millions)	Carrying amount	Fair value	Market price = Level 1	Models with observable inputs = Level 2	Models with unobservable inputs = Level 3
ASSETS	**712**	**712**	**-**	**675**	**36**
Available-for-sale financial assets[1]	36	36	-	-	36
Fair value hedges – assets[2]	648	648	-	648	-
Other derivative instruments – assets	27	27	-	27	-
LIABILITIES	**12,405**	**12,375**	**7,817**	**4,407**	**151**
Bonds[3]	7,828	7,817	7,817	-	-
Other borrowings and finance leases[4]	3,896	3,877	-	3,877	-
Fair value hedges – liabilities[2]	11	11	-	11	-
Other derivative instruments – liabilities[2]	519	519	-	519	-
Put options granted to owners of non-controlling interests[5]	151	151	-	-	151

			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[3]	9,557	10,343	10,343	-	-
Other borrowings[4]	4,115	4,120	-	4,120	-
Fair value hedges – liabilities[2]	14	14	-	14	-
Other derivative instruments – liabilities[2]	198	198	-	198	-
Put options granted to owners of non-controlling interests[5]	62	62	-	-	62

(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 bonds issued was based on the latest known quoted price on the reporting date.

(4) 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 reporting date.

(5) The fair value of put options granted to owners of non-controlling interests is measured by applying the contract's calculation formulae and is discounted, if necessary; these formulae are considered to be representative of the fair value and notably use EBITDA multiples.

11.6. 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 the Group Finance department. This team manages all financial exposures in coordination with the finance departments of the Group's main subsidiaries and reports to executive management. It has issued a Good Financial Practice Guide governing all financing, investment and hedging transactions carried out by Group entities.

The Group uses derivative financial instruments such as interest rate swaps 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	**2015**	Interest rate risk	Currency risk	Other market risks	2014
Derivatives – assets						
Derivatives at fair value through profit or loss		-	-	-	-	-
Cash flow hedges	6.8.1 – 11.2	27	-	27	-	25
Fair value hedges	11.2	648	457	192	-	567
TOTAL DERIVATIVES – ASSETS		**675**	**457**	**218**	**-**	**591**
of which non-current		*418*	*355*	*62*	*-*	*430*
of which current		*258*	*101*	*156*	*-*	*161*
Derivatives – liabilities						
Derivatives at fair value through profit or loss	11.3	519	-	-	519	198
Cash flow hedges		-	-	-	-	-
Fair value hedges	11.2	11	5	6	-	14
TOTAL DERIVATIVES – LIABILITIES		**530**	**6**	**6**	**519**	**212**
of which non-current		*257*	*2*	*5*	*251*	*195*
of which current		*273*	*4*	*1*	*268*	*17*

As at 31 December 2015, fair value hedge derivatives presented a net balance of €637 million (including €457 million in France and €168 million in Brazil). The ineffective portion of these fair value hedges is not material.

As at 31 December 2015, the IFRS cash flow hedge reserve totalled €27 million compared with €25 million as at 31 December 2014. These derivatives relate to France. 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 -€519 million as at 31 December 2015 (-€198 million as at 31 December 2014); they consisted of -€516 million in TRS and forward in 2015 (2014: -€198 million) (see Note 11.4.2).

The appraisal of derivatives as at 31 December 2015 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 are used to manage interest rate risks. The main instruments used are interest rate swaps. Group financial policy consists of managing finance costs by combining variable and fixed-rate derivative instruments. These instruments do not always qualify for hedge accounting; however all interest-rate instruments are used in connection with the above risk management policy.

Specifically, the gross debt of Casino, Guichard-Perrachon is mainly composed of fixed-rate bonds (principal amount of €7,346 million as at 31 December 2015). This bond debt is mostly hedged through interest rate swaps which give exposure to floating rate, usually contracted at the issue date; all of these hedges qualify for hedge accounting.

As at 31 December 2015, Casino, Guichard-Perrachon had a portfolio of 94 interest rate swaps with around 15 bank counterparties, representing a total value of €6,896 million in floating-rate exposure and €500 million in fixed-rate exposure. These instruments mature between 2016 and 2026.

SENSITIVITY ANALYSIS TO A CHANGE IN INTEREST RATES

Sensitivity to rate changes is calculated as shown in the table below.

(€ millions)	2015	2014
Bonds		
Casino, Guichard-Perrachon floating-rate bonds[1]	6,396	7,146
Floating-rate bonds in Brazil (see Note 11.2.2)[2]	209	1,084
Floating-rate bonds in Colombia (see Note 11.2.2)[2]	-	52
Total floating-rate bonds	**6,605**	**8,282**
Other borrowings and financial liabilities		
Other floating-rate borrowings and financial liabilities (see Note 11.2.3)[3][4]	2,864	2,275
Finance leases (see Note 7.6)	81	105
Total other borrowings and financial liabilities	**2,944**	**2,380**
Cash and cash equivalents (Note 11.1.1)	(4,588)	(7,359)
NET FLOATING-RATE POSITION	**4,961**	**3,303**
Effect of a 1-point change in interest rates	50	33
Net finance costs (Note 11.4.1)	569	640
IMPACT OF CHANGE ON NET FINANCE COSTS	**8.7%**	**5.2%**

(1) Corresponds to fixed-rate bonds for a principal amount of €7,346 million (see Note 11.2.2), subject to interest-rate hedging for a net nominal amount of €6,396 million as at 31 December 2015.

(2) Principal amount.

(3) Excluding accrued interest.

(4) For Brazil, this includes fixed-rate debt issued in dollars or euros for BRL3,171 million (€735 million), converted to floating rate using currency swaps for the same amount (in 2014: BRL897 million, or €278 million).

Assuming the net debt structure and management policy are constant, a uniform annual increase in rates of 100 basis points would lead to an 8.7% increase in finance costs (*i.e.* an increase of €50 million). A 100 basis point fall in rates would have the opposite effect. For the purposes of the analysis, all other variables, particularly exchange rates, are assumed to be constant.

EXPOSURE TO CURRENCY RISK

Due to its geographical diversification, the Group is exposed to currency translation risk; in other words, its statement of financial position and income statement, and consequently its financial ratios, are sensitive to movements in exchange rates on consolidation of the financial statements of its foreign subsidiaries outside the euro zone. It is also exposed to currency risk on transactions not denominated in euros.

The Group's policy in this respect is to hedge highly probable budgeted exposures, which mainly involve purchases made in a currency other than its functional currency and particularly purchases in US dollars. Substantially all budgeted purchases are hedged using 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 2015	Of which USD	Total exposure 2014
Trade receivables exposed	(20)	(19)	(9)
Other financial assets exposed	(118)	(91)	(125)
Trade payables exposed	158	140	170
Financial liabilities exposed	1,202	1,152	245
Gross exposure payable/(receivable)	**1,221**	**1,183**	**280**
Trade receivables hedged	-	-	-
Other financial assets hedged	(33)	(33)	(7)
Trade payables hedged	25	25	90
Financial liabilities hedged	787	737	232
NET EXPOSURE PAYABLE/(RECEIVABLE)	**442**	**454**	**(35)**
Future purchase hedges	**275**		**225**

As at 31 December 2014, the net statement of financial position 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 as at 31 December 2015 would have increased profit by the amounts shown in the table below (but would have reduced it in 2014). 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 as at 31 December 2015 and 2014 would have produced the opposite effect.

(€ millions)	2015	2014
US dollar	45	(2)
Other currencies	(1)	(1)
TOTAL	**44**	**(4)**

EXCHANGE RATES AGAINST THE EURO

	2015		2014	
Exchange rates against the euro	Closing rate	Average rate	Closing rate	Average rate
Brazilian real (BRL)	4.3117	3.7004	3.2207	3.1211
Colombian peso (COP)	3,456.08	3,048.25	2,884.28	2,652.56
Thai baht (THB)	39.2480	38.0278	39.9100	43.1469
Argentine peso (ARS)	14.0841	10.2584	10.2716	10.7685
Uruguayan peso (UYP)	32.5958	30.2896	29.5402	30.8353
US dollar (USD)	1.0887	1.1095	1.2141	1.3285
Vietnamese dong (VND)	24,479.42	24,056.41	25,794.77	28,093.23
Polish zloty (PLN)	4.2639	4.1841	4.2732	4.1843

EQUITY RISK

As at 31 December 2015, the Group did not hold any significant investments in listed companies other than interests in its subsidiaries or treasury shares.

The Group may use derivative instruments (*e.g.* total return swaps with no call option, forward contracts and call options) on shares to build a synthetic exposure to the shares of its listed subsidiaries (see Note 11.4.2). The carrying amount of these instruments corresponds to their estimated value as provided by a financial institution on the reporting date. These values take account of market data such as exchange rates, share prices and interest rates.

In addition, the Group 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.

11.6.3. Counterparty risk

The Group is exposed to various aspects of counterparty risk in its operating activities, its cash deposits 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).

COUNTERPARTY RISK RELATED TO TRADE RECEIVABLES

Customer credit risk

Group policy consists of checking the financial health of all customers applying for credit payment terms. Customer receivables are regularly monitored; consequently, the Group's exposure to bad debts is not material.

Trade receivables break down as follows by maturity:

		Receivables past due on the reporting 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**
2015	698	93	50	24	167	140	1,006
2014	696	61	50	27	139	142	976

The age of unimpaired receivables that are past due 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.

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 of receivables;
- 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.

This liquidity analysis is performed both at the Casino, Guichard-Perrachon holding company level (taking into account the cash pooling of all wholly owned French entities *via* cash pooling agreements) and for each of the Group's international subsidiaries.

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

Most of the Group's debt is carried by Casino, Guichard-Perrachon and is not the subject of collateral or secured assets. 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. This financing is not the subject of collateral or secured assets and is not underwritten by Casino (except for GPA loans to BNDES totalling €35 million as at 31 December 2015 and secured by security interests on the financed assets and a guarantee from Wilkes, indirectly 50% owned by Casino and 50% by Éxito).

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

As at 31 December 2015, the Group's liquidity position was based on:

- undrawn confirmed credit facilities totalling €4,515 million (including €3,854 million for France);
- available cash of €4,588 million.

Casino, Guichard-Perrachon has a €9 billion Euro Medium Term Note (EMTN) programme. As at 31 December 2015, outstanding notes issued under this programme totalled €7,346 million.

Furthermore, notes issued under Casino, Guichard-Perrachon's €2,000 million commercial paper programme totalled €424 million as at 31 December 2015.

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 facility agreements generally contain a mandatory acceleration clause in the event of a change of control of the Company.

In addition, bonds issued by Casino, Guichard-Perrachon contain an acceleration clause at the investors' discretion (except for two perpetual deeply subordinated bond issues), should its long-term senior debt rating be downgraded to non-investment grade (or should it be further downgraded, if the rating is already non-investment grade), but only if this downgrade is due to a change of majority shareholder (if a third party other than Rallye or a related entity thereof holds more than 50% of Casino's voting rights). The bonds issued by Casino also contain a coupon step-up clause, which increases the interest rate by 1.25% should Casino, Guichard-Perrachon's long-term senior debt rating be downgraded to non-investment grade. In that case, this clause would apply progressively from the annual coupon payment date following the announcement of the downgrade.

These bonds (except for perpetual deeply subordinated bonds) are rated BBB- by the rating agencies Standard & Poor's and Fitch Ratings. On 15 January 2016, Standard & Poor's placed the Group's BBB- rating on "Credit Watch Negative" (see Note 15).

FINANCING SUBJECT TO COVENANTS

At the reporting date, the yearly covenants to which Casino, Guichard-Perrachon is exposed were as follows:

Type of covenant	Main types of debt subject to covenant	Frequency of tests	**Result from the covenant as at 31 December 2015**
Consolidated net debt[1]/ Consolidated EBITDA[2] < 3.5	• €1.2 billion syndicated credit line		2.7
	• US$1 billion syndicated credit line	Annual	
	• Bilateral credit lines totalling €525 million		
Consolidated net debt[1]/ Consolidated EBITDA[2] < 3.7	• Bilateral credit lines totalling €50 million	Annual	

(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 including hedging derivatives, less (i) cash and cash equivalents, (ii) financial assets held for cash management purposes and financial investments, (iii) hedges of debt with a positive fair value and (iv) financial assets arising from a significant disposal of non-current assets.

(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 very comfortably meet its covenants over the next 12 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 Group's other loan agreements contain financial covenants, mainly for GPA, Big C Thailand, Éxito and Monoprix (see table below).

Subsidiary	Type of covenant	Frequency of tests	Main types of debt subject to covenant
Monoprix	Net debt/EBITDA < 2.5	Annual	• €370 million syndicated credit line • Other confirmed credit lines totalling €240 million
GPA[1]	Net debt[2] may not be higher than equity[3]	Quarterly/half-year/ annually	• All bond financing and part of the bank borrowings
	Consolidated net debt/EBITDA < 3.25		
	Equity/total assets ≥ 0.3	Half-year	• BNDES financing totalling €35 million
	EBITDA/net debt ≥ 0.35		
Éxito	Consolidated net debt/Consolidated EBITDA < 3.5	Annual	• Bank borrowings (see Note 11.2.3)
Big C Thailand	Net debt/EBITDA < 3.5	Half-year	• Bank borrowings (see Note 11.2.3)
	Net debt/equity < 2.5		

[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).

As at 31 December 2015, these covenants were respected.

EXPOSURE TO LIQUIDITY RISK

The table below shows a maturity schedule for financial liabilities as at 31 December 2015, including principal and interest and for undiscounted amounts. 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 as at the reporting date.

For the TRS and forward instruments described in Note 11.4.2, the flows presented in the table below reflect the interest payable and the fair value of the instruments as at the reporting date.

As at 31 December 2015 (€ millions)	Maturity					Total contractual cash flows	Carrying amount
	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		
NON-DERIVATIVE FINANCIAL INSTRUMENTS RECOGNISED IN LIABILITIES:							
Bonds and other borrowings	2,264	1,601	1,660	2,499	5,435	13,460	11,643
Put options granted to owners of non-controlling interests	113	1	15	24	10	162	151
Finance lease liabilities	24	21	15	26	50	136	81
Trade payables and other financial liabilities	10,718	79	5	10	32	10,844	10,844
TOTAL	**13,119**	**1,702**	**1,695**	**2,559**	**5,527**	**24,603**	**22,720**
DERIVATIVE FINANCIAL INSTRUMENTS ASSETS/(LIABILITIES):							
Interest rate derivatives							
Derivative contracts – received	172	154	123	193	172	814	
Derivative contracts – paid	(53)	(37)	(37)	(87)	(144)	(357)	
Derivative contracts – settled net	-	-	-	-	-	-	
Currency derivatives							
Derivative contracts – received	240	85	-	-	-	325	
Derivative contracts – paid	(196)	(82)	-	-	-	(277)	
Derivative contracts – settled net	111	64	(2)	-	-	173	
Other derivative instruments							
Derivative contracts – received	1	1	1	1	3	7	
Derivative contracts – paid	(282)	(259)	(1)	(1)	(3)	(546)	
Derivative contracts – settled net	-	-	-	-	-	-	
TOTAL	**(6)**	**(73)**	**84**	**106**	**28**	**139**	**145**

As at 31 December 2014 (€ millions)	Maturity					Total contractual cash flows	Carrying amount
	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		
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**	**24,875**
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	265	112	-	-	-	377	
Derivative contracts – paid	(236)	(102)	-	-	-	(338)	
Derivative contracts – settled net	(19)	(3)	14	-	-	(8)	
Other derivative instruments							
Derivative contracts – received	-	-	-	-	-	-	
Derivative contracts – paid	(9)	(111)	(101)	-	-	(221)	
Derivative contracts – settled net	-	-	-	-	-	-	
TOTAL	**114**	**(1)**	**13**	**130**	**103**	**359**	**379**

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 preserve the confidence of investors, creditors and the markets while ensuring the financial flexibility required to support the Group's future business development. The Group aims to continually optimise its financial structure through the optimum 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 this is to allocate the shares to the liquidity contract and ensure active trading of its shares, or to 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

As at 31 December 2015, share capital totalled €173,192,460, compared with €173,157,998 as at 31 December 2014. Share capital is composed of 113,197,686 ordinary shares, issued and fully paid, as at 31 December 2015. The difference is mainly due to the 22,485 shares issued after options were exercised (compared with 69,232 in 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 €60 million.

12.3. Share equivalents

The Group is committed to bonus share plans (see Note 8.3). The Group intends to cover those plans using existing shares.

12.4. Treasury shares

Treasury shares correspond to shareholder-approved buybacks of Casino Guichard-Perrachon S.A. shares. As at 31 December 2015, the number of treasury shares held by the Group was 386,755, representing €17 million. These were purchased as part of the dilution associated with bonus share plans.

In January 2005, the Group signed a liquidity contract with the Rothschild investment bank for a total of 700,000 Casino shares and a contribution of €40 million, in accordance with European Commission Regulation (EC) No. 2273/2003. The Group made additional contributions allocated to the liquidity contract of (i) €30 million on 25 September 2015 and (ii) €50 million on 28 December 2015.

As at 31 December 2015, 1,445,000 own shares were held under this contract, representing a total of €63 million.

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.

As at 31 December 2015, the total number of treasury shares held by the Group was 1,831,755 shares, representing €80 million.

12.5. Perpetual deeply subordinated bonds

At the beginning of 2005, the Group issued 600,000 perpetual deeply subordinated bonds (TSSDI) for a total amount of €600 million. The bonds are redeemable solely at the Group's discretion and interest payments are due only if the Group pays a dividend on its ordinary shares in the preceding 12 months. The bonds pay interest at the 10-year constant maturity swap rate plus 100 basis points, capped at 9%. In 2015, the average coupon was 1.88%.

On 18 October 2013, the Group issued €750 million of perpetual hybrid bonds on the market, equivalent to 7,500 bonds. The bonds are redeemable at the Group's discretion from 31 January 2019 at the earliest. The bonds pay interest with a coupon of 4.87% until that date. This rate is revised every five years.

For these reasons, the bonds are carried in equity for the amount of €1,350 million. Issuance costs net of tax are recognised in equity.

12.6. Other equity instruments

On 27 December 2013, Monoprix issued mandatory convertible bonds in Monoprix preferred shares (MCB) in three tranches totalling €500 million to CACIB. These MCB have a maturity of three years and pay interest at 6-month Euribor + 4.1% (see Note 11.4.1). The redemption parity is fixed. Monoprix may defer coupon payments in preferred shares on the MCB redemption date.

The Group also has a call option on these MCB, which may be exercised in whole or in part at par plus accrued interest until October 2016.

The holders of MCB 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.

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

The Group analysed the transaction as follows:

- the fixed parity MCB is an equity instrument, except for the interest. The MCB call option is held by Casino and does not lead to the reclassification of MCB as financial liabilities;
- the Group estimated that the valuation of the MCB on their issue date was representative of the market value, that the characteristics of the preferred shares issued and their value do not result in the implicit obligation to exercise its call option on the MCB, and that the dividend policy is controlled by the Annual General Meeting (after maturity of the MCB, it is expected to amount to 80% of the distributable profit).

MCB 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". As at 31 December 2015, the equity component and the financial liability component amounted to €420 million and €21 million, respectively (Note 11.2.3). The call option was deducted from Group equity (€4 million net of tax). The annual discounting/accretion of the debt component is recorded in finance costs. The reduction in the coupon from 1 January 2015 (from 6-month Euribor + 5.1% to 6-month Euribor + 4.1%) generated financial income of €11 million in 2015 (see Note 11.4.1).

The Group issued a guarantee for Monoprix's consolidated shareholders' equity (as at 31 December 2013) to CACIB in connection with the issue of the MCB. The cap on this guarantee is €200 million with an allowance of €20 million (see Note 6.10.1). 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 AS AT 31 DECEMBER 2015

	Attributable to owners of the parent			Attributable to non-controlling interests			Total
(€ millions)	**1 January 2015**	**2015 translation adjustments**	**31 December 2015**	**1 January 2015**	**2015 translation adjustments**	**31 December 2015**	**31 December 2015**
Brazil	(827)	(967)	(1,795)	(1,436)	(1,444)	(2,879)	(4,674)
Argentina	(117)	(22)	(139)	-	(2)	(2)	(141)
Colombia	(67)	(206)	(272)	(83)	(208)	(291)	(563)
Uruguay	37	(42)	(4)	(2)	(23)	(26)	(30)
United States	12	7	19	-	1	1	20
Thailand	86	11	97	49	6	56	153
Poland	15	-	15	-	-	-	15
Indian Ocean	(6)	(1)	(8)	(3)	-	(3)	(10)
Vietnam	9	15	24	-	1	1	25
Hong Kong	1	1	1	-	-	-	1
TOTAL FOREIGN CURRENCY TRANSLATION ADJUSTMENTS	**(858)**	**(1,204)**	**(2,061)**	**(1,474)**	**(1,668)**	**(3,143)**	**(5,204)**

FOREIGN CURRENCY TRANSLATION RESERVES BY COUNTRY AS AT 31 DECEMBER 2014

	Attributable to owners of the parent			Attributable to non-controlling interests			Total
(€ millions)	1 January 2014	2014 translation adjustments	31 December 2014	1 January 2014	2014 translation adjustments	31 December 2014	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)**

12.7.2. Notes to the consolidated statement of comprehensive income

(€ millions)	**2015**	2014
Available-for-sale financial assets	**-**	**(8)**
Change in fair value	-	(12)
Reclassifications to profit or loss	-	-
Income tax (expense)/benefit	-	4
Cash flow hedges	**-**	**21**
Change in fair value	(1)	32
Reclassifications to profit or loss	1	-
Income tax (expense)/benefit	-	(11)
Net investment hedges	**(2)**	**-**
Change in fair value	(2)	-
Reclassifications to profit or loss	-	-
Income tax (expense)/benefit	-	-
Foreign currency translation adjustments (see Note 12.7.1)	**(2,872)**	**19**
Foreign currency translation adjustments	(2,898)	19
Reclassifications to profit or loss	23	-
Income tax (expense)/benefit	2	-
Actuarial gains and losses	**(23)**	**(1)**
Actuarial gains and losses	(34)	(2)
Income tax (expense)/benefit	12	1
TOTAL	**(2,897)**	**31**

12.8. Non-controlling interests

The following table provides detailed information on non-controlling interests.

	GPA						
(€ millions)	Total GPA[3]	of which Via Varejo	of which Cnova	Éxito[4]	Big C Thailand	Other[2]	**Total**
Country	*Brazil*	*Brazil*	*Netherlands*	*Colombia*	*Thailand*		
As at 1 January 2014	**5,590**	**1,682**	**-**	**1,347**	**352**	**461**	**7,750**
% of ownership interests held by non-controlling interests[1]	*61.9%*	*83.5%*	-	*45.2%*	*41.4%*		
% of voting rights held by non-controlling interests[1]	*0.06%*	*37.8%*	-	*45.2%*	*41.4%*		
Net profit (loss)	408	264	(12)	91	71	2	573
Other comprehensive income (loss)	66	11	-	(105)	58	3	22
Dividends paid/payable[5]	(94)	(39)	-	(41)	(22)	(7)	(164)
Other movements	(292)	(29)	270	16	(1)	(3)	(280)
As at 31 December 2014	**5,679**	**1,889**	**258**	**1,307**	**457**	**457**	**7,901**
% of ownership interests held by non-controlling interests[1]	*58.7%*	*82.1%*	*41.9%*	*45.2%*	*41.4%*		
% of voting rights held by non-controlling interests[1]	*0.06%*	*37.8%*	*6.6%*	*45.2%*	*41.4%*		
Net profit (loss)	(15)	52	(121)	133	76	7	201
Other comprehensive income (loss)[6]	(1,445)	(485)	(75)	(233)	6	1	(1,671)
Dividends paid/payable[5]	(20)	-	-	(44)	(23)	(7)	(94)
Other movements	4	1	26	74	(2)	121	200
AS AT 31 DECEMBER 2015	**4,204**	**1,457**	**89**	**1,237**	**514**	**579**	**6,536**
% of ownership interests held by non-controlling interests[1]	*67.2%*	*85.8%*	*44.8%*	*45.2%*	*41.4%*		
% of voting rights held by non-controlling interests[1]	*0.06%*	*37.8%*	*6.6%*	*45.2%*	*41.4%*		
Average % of ownership interests held by the Group in 2015	*38.4%*	*16.7%*	*57.1%*	*54.8%*	*58.6%*	-	-
% of ownership interests held by the Group as of 31 December 2015	*32.8%*	*14.2%*	*55.2%*	*54.8%*	*58.6%*	-	-

[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 €488 million as at 31 December 2015: €420 million corresponding to the net amount of transaction costs and tax on bonds redeemable in Monoprix preferred shares issued on 27 December 2013 to CACIB (see Note 12.6), and €68 million related to the SCI Simonop'1 transaction for the year (see Note 3.1.6).

[3] Including Cnova and Via Varejo.

[4] Including Uruguay and Argentina (only Uruguay in 2014).

[5] Of which dividends paid of €170 million in 2015 and €122 million in 2014 (see statement of consolidated cash flows).

[6] Other comprehensive income (loss) results mainly from foreign currency translation adjustments relating to the translation of foreign subsidiaries' financial statements.

GPA's equity consists of:

- 99,680 thousand ordinary shares with voting rights;
- 166,022 thousand preferred shares with no voting rights but the right to a preferred dividend.

Preferred shares do not carry voting rights, but instead entitle holders the following rights and benefits: (i) priority in the reimbursement of capital in the event of liquidation of the company; (ii) priority in the payment of a minimum annual non-cumulative dividend of BRL0.08 per share; and (iii) priority in the payment of dividends 10% higher than the dividend awarded to ordinary shares, included in the calculation of the amount paid under item (ii) above.

GPA non-controlling interests have no put option with Casino. Under Brazilian securities regulations, preferred shareholders have withdrawal rights to request that GPA buy back their shares at the carrying amount (share of net assets) if certain specific events occur. These rights are described in more detail from page 90 onwards of GPA's Form 20-F 2014.

Summarised financial information of the main subsidiaries with significant non-controlling interests

The information presented in the table below is presented in accordance with IFRS, adjusted, where appropriate, by fair value re-measurements 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									
	GPA[1]		of which Via Varejo		of which Cnova		Éxito[2]		Big C (Thailand)	
(€ millions)	**2015**	2014	**2015**	2014	**2015**	2014[3]	**2015**	2014	**2015**	2014
Net sales	18,676	21,024	5,187	7,245	3,437	1,657	4,673	3,934	3,390	3,025
Net profit (loss) from continuing operations	(122)	559	63	321	(276)	(32)	482	195	182	171
Attributable to non-controlling interests	*(15)*	*408*	*52*	*264*	*(121)*	*(12)*	*133*	*91*	*76*	*71*
Other comprehensive income (loss)	(2,022)	61	(591)	13	(159)	(12)	(555)	(220)	13	133
Total comprehensive income (loss) for the year	**(2,143)**	**619**	**(528)**	**333**	**(435)**	**(44)**	**(75)**	**(25)**	**196**	**304**
Attributable to non-controlling interests	*(1,460)*	*474*	*(433)*	*275*	*(196)*	*(12)*	*(100)*	*(15)*	*82*	*129*
Current assets	5,930	7,636	2,538	3,357	1,114	1,352	1,175	1,592	461	694
Non-current assets	8,999	11,770	2,269	2,800	612	940	4,220	2,286	2,086	2,016
Current liabilities	(5,948)	(7,645)	(2,232)	(3,018)	(1,538)	(1,691)	(1,345)	(1,129)	(995)	(1,114)
Non-current liabilities	(2,526)	(2,844)	(801)	(838)	(36)	(13)	(1,264)	(122)	(238)	(417)
Net assets	**6,455**	**8,917**	**1,774**	**2,301**	**152**	**587**	**2,786**	**2,627**	**1,314**	**1,180**
Attributable to non-controlling interests	*4,204*	*5,679*	*1,457*	*1,889*	*89*	*258*	*1,237*	*1,307*	*514*	*457*
Net cash from operating activities	1,393	1,679	912	722	75	436	321	380	324	288
Net cash from/(used in) investing activities	(503)	(446)	(89)	(115)	(61)	37	(1,864)	(259)	(144)	(84)
Net cash from/(used in) financing activities	(949)	(359)	(517)	(314)	(61)	112	987	(118)	(418)	(106)
Effect of changes in foreign currency translation adjustments	(859)	11	(393)	3	(134)	(12)	(93)	(83)	13	28
Change in cash and cash equivalents	**(918)**	**885**	**(87)**	**297**	**(181)**	**573**	**(649)**	**(80)**	**(225)**	**127**
Dividends paid to the Group[4]	*33*	*30*	-	-	-	-	*47*	*49*	*33*	*29*
Dividends paid to owners of non-controlling interests over the year[4]	*88*	*51*	*36*	-	-	-	*50*	*44*	*23*	*21*

(1) Including Cnova and Via Varejo.
(2) Including Uruguay and Argentina (only Uruguay in 2014).
(3) The amounts shown correspond to the Cnova Group since its creation on 24 July 2014.
(4) GPA, Éxito and Big C Thailand have an obligation to pay dividends to the tune of respectively 25%, 50% and 30% of the net profit of the year.

12.9. Dividends

At the Annual General Meeting of 12 May 2015, the shareholders voted in favour of a cash dividend for 2014 of €3.12 per ordinary share. The amount recognised in equity amounted to €352 million for 112,800,806 shares (compared with €353 million paid in 2014, in respect of 2013).

The Board of Directors will propose a gross dividend of €3.12 for ordinary shares for 2015. Based on 113,197,686 shares as at 31 December 2015, the proposed dividend represents a provisional amount of €353 million. It will be modified in 2016 to take into account the treasury shares held on the effective 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.

The coupon payable on perpetual deeply subordinated bonds is as follows:

(€ millions)	2015	2014
Coupon payable on perpetual deeply subordinated bonds (impact on equity)	**47**	**24**
Amount paid during the year	42	18
Amount payable in the following year	5	6
Impact on the statement of cash flows for the year	**48**	**27**
Of which coupons awarded and paid during the year	42	18
Of which coupons awarded in the previous year and paid during the year	6	10

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		2015	2014
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING DURING THE YEAR			
Total ordinary shares		113,187,606	113,143,859
Ordinary shares held in treasury		(360,821)	(137,275)
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES BEFORE DILUTION	**(1)**	**112,826,784**	**113,006,584**
POTENTIAL SHARES REPRESENTED BY:			
Stock options		24,531	94,359
Non-dilutive instruments (out of the money or covered by calls)		-	-
Weighted average number of dilutive instruments		**24,531**	**94,359**
Theoretical number of shares purchased at market price[1]		(21,985)	(62,822)
Dilutive effect of stock option plans		2,547	31,538
Bonus share plans		-	-
Total potential dilutive shares		**2,547**	**31,538**
TOTAL DILUTED NUMBER OF SHARES	**(2)**	**112,829,331**	**113,038,122**

(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)		2015	2014
NET PROFIT (LOSS) ATTRIBUTABLE TO OWNERS OF THE PARENT		**(43)**	**251**
Dividends payable on perpetual deeply subordinated bonds		(48)	(21)
NET PROFIT (LOSS) ATTRIBUTABLE TO HOLDERS OF ORDINARY SHARES	**(3)**	**(91)**	**231**
• Of which net profit (loss) from continuing operations, attributable to owners of the parent	(4)	(95)	232
• Of which net profit (loss) from discontinued operations attributable to owners of the parent		4	(2)
Net profit (loss) attributable to owners of the parent, attributable to Monoprix MCB		(43)	(42)
NET DILUTED PROFIT (LOSS) ATTRIBUTABLE TO HOLDERS OF ORDINARY SHARES	**(5)**	**(134)**	**189**
• Of which net profit (loss) from continuing operations, attributable to owners of the parent	(6)	(138)	190
• Of which net profit (loss) from discontinued operations attributable to owners of the parent		4	(2)

12.10.3. Earnings per share

(in €)		2015	2014
Basic earnings per share attributable to owners of the parent:			
• on continuing and discontinued operations	(3)/(1)	(0.81)	2.04
• on continuing operations	(4)/(1)	(0.84)	2.06
Diluted earnings per share attributable to owners of the parent:			
• on continuing and discontinued operations	(5)/(1)[1]	(1.19)	1.67
• on continuing operations	(6)/(1)[1]	(1.22)	1.68

[1] Since the Group recorded a total comprehensive loss in 2015, the calculation of diluted earnings does not include dilutive potential ordinary shares in the denominator.

NOTE 13. PROVISIONS

Accounting principle

A provision is recorded when the Group has a present obligation (legal or constructive) as a result of a past event, the amount of the obligation can be reliably estimated and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are discounted when the related adjustment is material.

In accordance with the above principle, a provision is recorded for the cost of repairing equipment sold with a warranty. The provision represents the estimated cost of repairs to be performed during the warranty period, as estimated on the basis of actual costs incurred in prior years. Each year, part of the provision is reversed to offset the actual repair costs recognised in expenses.

A provision for restructuring expenses is recorded when the Group has a constructive obligation to restructure. This is the case when management has drawn up a detailed, formal plan and has raised a valid expectation in those affected that it will carry out the restructuring by announcing its main features to them before the period-end.

Other provisions concern specifically identified liabilities and expenses.

Contingent liabilities correspond to possible obligations that arise from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Group's control, or present obligations whose settlement is not expected to require an outflow of resources embodying economic benefits. Contingent liabilities are not recognised in the statement of financial position but are disclosed in the Notes to the financial statements.

13.1. Breakdown and movements

(€ millions)	1 January 2015	Increases 2015	Reversals (used) 2015	Reversals (not used) 2015	Changes in scope of consolidation	Foreign currency translation adjustments	Other	31 December 2015
Claims and litigation	48	30	(17)	(12)	(2)	(1)	8	53
Other liabilities and expenses	817	258	(85)	(167)	(11)	(175)	4	640
Restructuring	23	31	(6)	(12)	(6)	-	-	31
TOTAL PROVISIONS	**887**	**320**	**(108)**	**(190)**	**(19)**	**(176)**	**12**	**725**
of which non-current	*719*	*8*	*(3)*	*(8)*	*-*	*(173)*	*(3)*	*538*
of which current	*169*	*312*	*(105)*	*(182)*	*(19)*	*(3)*	*16*	*187*

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 €640 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 2015	**24**	**294**	**136**	**57**	**511**
31 December 2014	59	389	162	72	682

[1] VAT and similar taxes.

Within the scope of these claims and litigations, GPA is contesting the payment of certain taxes, contributions and payroll obligations. Pending the final rulings from the administrative courts, these various disputes gave rise to payments of deposits in court, reported in "Other non-current assets" (see Note 6.9). In addition to these payments are guarantees provided by GPA (see Note 6.10).

	2015			2014		
(€ millions)	Deposits paid in court[1]	Assets pledged as collateral[2]	Bank guarantees[2]	Deposits paid in court[1]	Assets pledged as collateral[2]	Bank guarantees[2]
Tax-related disputes	49	198	1,745	48	262	2,048
Employee disputes	165	1	9	192	3	18
Civil and other litigation	16	2	72	22	3	370
TOTAL	**229**	**202**	**1,826**	**262**	**268**	**2,437**

[1] See Note 6.9.
[2] See Note 6.10.1.

13.3. Contingent assets and liabilities

In the normal course of its business, the Group is involved in a number of legal or arbitration proceedings with third parties or with the tax authorities in certain countries.

As stated in Note 3.3.6, there are no material contingent liabilities in associates and joint ventures.

Dispute with the Baud family

Following claims by the Baud family considered unfounded by the Group, various disputes remain ongoing as at 31 December 2015.

Defence proceedings initiated by the sellers of the controlling block in Globex Utilidades SA

In June 2009, GPA, through one of its subsidiaries, had acquired the controlling block in Globex Utilidades SA, a leading retailer of electronics and home appliances under the "Ponto Frio" banner. (Globex became Via Varejo following the merger in 2011 with Casas Bahia).

The former majority shareholder (Morzan Empreendimentos) had initiated arbitration proceedings before 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.

On 14 August 2015, the arbitral tribunal notified its decision to GPA and Wilkes consisting in a jointly compensation payable by the latters to Morzan Empreendimentos. This amounted to an impact of €113 million, including damages, interest and legal fees, reported in "Other operating expenses" (see Note 6.5).

GPA contingent liabilities

(€ millions)	**31 December 2015**	31 December 2014
INSS (employer's social security contributions)	95	99
IRPJ – IRRF and CSLL (corporate income taxes)	477	425
PIS, COFINS and CPMF (VAT and similar taxes)	526	286
ISS, IPTU and ITBI (service tax, urban property tax and tax on property transactions)	84	102
ICMS (state VAT)	1,386	1,334
Civil litigation	192	157
TOTAL	**2,760**	**2,402**

GPA employs consulting firms to advise it in tax disputes whose fees are contingent on the disputes being settled in GPA's favour. As at 31 December 2015, the estimated amount stood at €10 million (€20 million as at 31 December 2014).

NOTE 14. RELATED PARTY TRANSACTIONS

Related parties are:

- parent companies (mainly Rallye, Foncière Euris, Finatis and Euris);
- entities with joint control or significant influence over the entity;
- subsidiaries (see Note 16);
- associates (primarily Mercialys) (see Note 3.3.7);
- joint ventures (see Note 3.3.7);
- members of the Board of Directors and Executive Committee (see Note 8.4).

The Company has relations with all of its subsidiaries in its day-to-day management of the Group. The Company and its subsidiaries receive strategic advice from Euris, the ultimate holding company, under strategic advice and assistance agreements. The Company also receives other current services from Euris and Foncière Euris (provision of staff and premises). The amount expensed over the period in relation to these agreements with Casino and its subsidiaries totalled €3.4 million, of which €2.6 million under strategic advice and €0.8 million under provision of staff and premises.

In connection with the deployment of its dual model associating retail activities and commercial real estate, Casino and its subsidiaries carry out property development operations with Mercialys under a partnership agreement signed in 2012 and amended in 2014 (see Note 3.3.7).

In addition, the Group has (i) carried out property development transactions with the Foncière Euris Group generating income of €13 million for Casino in 2015 and (ii) acquired from Finatis its non-controlling interests in the OPCI Viveris and SPF1, which own Casino stores, for a total amount of €32 million.

Related party transactions with individuals (directors, corporate officers and members of their families) are not material.

NOTE 15. EVENTS AFTER THE REPORTING PERIOD

Class action against Cnova

In January 2016, a group of shareholders brought a class action against Cnova, some of its officers and directors and the underwriters of its IPO, accusing them of infringing United States securities regulations. In two of the cases, proceedings were initiated before the United States District Court for the Southern District of New York. Another case before the Supreme Court of the State of New York was later referred to the US District Court. Cnova has indicated that the complaints are unfounded and that it intends to mount a vigorous defence.

Credit risk assessment by Standard & Poor's

In the context of challenging macroeconomic conditions in emerging markets and Brazil's current recession, Standard & Poor's wishes to update its assessment of Casino's credit. As a result, the agency has placed the Group's BBB- credit rating under CreditWatch Negative on 15 January 2016. Standard & Poor's is conducting, in collaboration with Casino's management, a review of the Group's credit rating.

If Standard & Poor's were to downgrade Casino's rating, this would have the effect of increasing the annual coupon paid on Casino, Guichard-Perrachon's bonds by 1.25% (see Note 11.6.4). The increase in coupon would be effective from the next annual coupon payment date of each bond issue. Assuming that the rating is downgraded at the beginning of the second quarter of 2016, the impact on interest expense would be less than €20 million in 2016, compared with a full-year impact of €92 million (on the basis of the value of the bonds as at 31 December 2015). A downgrade of Casino's rating would have no impact on the repayment schedule of Casino's liabilities.

Standard & Poor's and Fitch Ratings had previously confirmed Casino's BBB-/Outlook Stable rating in mid-December 2015.

Furthermore, Casino launched in late 2015 a disposal plan, initially of €2 billion, which was increased to approximately €4 billion with the planned sale of its Big C subsidiary listed in Thailand, following indications of interest from potential buyers.

The Group is committed to its "Investment Grade" status. The expected improvement in its operating performance in France in 2016 and the scale of the initiated divestment program are important elements that will strengthen its financial structure.

Independently of the execution of its disposal plan, Casino enjoys a strong liquidity position enabling it to meet all its debt repayments in coming years.

Planned disposal of the subsidiary Big C Thailand

On 7 February 2016, Casino announced the signing of a contract to sell and procure to sell its stake in Big C Supercenter PCL, listed in Thailand ("Big C"), for €3.1 billion (excluding debt) to the TCC Group, one of the leading conglomerates in Thailand, with operations in the retail, commercial and industrial business, food and beverage, finance and insurance, property and real estate, agricultural and agro industrial sectors. On the basis of a €3.1 billion valuation and the carrying amount of the disposed assets as at 31 December 2015, the Group expects to record a €2.4 billion gain on disposal. Big C is a leader in food retail and commercial real estate in Thailand, operating a large network of more than 700 stores, including 125 hypermarkets, with a turnover of €3.4 billion and a trading profit of €246 million in 2015. The net debt of Big C Thailand was €246 million as at 31 December 2015.

The transaction values Big C at THB 252.88 per share, a 28% premium to the share price on 14 January 2016, the date preceding Casino's announcement of steps taken towards a disposal of Big C. It implies a 2015 sales multiple of c1.7x and a last twelve month EBITDA multiple as of end September 2015 of c16x. The disposal will allow Casino Group to reduce its debt by €3.3 billion (including Big C net financial debt). The transaction is not subject to any condition precedent and is expected to be completed by 31 March 2016.

The key terms of the definitive agreement announced on 7 February 2016 are the followings:

- the purchase price will be paid by the TCC Group in euros at the exchange rate of THB39.77 to one euro;
- the price per Big C share is cum dividend and will be reduced by the amount of any dividend received or to be received by the Casino Group before closing;
- in case the price of the mandatory tender offer that the TCC Group is required to launch following this transaction is higher, a corresponding price complement will be paid to Casino Group.

Without prejudice to its obligation to purchase, TCC Group agreed to pay a USD600 million fee if the transaction is not closed on 31 March 2016.

As at 31 December 2015, only the Big C Vietnam subsidiary was classified as "assets held for sale" under IFRS 5. In the 2016 financial statements, the sub-groups Big C Thailand and Big C Vietnam – comprising the "Asia" operating segment – will be reported in "Non-current assets held for sale" until the effective sale date and thereafter in discontinued operations.

Notice from the Brazilian regulator CVM to Via Varejo and GPA

On 18 February 2016, the subsidiary Via Varejo received a notice from the Brazilian regulator CVM outlining its difference of views on the accounting treatment of two transactions in 2013. The first concerns GPA's acquisition of 6.2% of Nova Pontocom from Via Varejo (a transaction that had no impact on the Group's consolidated financial statements). The second involves the accounting treatment of the controlling interest in Bartira following the acquisition of 75% of the company. GPA and Via Varejo have lodged an appeal with the CVM with an application for suspensive effect.

NOTE 16. MAIN CONSOLIDATED COMPANIES

As at 31 December 2015, the Casino Group comprised 1,789 consolidated companies. The main companies are listed below.

	2015			2014		
Companies	% control	% interest	Consolidation method	% control	% interest	Consolidation method
Casino, Guichard-Perrachon SA			**Parent company**			**Parent company**
FRANCE – RETAILING						
Casino Carburants	100	100	FC	100	100	FC
Casino Information Technology	100	100	FC	100	100	FC
Casino Services	100	100	FC	100	100	FC
Distribution Casino France (DCF)	100	100	FC	100	100	FC
Distridyn	49.99	49.99	EM	49.99	49.99	EM
Easydis	100	100	FC	100	100	FC
EMC Distribution	100	100	FC	100	100	FC
Floréal	100	100	FC	100	100	FC
Geimex	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[1]	100	100	FC	100	100	FC
Monop'[1]	100	100	FC	100	100	FC
Naturalia France[1]	100	100	FC	100	100	FC
Société Auxiliaire de Manutention Accélérée de Denrées Alimentaires "S.A.M.A.D.A."[1]	100	100	FC	100	100	FC
Simonop'1[1]	100	51	FC	-	-	-
Société 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
Franprix Holding	100	100	FC	100	100	FC
Franprix-Leader Price	100	100	FC	100	100	FC
Franprix-Leader Price Finance	100	100	FC	100	100	FC
HLP Ouest	60	60	FC	60	60	FC
Leader Price Exploitation	100	100	FC	100	100	FC
Norma	100	100	FC	100	100	FC
Parfidis	100	100	FC	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

	2015			2014		
Companies	% 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
Property Group						
GreenYellow	97.50	97.50	FC	97.50	97.50	FC
L'immobilière Groupe Casino	100	100	FC	100	100	FC
Sudéco	100	100	FC	100	100	FC
Mercialys Group						
Mercialys (listed company)	40.25	40.25	EM	40.25	40.25	EM
Property development						
Plouescadis	100	100	FC	100	100	FC
Other businesses						
Banque du Groupe Casino	50	50	EM	50	50	EM
Casino Finance	100	100	FC	100	100	FC
Casino Restauration	100	100	FC	100	100	FC
Restauration Collective Casino	100	100	FC	100	100	FC
E-COMMERCE						
Cnova NV Group (listed company)	**93.39**	**55.19**	**FC**	**93.39**	**58.12**	**FC**
Cdiscount Group	99.81	55.08	FC	99.81	58.01	FC
Cdiscount	100	55.25	FC	100	58.19	FC
C'nova Comercio Electronico	100	55.19	FC	100	58.12	FC
Cnova Finança	100	55.19	FC	100	58.12	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 – BRAZIL						
Wilkes	100	77.39	FC	100	100	FC
GPA Group (listed company)	**99.94**	**32.76**	**FC**	**99.94**	**41.32**	**FC**
Banco Investcred Unibanco S.A. (BINV)[2][4]	50	21.67	EM	50	21.67	EM
Financeira Itaú CBD S.A. – Crédito, Financiamento e Investimento ("FIC")[2][4]	50	41.93	EM	50	41.93	EM
GPA Malls & Properties Gestão de Ativos e Serviços. Imobiliários Ltda. ("GPA M&P")[2]	100	100	FC	100	100	FC
Indústria de Móveis Bartira Ltda. ("Bartira")[5]	100	100	FC	100	100	FC
Novasoc Comercial Ltda. ("Novasoc")[2][3]	99.98	10	FC	99.98	10	FC
Sé Supermercado Ltda. ("Sé")[2]	-	-	-	100	100	FC
Sendas Distribuidora S.A. ("Sendas")[2]	100	100	FC	100	100	FC
Via Varejo (listed company)[2]	62.57	43.35	FC	62.25	43.35	FC

	2015			2014		
Companies	% control	% interest	Consolidation method	% control	% interest	Consolidation method
INTERNATIONAL – COLOMBIA, URUGUAY AND ARGENTINA						
Éxito Group (listed company)	**54.77**	**54.77**	**FC**	**54.77**	**54.77**	**FC**
Distribuidora de Textiles y Confecciones SA DIDETEXCO[6]	97.75	97.75	FC	97.75	97.75	FC
Trust Viva Villavincencio	51	51	FC	51	51	FC
Grupo Disco (Uruguay)[6]	75.1	62.49	FC	62.49	62.49	EM
Devoto (Uruguay)[6]	100	100	FC	96.8	96.8	FC
Libertad (Argentina)[6]	100	100	FC	100	100	FC
INTERNATIONAL – INDIAN OCEAN						
Vindémia Distribution	100	99.98	FC	100	99.98	FC
Vindémia Logistique	100	100	FC	100	100	FC
INTERNATIONAL – VIETNAM						
Cavi Ltd	100	100	FC	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
Espace Business Hue	100	100	FC	100	100	FC
Viet Nhat Real Estate	100	100	FC	100	100	FC
FRENCH AND INTERNATIONAL HOLDING COMPANIES						
Bergsaar BV	100	100	FC	100	100	FC
Casino Finance International	100	100	FC	100	100	FC
Casino International	100	100	FC	100	100	FC
Forézienne de participations	100	100	FC	100	100	FC
Géant Foncière BV	100	100	FC	100	100	FC
Géant Holding BV	100	100	FC	100	100	FC
Géant International BV	100	100	FC	100	100	FC
Gelase	100	54.77	FC	100	100	FC
Helicco	100	100	FC	-	-	-
Intexa (listed company)	98.91	97.91	FC	98.91	97.91	FC
Marushka Holding BV	100	100	FC	100	100	FC
Saowanee	100	48.99	FC	100	48.99	FC
Ségisor SA	100	77.39	FC	100	100	FC
Sonnat	100	100	FC	-	-	-
Tevir SA	100	100	FC	100	100	FC
Tonquin BV	100	100	FC	100	100	FC

(1) The percentage interests correspond to the percentages held by the Monoprix subgroup.
(2) The percentage interests correspond to the percentages held by the GPA subgroup.
(3) Although GPA only owns 10% of Novasoc, it is fully consolidated as GPA controls 99.98% of the voting rights under the shareholders' agreement.
(4) FIC and BINV finance purchases made by GPA's customers. These entities were created through a partnership between Banco Itaú Unibanco S.A ("Itaú Unibanco"), GPA, and Via Varejo. They are accounted for by the equity method as GPA only exercises significant influence over their operating and financial policies.
(5) The percentage interests correspond to the percentages held by the Via Varejo subgroup.
(6) The percentage interests correspond to the percentages held by the Éxito subgroup.

NOTE 17. 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 which have not yet been adopted by the European Union and which apply to the Group:

Standard (application date for the Group subject to adoption by the EU)	Description of the standard
IFRS 16 *Leases* (1 January 2019)	This standard is subject to retrospective application. It lays down the principles of recognition, measurement, presentation and disclosure of leases for lessors and lessees. It replaces the current standard IAS 17 along with interpretations of this 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 business model for managing them, as well as their contractual cash flows; a single, forward-looking impairment model based on "expected losses"; and a substantially reformed approach to hedge accounting. The information in the notes to the financial statements is also strengthened.
IFRS 15 including amendment *Revenue from contracts with customers* (1 January 2018)	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 control 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 IFRS 10 and IAS 28 *Sale or contribution of assets between an investor and its associate/joint venture* (1 January 2016)	These amendments are subject to prospective application. 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).

An initial analysis of the main impact of the application of IFRS 15, IFRS 9 and IFRS 16 on the Group's consolidated financial statements will be launched in 2016.

The amendments to IFRS 10 and IAS 28 should have no material impact on the Group's consolidated financial statements.

Standards and interpretations adopted by the European Union as at the reporting date but not yet mandatory

The IASB has issued the following standards, amendments and interpretations adopted by the European Union but not yet mandatory as at 1 January 2015 and which apply to the Group:

Standard (Group application date)	Description of the standard
Amendments to IAS 19 *Employee contributions* (1 January 2016)	These amendments are subject to prospective application. They apply to contributions from employees or third parties to defined-benefit plans. This amendment simplifies the accounting for contributions, which are independent of the number of years of service of the employee.
Annual improvements to IFRS standards *2010-2012 cycle* (1 January 2016)	These amendments are subject to prospective application. The standards concerned include: • 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.
Amendments to IAS 16 and IAS 38 *Clarification of acceptable methods of depreciation and amortisation* (1 January 2016)	These amendments are subject to prospective application. 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.
Amendments to IFRS 11 *Acquisition of an interest in a joint operation* (1 January 2016)	These amendments are subject to prospective application. 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.
Annual improvements to IFRS standards *2012-2014 cycle* (1 January 2016)	These amendments are subject to prospective application. 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 1 *Disclosure initiative* (1 January 2016)	These amendments are subject to prospective application. The published amendment specifies the provisions related to two points: • the application of the materiality concept, specifying that it applies to financial statements, including the notes to those financial statements, and that the inclusion of immaterial information may make them less understandable; • the application of professional judgement, by marginally altering certain language considered prescriptive and thus leaving no room for judgement.

These amendments should have no material impact on the Group’s consolidated financial statements.

Chapter 4

Parent company financial statements for the year ended 31 December 2015

4.1. STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

This is a free translation into English of the Statutory Auditors' report on the financial statements issued in French and it is provided solely for the convenience of English-speaking users. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures. This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to the shareholders. This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your shareholders' meeting, we hereby report to you, for the year ended 31 December 2015, on:

- the audit of the accompanying financial statements of Casino, Guichard-Perrachon;
- the justification of our assessments;
- the specific verifications and information required by law.

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

I. Opinion on the financial statements

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

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 December 2015 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 matter:

Section 2 "Accounting policies" of the notes to the financial statements describes the methods of determination of the recoverable value of investments. Note 6 "Investments" of the notes of the financial statements discloses the data related to this closing and the variation of investments. We examined the available documentation, assessed the reasonableness of the estimates and verified that the notes give adequate information on the assumptions used therein.

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

III. Specific 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 management report of the Board of Directors and in the documents addressed to shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L. 225-102-1 of the French Commercial Code relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Neuilly-sur-Seine and Lyon, 10 March 2016

The Statutory Auditors

Deloitte & Associés		Ernst & Young et Autres	
Antoine de Riedmatten	Gérard Badin	Sylvain Lauria	Yvon Salaün

4.2. PARENT COMPANY FINANCIAL STATEMENTS AND NOTES

INCOME STATEMENT

(€ millions)	Notes	**2015**	2014
Operating income	1	144.0	144.0
Operating expenses	1	(137.4)	(138.3)
Operating profit		**6.6**	**5.7**
Net financial income (expense)	2	(120.8)	141.7
Recurring profit (loss) before tax		**(114.2)**	**147.4**
Non-recurring income (expense)	3	244.0	(53.8)
Income tax benefit	4	314.2	276.7
NET PROFIT		**444.0**	**370.3**

STATEMENT OF FINANCIAL POSITION

Assets

(€ millions)	Notes	2015	2014
NON-CURRENT ASSETS			
Intangible assets		42.6	40.0
Amortisation and impairment		(20.4)	(2.0)
	5	**22.2**	**38.0**
Property, plant and equipment		47.9	36.2
Depreciation and impairment		(17.9)	(14.9)
	5	**30.0**	**21.3**
Long-term investments[1]		16,698.1	17,499.6
Impairment		(383.4)	(76.5)
	6	**16,314.7**	**17,423.1**
Total non-current assets		**16,366.9**	**17,482.4**
CURRENT ASSETS			
Trade and other receivables	7	2,081.6	2,420.5
Marketable securities	8	81.0	2.5
Cash	8	0.1	3.2
Total current assets		**2,162.7**	**2,426.2**
Prepayments and other assets[2]	**9**	**98.0**	**124.2**
TOTAL ASSETS		**18,627.6**	**20,032.8**
(1) o/w loans due within one year		*11.9*	*10.3*
(2) o/w due in more than one year		*72.7*	*95.2*

Equity and liabilities

(€ millions)	Notes	2015	2014
Equity	**10**	**8,044.5**	**7,951.4**
Quasi-equity	**11**	**1,350.0**	**1,350.0**
Provisions	**12**	**308.6**	**150.5**
Loans and other borrowings	13	8,170.2	9,905.5
Trade payables		51.4	56.9
Tax and employee benefits payable		40.8	64.2
Other liabilities	14	662.1	554.3
Total liabilities[1]		**8,924.5**	**10,580.9**
TOTAL EQUITY AND LIABILITIES		**18,627.6**	**20,032.8**
(1) o/w: due within one year		*1,927.1*	*3,201.1*
due in one to five years		*2,688.3*	*2,473.1*
due in more than five years		*4,309.1*	*4,906.7*

STATEMENT OF CASH FLOWS

(€ millions)	**2015**	2014
Net profit	444.0	370.3
Elimination of non-cash items		
• Depreciation, amortisation and provisions (other than on current assets)	529.1	(21.2)
• (Gains)/losses on disposal of non-current assets	(384.1)	-
• Impact of changes in Group structure	(0.8)	7.0
• Other non-cash items	(24.2)	22.8
Cash from operating activities before change in working capital	**564.0**	**378.9**
Change in working capital – operating activities	(35.6)	(2,516.6)
Net cash from (used in) operating activities	**528.4**	**(2,137.7)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of non-current assets	(44.6)	(138.3)
Proceeds from disposals of non-current assets	1,630.0	-
Change in working capital – investing activities	1.6	-
Change in loans and advances granted	0.8	0.9
Net cash from (used in) investing activities	**1,587.8**	**(137.4)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to shareholders	(351.9)	(352.9)
Proceeds from issuance of shares for cash	1.3	3.9
Proceeds from new borrowings	20.8	1,849.6
Repayments of borrowings	(840.0)	(642.2)
Net cash from (used in) financing activities	**(1,169.8)**	**858.4**
CHANGE IN CASH AND CASH EQUIVALENTS	**946.4**	**(1,416.7)**
Cash and cash equivalents at beginning of year	**(1,290.6)**	**126.1**
Cash and cash equivalents at end of year	**(344.2)**	**(1,290.6)**

NOTES TO THE FINANCIAL STATEMENTS

4.2.1. Significant events of the year

Financing transactions in 2015

During the year, the Company repaid €750 million in respect of the 2015 bonds.

New organisation of Group businesses in Latin America

The Casino Group has changed its organisation by combining all its businesses in Latin America within the Colombian subsidiary Éxito. On 20 August 2015, the Group sold the following to Éxito:

- 50% of the capital of its holding company in France which owns shares with voting rights in its Brazilian subsidiary GPA, representing approximately 18.8% of the company's capital;
- 100% of Libertad, a subsidiary of the Group in Argentina.

The transaction involved carrying out a number of restructuring operations before the shares could be sold to Éxito.

The Casino Group, with a 54.8% stake in Éxito, remains the controlling shareholder of GPA and Libertad as well as Éxito.

The transaction amounted to USD1,829 million (€1,629 million).

The reorganisation of the Group's legal structure undertaken prior to the transaction impacted the holdings in Gelase, Sonnat and Ségisor (see Note 6).

Deleveraging plan

On 15 December 2015, the Group announced that it had decided to strengthen its financial flexibility with a deleveraging plan in 2016 of more than €2 billion. This is to be done primarily through property transactions and disposals of non-strategic assets, including the planned sale of the Group's businesses in Vietnam. On 14 January 2016, the amount slated for deleveraging was increased to €4 billion with the planned sale of the subsidiary Big C Thailand (see Note 21 "Events after the reporting period").

4.2.2. Significant accounting policies

General information

The financial statements have been prepared in accordance with the 2014 French generally accepted accounting principles approved by ministerial decree dated 8 September 2014 and all additional regulations issued by the French accounting standards authority (*Autorité des normes comptables* – ANC), applied consistently from one period to the next.

Intangible assets

Technical deficits arising from merger transactions are recognised in intangible assets.

Intangible assets are measured at their cost or transfer value and primarily correspond to goodwill, software and technical deficits arising from merger transactions.

Where appropriate, an impairment loss is recognised to bring the carrying amount down to fair value, determined mainly on the basis of profitability criteria.

Software is amortised over a period of three years.

Property, plant and equipment

Property, plant and equipment are recognised at their cost or transfer value in the statement of financial position.

Depreciation is calculated using the straight-line or reducing-balance method, depending on the asset's specific characteristics. Differences between straight-line depreciation and reducing-balance depreciation charged for tax purposes are recorded in provisions for accelerated depreciation.

The main depreciation periods (useful lives) are as follows:

Asset category	Depreciation period
Buildings	40 years
Fixtures, fittings and refurbishments	5 to 25 years
Machinery and equipment	5 to 10 years

The depreciable amount is the cost of property, plant and equipment less residual value (nil).

Property, plant and equipment acquired through mergers or asset transfers are depreciated over the period remaining following the depreciation applied by the company that originally held the assets concerned.

Long-term investments

Investments in subsidiaries and associates are recognised at their cost or transfer value. Where appropriate, an impairment loss is recognised to bring the carrying amount down to fair value (with the exception of treasury shares recorded under long-term investments and held for cancellation).

The carrying amount is determined using a number of indicators, such as net asset values of the investees at the reporting date, profitability criteria, earnings outlooks, share price in the case of a listed company, and usefulness for the Group. Further information is provided in Note 6 "Long-term investments".

A similar method of determining the carrying amount is also used where appropriate for other long-term investments.

In accordance with notice no. 2007-C issued by the Emerging Issues Taskforce of the French accounting standards authority (*Conseil national de la comptabilité* – CNC) on 15 June 2007, investment acquisition fees are capitalised and amortised for tax purposes over five years using the accelerated method.

Investment securities

Marketable securities are recognised at cost in the statement of financial position.

Where appropriate, an impairment loss is recorded when probable realisable value is lower than cost.

In the case of treasury shares, when the average share price for the last month of the year falls below the carrying amount an impairment loss is recognised for the difference.

Impairment losses on other categories of investment securities are determined by comparing cost and the average share price of the investee for the last month of the year.

Receivables

Receivables are stated at nominal value. Provisions are booked to cover any default risks.

Foreign currency exchange differences

Liabilities and receivables denominated in foreign currencies are translated into euros at the closing rate. Gains or losses arising on translation are recorded in the statement of financial position under "unrealised foreign currency exchange gains" or "unrealised foreign currency exchange losses", respectively. A provision is recorded for unrealised foreign currency exchange losses.

Provisions

The Company records a provision when it has an obligation toward a third party, the amount of the obligation can be reliably estimated and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

The Company grants its managers and other employees retirement bonuses determined on the basis of their length of service.

The projected benefit obligation representing the full amount of the employee's vested entitlements is recognised as a provision in the statement of financial position. The amount of the provision is determined using the projected unit credit method, taking into account social security contributions.

Actuarial gains and losses on retirement benefit obligations are recognised in the income statement using the corridor method. Under this method, the portion of the net cumulative actuarial gains and losses that exceed 10% of the greater of the defined benefit obligation and the fair value of the plan assets is recognised in earnings over the expected average remaining working lives of the employees participating in the defined benefit plan.

The Company has also set up stock option and share grant plans for executives and employees.

A liability is recognised when it is probable that the Company will grant existing shares to plan beneficiaries based on the probable outflow of resources. The outflow of resources is measured on the basis of the probable cost of purchasing the shares if they are not already held by the Company or their "entry cost" on the date of their allocation to the plan. If the stock options or share grants are contingent upon the employee's presence in the Company for a specific period, the liability is deferred over the vesting period.

No liability is recognised for plans settled in new shares.

No provision is recognised if the Company has not yet decided at the reporting date whether to settle the plans in new or existing shares.

Other provisions concern specifically identified liabilities and expenses.

Financial instruments

The Company uses various financial instruments to manage its exposure to currency 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 the income statement on a proportional basis over the term of the hedge.

The Company may also use derivative instruments to cover the shares of its subsidiaries. A provision is recognised when the fair value of these derivatives is negative.

Recurring profit (loss)

Recurring profit (loss) includes all income and expenses relating to the Company's ordinary activities.

Non-recurring income (expense)

Non-recurring income (expense) results from events or transactions that do not correspond to Casino, Guichard-Perrachon's ordinary activities as a holding company in view of their nature, frequency or amounts.

Income tax

Casino, Guichard-Perrachon is the head of a tax group that includes the majority of its subsidiaries. At 31 December 2015, the tax group consisted of 714 companies. Each company in the tax group accounts for taxes as if it were taxed on a stand-alone basis.

4.3. NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. OPERATING PROFIT

Breakdown

(€ millions)	2015	2014
Revenue from services (excluding taxes)	139.4	136.7
Other income	4.4	6.6
Reversals of provisions and impairment losses	0.2	0.7
Operating income	**144.0**	**144.0**
Other purchases and external expenses	(120.6)	(120.7)
Taxes and duties	(3.5)	(3.2)
Employee benefits expense	(9.0)	(10.4)
Depreciation, amortisation, impairment and provisions:		
• non-current assets	(3.3)	(2.5)
• liabilities and expenses	-	(0.3)
Other expenses	(1.0)	(1.2)
Operating expenses	**(137.4)**	**(138.3)**
OPERATING PROFIT	**6.6**	**5.7**

Expense transfers break down as follows:

(€ millions)	2015	2014
Other purchases and external expenses	11.2	16.7
Employee benefits expense	6.1	2.4
Depreciation, amortisation and provisions	0.1	0.1
EXPENSE TRANSFERS	**17.4**	**19.2**

Revenue from services (excluding taxes)

(€ millions)	2015	2014
Seconded employees	3.4	3.8
Banner royalties	48.2	47.4
Other services	87.8	85.5
REVENUE FROM SERVICES (EXCLUDING TAXES)	**139.4**	**136.7**

As the Casino Group's parent and holding company, Casino, Guichard-Perrachon's revenue mainly corresponds to royalties received from subsidiaries for the use of brands and banners owned by the Company, as well as management fees billed to subsidiaries.

In 2015, Casino, Guichard-Perrachon generated 77% of its revenue with companies based in France, *versus* 88% in 2014.

Average number of employees

(number)	2015	2014
Managers	16	16
Supervisors	-	-
Other employees	-	-
TOTAL	**16**	**16**

NOTE 2. NET FINANCIAL INCOME (EXPENSE)

(€ millions)	**2015**	2014
Income from investments in subsidiaries and associates:		
• Immobilière Groupe Casino	52.0	222.4
• Vindémia	25.0	200.1
• GreenYellow	71.8	-
• Gelase	480.6	-
• Géant Holding BV	77.5	-
• Geimex	25.0	-
• Tevir	14.2	-
• Other	13.1	6.4
Total	**759.2**	**428.9**
Other investment income	-	-
Other financial income(1)	57.4	129.5
Reversals of provisions and impairment losses(2)	52.7	133.2
Net gains on disposals of marketable securities(3)	6.3	3.0
Financial income	**875.6**	**694.6**
Financial expenses:		
• Bonds	(265.9)	(281.2)
• Interest on perpetual deeply subordinated bonds	(46.9)	(52.8)
• Amortisation and impairment(2)	(552.6)	(126.0)
• Other financial expenses(1)	(121.5)	(80.3)
• Net losses on disposals of marketable securities(3)	(9.5)	(12.6)
Financial expenses	**(996.4)**	**(552.9)**
NET FINANCIAL INCOME (EXPENSE)	**(120.8)**	**141.7**

(1) Other financial income and other financial expenses mainly include interest income and expenses on current accounts and gains and losses on interest rate hedges and foreign exchange.
In 2015, other financial expenses also included the €42.6 million loss arising on the liquidation of the wholly owned subsidiary DTC Finance. Total impairment losses of €43.6 million on the DTC Finance shares had been recognised in previous reporting periods and were reversed in 2015 (see (2)).
In 2014, other financial income and other financial expenses included:
- *€33.1 million paid on 15 July 2014 upon the unwinding of the BAML forward (Casino Finance entered into a forward contract on GPA shares on the same date);*
- *€39.0 million received in October 2014 arising from the transfer by novation of nine interest rate swaps to Casino Finance, the cash-pooling 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 for a nominal amount of €756.4 million.*

(2) The main movements in provisions and impairments in 2015 were as follows:
- *amortisation of bond redemption premiums for €20.8 million;*
- *provision for losses on the Total Return Swap (TRS) on GPA shares for €155.9 million;*
- *impairment losses and technical merger deficits on Distribution Casino France shares and Geimex shares for €360.3 million and €13.9 million, respectively;*
- *reversal of the impairment loss on the DTC Finance shares for €43.6 million following its liquidation;*
- *net reversal of unrealised foreign exchange losses for €3.4 million.*

The main movements in provisions and impairments in 2014 were as follows:
- *amortisation of bond redemption premiums for €20.3 million;*
- *net reversal of losses on the TRS and forward contract relating to GPA shares for €27.8 million.*

(3) Sales of treasury shares resulted in a loss of €3.2 million in 2015. A loss of €9.6 million was reported in 2014.

NOTE 3. NON-RECURRING INCOME (EXPENSE)

(€ millions)	**2015**	2014
Gains (losses) on disposals of property, plant and equipment and intangible assets	-	(5.2)
Gains (losses) on disposals of investments in subsidiaries and associates	341.8	-
Gains (losses) on disposals of assets	**341.8**	**(5.2)**
Additions to provisions	(19.7)	(15.7)
Reversals of provisions	16.0	25.7
Other non-recurring expenses	(94.3)	(58.7)
Other non-recurring income	0.2	0.1
NON-RECURRING INCOME (EXPENSE)	**244.0**	**(53.8)**

In 2015, non-recurring income (expense) mainly comprised:

- net non-recurring gains of €340.3 million resulting from the reorganisation of Group businesses in Latin America, and especially the sale of shares to Éxito described in "Significant events of the year";
- restructuring costs totalling €8.5 million;
- a write-off of a €7 million receivable from CStore;
- compensation of €56.7 million relating to the Morzan dispute:

  In June 2009, GPA, through one of its subsidiaries, had acquired the controlling block in Globex Utilidades SA, a leading retailer of electronics and home appliances under the Ponto Frio banner. (Globex became Via Varejo following the merger in 2011 with Casas Bahia).

  The former majority shareholder (Morzan Empreendimentos) initiated arbitration proceedings before 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.

On 14 August 2015, the arbitration tribunal notified GPA and Wilkes of its decision that they should jointly pay compensation to Morzan Empreendimentos, amounting to €113 million, including damages, interest and legal fees.

As part of the reorganisation of Group businesses in Latin America, Casino, Guichard-Perrachon granted Éxito a seller's warranty to cover 50% of any damages arising from the dispute, *i.e.*, €56.7 million.

In 2014, non-recurring income (expense) mainly comprised (i) expenses totalling €32.5 million relating to the reorganisation of Cnova's legal structure and preparation for its IPO and (ii) restructuring costs of €10.2 million.

NOTE 4. INCOME TAX BENEFIT

(€ millions)	**2015**	2014
Recurring profit (loss)	(114.2)	147.4
Non-recurring income (expense)	244.0	(53.8)
Profit before tax	**129.8**	**93.6**
Group relief	314.2	276.7
Income tax benefit	**314.2**	**276.7**
NET PROFIT	**444.0**	**370.3**

Casino, Guichard-Perrachon is the head of the French tax consolidation group and would not have been taxable had it not elected for group tax relief. Group relief recorded by the Company corresponds to tax savings arising from netting off the losses of Casino, Guichard-Perrachon and its subsidiaries against the profits of the consolidated Group, amounting to €323.1 million, less the 3% dividend tax due for €10.6 million.

The tax group had €1,217.5 million of tax loss carryforwards under the group relief agreement at 31 December 2015.

At that date, timing differences between accounting income and expenses and the income and expenses retained for tax purposes gave rise to an unrecognised deferred tax asset of €16.5 million.

NOTE 5. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Breakdown

(€ millions)	**2015**	2014
Goodwill	39.4	38.0
Other intangible assets	3.2	2.0
Impairment	(20.4)	(2.0)
Intangible assets	**22.2**	**38.0**
Land and land improvements	1.8	1.8
Depreciation	(0.2)	(0.2)
	1.6	**1.6**
Buildings, fixtures and fittings	7.2	6.5
Depreciation	(3.3)	(3.0)
	3.9	**3.5**
Other property, plant and equipment	38.9	27.9
Depreciation	(14.4)	(11.7)
	24.5	**16.2**
Property, plant and equipment	**30.0**	**21.3**
TOTAL PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS, NET	**52.2**	**59.3**

Movements for the year

(€ millions)	Cost	Amortisation, depreciation and impairment	Net
At 1 January 2014	**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**
Increases	15.6	(21.5)	(5.9)
Decreases	(1.3)	0.1	(1.2)
AT 31 DECEMBER 2015	**90.5**	**(38.3)**	**52.2**

The increase in property, plant and equipment was mainly due to refurbishments and improvements made to the Company's new administrative offices in Vitry-sur-Seine.

The increase in amortisation and impairment of intangible assets was mainly due to the impairment of technical merger deficits arising on the Distribution Casino France shares for €18.1 million.

NOTE 6. LONG-TERM INVESTMENTS

Breakdown

(€ millions)	2015	2014
Investments in subsidiaries and associates	16,676.3	16,358.1
Impairment[1]	(382.9)	(76.0)
	16,293.4	**16,282.1**
Loans	20.4	21.2
Impairment	-	-
	20.4	**21.2**
Other long-term investments	1.4	1,120.3
Impairment	(0.5)	(0.5)
	0.9	**1,119.8**
LONG-TERM INVESTMENTS	**16,314.7**	**17,423.1**

[1] In accordance with the accounting policies described in section 4.2.2 "Significant accounting policies", at 31 December 2015 the Company measured the fair value of its investments in subsidiaries and associates on the basis of either the market value, as assessed by an independent appraiser where appropriate, or the value in use determined using the discounted cash flows method.

Value in use is determined using estimated after-tax cash flows discounted using the rates shown below.

Assumptions used for internal calculations of 2015 values in use

Region	Perpetual growth rate 2015[1]	After-tax discount rate in 2015[2]	Perpetual growth rate 2014[1]	After-tax discount rate in 2014[2]
France (retailing)[3]	1.5%	5.5%[4]	1.4%	5.5%[4]
France (other)[3]	1.5% to 2%	5.5% to 7.3%	1.4% and 1.9%	5.5% to 7.3%
Argentina	10.2%	17.7%	10.2%	17.1%
Brazil[5]	5.5%	11.3% to 13.6%	6.5%	12.0% and 14.9%
Colombia[5]	3.5%	8.5%	4.1%	9.4%
Uruguay	8.5%	15.8%	9.5%	16.2%
Thailand[5]	1.2%	6.3%	1.4%	7.5%
Vietnam	4.1%	12.0%	7.0%	14.0%
Indian Ocean[6]	1.5%	5.5%	1.4% to 1.8%	5.5% to 15.0%

[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 is the weighted average cost of capital (WACC) for each country. WACC is calculated at least once a year during the annual impairment testing by taking account of the sector's indebted beta, a market risk premium and the Group's cost of debt.

[3] For the French retailing businesses, the discount rate also takes account of the CGU's type of business/banner and the associated operational risks.

[4] With the exception of Geimex, for which the after-tax discount rate is 6.0%.

[5] At 31 December 2015, the market capitalisation of the listed subsidiaries GPA, Big C, Éxito and Cnova was €2,580 million, €4,246 million, €1,748 million, and €977 million, respectively.

[6] The Indian Ocean region includes Reunion Island, Mayotte, Madagascar and Mauritius. The discount rates used reflect the risks inherent in each of these geographical areas.

The Company performed impairment tests on each of its investments by comparing their net carrying amount to their recoverable amount based on value in use. The impairment testing resulted in a net impairment charge of €306.9 million (see Note 2), bringing total impairment up to €382.9 million at 31 December 2015.

Changes impacting the calculation inputs, such as (i) a 100-basis point increase in the discount rate, (ii) a 25-basis point decrease in the perpetual growth rate used to calculate terminal value or (iii) a 50-basis point decrease in the EBITDA margin for the cash flow projection used to calculate the terminal value could lead to the recognition of additional impairment losses on investments in subsidiaries and associates, as follows:

- for French businesses, additional losses of €1,688 million, €455 million and €991 million as a result of sensitivity to changes in the three calculation inputs noted above, respectively, mainly impacting Distribution Casino France shares;
- international businesses would only be impacted by the 100-basis point increase in the discount rate which would result in limited additional impairment losses of €37 million.

A list of the Company's subsidiaries and associates is provided at the end of this document.

Movements for the year

(€ millions)	Cost	Amortisation and impairment	Net
At 1 January 2014	**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**
Increases	2,465.8	(357.5)	2,108.3
Decreases	(3,267.3)	50.6	(3,216.7)
AT 31 DECEMBER 2015	**16,698.1**	**(383.4)**	**16,314.7**

The increase in long-term investments mainly corresponds to the:

- increase in Géant Holding BV shares (€28.9 million);
- take-up of the Sonnat and Ségisor rights issues for €800.0 million and €455.5 million, respectively;
- acquisition of Monoprix shares received during the liquidation of Investeur 103 (the wholly-owned holding subsidiary for the Monoprix stake acquired in 2013) for €1,177.1 million.

The decrease in long-term investments mainly corresponds to the:

- Gelase capital reduction (€468.1 million), prior to the disposal of its shares;
- (i) GPA shares sold to Ségisor for €52.4 million and (ii) the Gelase, Via Artika and Géant Argentina shares and 50% of the Ségisor shares sold to Éxito for a total of €1,339.5 million, as part of the new organisation of Group businesses in Latin America (see "Significant events of the year");
- cancellation of shares and convertible bonds issued by Investeur 103 following the company's dissolution, for €1,179.0 million;
- cancellation of DTC Finance shares following the subsidiary's liquidation for €46.0 million;
- Casino International Technology and Comacas shares sold to Distribution Casino France for €181.4 million.

NOTE 7. TRADE AND OTHER RECEIVABLES

(€ millions)	**2015**	2014
Trade receivables	**47.6**	**75.0**
Other operating receivables	6.9	7.0
Other receivables	82.2	514.2
Current account advances	1,946.3	1,832.4
Provision for impairment of other receivables	(1.4)	(8.1)
	2,034.0	**2,345.5**
TRADE AND OTHER RECEIVABLES	**2,081.6**	**2,420.5**

Trade and other receivables included €22.3 million in accrued income.

In 2014, accrued income amounted to €415.4 million, mainly comprising Casino, Guichard-Perrachon's share of the 2014 profits of companies whose articles of association provide for profit to be distributed as of the balance sheet date (€222.5 million) and a dividend from Vindémia (€175.0 million).

The current account of Casino Finance, the cash-pooling subsidiary for French companies, had a balance of €1,121.4 million in principal at 31 December 2015, *versus* €1,374.8 million at 31 December 2014.

All of the Company's trade and other receivables are due within one year.

NOTE 8. NET CASH AND CASH EQUIVALENTS

(€ millions)	**2015**	2014
Mutual fund units (FCP & SICAV)	1.0	1.0
Treasury shares	80.0	1.5
Marketable securities	**81.0**	**2.5**
Cash	**0.1**	**3.2**
Bank overdrafts	(1.8)	(1.1)
Commercial paper[1]	(423.5)	(1,295.2)
Bank credit facilities	**(425.3)**	**(1,296.3)**
NET CASH AND CASH EQUIVALENTS	**(344.2)**	**(1,290.6)**

[1] *Notes due within one year.*

The market value of FCP mutual fund units approximates their carrying amount.

Treasury shares

	2015	2014
NUMBER OF SHARES HELD		
At 1 January	**19,264**	**9,280**
Shares purchased	6,346,467	3,677,545
Shares sold	(4,533,976)	(3,667,561)
AT 31 DECEMBER	**1,831,755**	**19,264**
VALUE OF SHARES HELD (€ MILLIONS)		
At 1 January	**1.8**	**0.7**
Shares purchased	353.3	313.0
Shares sold	(275.1)	(311.9)
AT 31 DECEMBER	**80.0**	**1.8**
Average purchase price per share (€)	43.69	91.42
% of share capital	1.62	0.02
Share in equity (€ millions)	130.2	1.4

In February 2005, Casino, Guichard-Perrachon signed a liquidity agreement with Rothschild & Cie Banque.

The agreement authorised Rothschild & Cie Banque to trade in the Company's shares on Euronext Paris on its behalf, in order to ensure a liquid market for the shares and ensure share price stability. The Company allocated 700,000 ordinary shares and the sum of €40.0 million to the liquidity account. The Company made additional contributions of €30 million and €50 million on 25 September 2015 and 28 December 2015, respectively. At 31 December 2015, the liquidity account held 1,445,000 ordinary shares.

At the year-end, the Company owned 1,831,755 shares with a par value of €1.53.

Their quoted market value at 31 December 2015 was €82.6 million. Based on the average share price in the last month, no impairment provision was deemed necessary.

NOTE 9. PREPAYMENTS AND OTHER ASSETS

(€ millions)	**2015**	2014
Bond issue premium	91.8	112.6
Prepaid expenses	6.1	8.0
Unrealised exchange losses	0.1	3.6
PREPAYMENTS AND OTHER ASSETS	**98.0**	**124.2**

Bond issue premiums are amortised on a straight-line basis over the life of the bonds.

NOTE 10. EQUITY

Changes in equity, before and after appropriation of net profit

(€ millions)	**2015**	2014
Share capital	173.2	173.2
Additional paid-in capital	4,038.1	4,037.6
Legal reserve:		
• before appropriation of net profit	17.3	17.3
• after appropriation of net profit	17.3	17.3
Available reserve	207.5	207.5
Long-term capital gains reserve:		
• before appropriation of net profit	56.4	56.4
• after appropriation of net profit	56.4	56.4
Retained earnings:		
• before appropriation of net profit	3,102.7	3,084.3
• after appropriation of net profit	3,193.6	3,101.5
Profit for the year:		
• before appropriation of net profit	444.0	370.3
• after appropriation of net profit	-	-
Regulated provisions	5.3	4.8
EQUITY		
• before appropriation of net profit	8,044.5	7,951.4
• after appropriation of net profit	7,691.4	7,598.3

Changes in equity

(€ millions)	**2015**	2014
At 1 January	**7,951.4**	**7,929.6**
Profit for the year	444.0	370.3
Dividend payout for the prior year	(351.9)	(352.9)
Issuance of new shares	-	0.1
Increase in additional paid-in capital	1.2	3.8
Other movements	(0.2)	0.5
AT 31 DECEMBER	**8,044.5**	**7,951.4**

Movements in share capital and number of shares

	2015	2014
At 1 January	**113,175,162**	**113,105,831**
Shares issued on exercise of stock options	22,485	69,232
Shares issued to minority shareholders in connection with mergers	39	99
AT 31 DECEMBER	**113,197,686**	**113,175,162**

At 31 December 2015, the Company's share capital was made up of 113,197,686 ordinary shares with a par value of €1.53 each.

Potential dilution

	2015	2014
Number of shares at 31 December	113,197,686	113,175,162
Share equivalents:		
• exercise of stock options	-	55,464
• share grants	-	-
TOTAL NUMBER OF POTENTIAL SHARES	**113,197,686**	**113,230,626**

The Board of Directors has decided to grant existing shares in respect of share grants outstanding at 31 December 2015. Accordingly, share grants are not potentially dilutive.

NOTE 11. QUASI-EQUITY

In 2005, Casino, Guichard-Perrachon issued €600 million worth of perpetual deeply subordinated bonds (TSSDI). The bonds are redeemable solely at the Group's discretion and interest payments are due only if the Group pays a dividend on its ordinary shares in the preceding twelve months. The notes pay interest at the 10-year Constant Maturity Swap rate +100 bps, up to a maximum of 9%. In 2015, the average rate was 1.88%.

On 18 October 2013, the Company issued €750 million worth of hybrid bonds. The notes are repayable at the Group's discretion and have an indefinite maturity with a first call date on 31 January 2019. They pay a coupon of 4.87% until that date, with a reset every five years thereafter.

These bonds are classified as quasi-equity as they:

- are issued for an indefinite term with no specific redemption date;
- correspond to direct commitments with no collateral and are subordinated to all other liabilities.

Accrued interest on the bonds is included under "Miscellaneous borrowings".

NOTE 12. PROVISIONS

Breakdown

(€ millions)	**2015**	2014
Provision for foreign exchange losses	0.2	3.6
Provision for other liabilities	305.2	137.2
Provision for expenses	3.2	9.7
TOTAL PROVISIONS	**308.6**	**150.5**

At 31 December 2015, the provision for other liabilities included €251.9 million corresponding to the negative fair value of GPA derivative instruments, *versus* a provision of €96.0 million at 31 December 2014.

Other provisions for liabilities and expenses correspond to specifically identified liabilities and expenses.

Movements for the year

(€ millions)	**2015**	2014
At 1 January	**150.5**	**192.4**
Additions	175.6	111.1
Reversals	(17.5)	(153.0)
At 31 December	**308.6**	**150.5**
o/w		
Operating reversals/(additions)	0.2	0.4
Financial reversals/(additions)	(147.8)	25.1
Non-recurring reversals/(additions)	(10.5)	16.4
TOTAL	**(158.1)**	**41.9**

Retirement benefit obligations

Provision for retirement benefits (€ millions)	**Provision at 1 January 2015**	Movement for the period	**Provision at 31 December 2015**	Unrecognised actuarial gains and losses	**Obligation at 31 December 2015**
Projected benefit obligation	2.3	(0.2)	2.1	(0.7)	1.4
Fair value of plan assets	-	-	-	-	-
PROVISION	**2.3**	**(0.2)**	**2.1**	**(0.7)**	**1.4**

Movements in the provision (€ millions)	Unwinding	Benefits/ contributions paid	Service cost	Recognised actuarial gains and losses	Cost for the period	Expected return on plan assets	Movements for the period
Projected benefit obligation	-	-	(0.1)	-	(0.1)	-	(0.2)
Fair value of plan assets	-	-	-	-	-	-	-
PROVISION	**-**	**-**	**(0.1)**	**-**	**(0.1)**	**-**	**(0.2)**

The main actuarial assumptions used in 2015 to calculate the retirement benefit obligations were as follows:

- discount rate: 2.2% (determined by reference to the Bloomberg 15-year AA corporate composite index);
- rate of future salary increases: 1.8%;
- retirement age: 64 years;
- mortality table: INSEE 2015;
- social security contributions rate: 38%.

NOTE 13. LOANS AND OTHER BORROWINGS

Breakdown

(€ millions)	**2015**	2014
Bonds (including accrued interest)	7,519.1	8,294.3
Other borrowings	-	0.2
Bank overdrafts	1.8	1.1
Commercial paper	423.5	1,295.2
Bank borrowings	**7,944.4**	**9,590.8**
Miscellaneous borrowings	225.8	314.7
TOTAL BORROWINGS	**8,170.2**	**9,905.5**

Maturity of borrowings

(€ millions)	**2015**	2014
Due within one year	1,210.8	2,560.0
Due in one to five years	2,659.4	2,445.5
Due in more than five years	4,300.0	4,900.0
TOTAL	**8,170.2**	**9,905.5**

Net debt

(€ millions)	**2015**	2014
Total borrowings	8,170.2	9,905.5
Marketable securities	(81.0)	(2.5)
Cash	(0.1)	(3.2)
NET DEBT	**8,089.1**	**9,899.8**

Total borrowings include €210.5 million in accrued interests on borrowings and bank overdrafts.

Breakdown of borrowings

	Interest rate	Effective interest rate	Amount (€ millions)	Term	Due
2016 bonds 2011-2016	Fixed rate 4.47%	4.58%	386.1	5 years	April 2016
2017 bonds 2010-2017	Fixed rate 4.38%	5.85%	551.7	7 years	February 2017
2018 bonds 2010-2018	Fixed rate 4.48%	5.25%	507.7	8 years	November 2018
2019 bonds 2012-2019	Fixed rate 3.16%	2.83%	1,000.0	7 years	August 2019
2020 bonds 2012-2020	Fixed rate 3.99%	4.05%	600.0	8 years	March 2020
2021 bonds 2011-2021	Fixed rate 4.73%	5.13%	850.0	10 years	May 2021
2023 bonds 2013-2023	Fixed rate 3.31%	3.23%	1,000.0	10 years	January 2023
2024 bonds 2014-2024	Fixed rate 3.25%	4.16%	900.0	10 years	March 2024
2025 bonds 2014-2025	Fixed rate 2.33%	2.37%	650.0	10 years and 2 months	February 2025
2026 bonds 2014-2026	Fixed rate 2.80%	2.84%	900.0	12 years	August 2026
TOTAL BONDS			**7,345.5**		

Other

(€ millions)	Amount
Bank overdrafts	1.8
Commercial paper	423.5
Miscellaneous borrowings[1]	188.9
Accrued interest on borrowings	210.5
TOTAL OTHER BORROWINGS	**824.7**

[1] Including a €182.0 million loan from Marushka BV (100% indirectly-owned subsidiary of Casino, Guichard-Perrachon).

Liquidity risk

Casino, Guichard-Perrachon had confirmed credit facilities totalling €3,243.5 million at 31 December 2015, ensuring that it had sufficient liquidity to meet its needs.

Confirmed bank credit lines		Amount of the facility	Drawdowns	Due
Syndicated credit lines[1]	Floating rate	2,118.5	-	2018-2020
Confirmed bank credit lines	Floating rate	225.0	-	2016
Confirmed bank credit lines	Floating rate	150.0	-	2017
Confirmed bank credit lines	Floating rate	250.0		2018
Confirmed bank credit lines	Floating rate	500.0	-	2024
TOTAL		**3,243.5**	**-**	

[1] Includes the €1,200 million syndicated credit line renewed in February 2014 for five years, whose maturity was extended by one year in 2015, and the USD1,000 million credit line due in July 2018.

Notes issued under Casino, Guichard-Perrachon's €9 billion Euro Medium Term Note (EMTN) programme totalled €7,345.5 million at 31 December 2015.

Notes issued under Casino, Guichard-Perrachon's €2 billion commercial paper programme totalled €423.5 million at 31 December 2015.

At 31 December 2015, Casino, Guichard-Perrachon's main covenants were as follows:

- the €1.2 billion syndicated credit line renewed in February 2014, the USD1 billion club deal renewed in July 2013 and bilateral credit lines totalling €525 million are subject to a consolidated net debt (ii) to consolidated EBITDA (i) ratio of < 3.5;
- one bilateral credit line for €50 million is subject to a consolidated net debt to consolidated EBITDA ratio of < 3.7:
  (i) EBITDA (earnings before interest, taxes, depreciation and amortisation) corresponds to trading profit plus net depreciation and amortisation expense,
  (ii) net debt as defined in the loan agreements is not the same as net debt recognised in the consolidated financial statements. It corresponds to loans and other borrowings less (a) cash and cash equivalents, (b) financial assets held for cash management purposes and financial investments, (c) hedges of debt with a positive fair value, and (d) financial assets arising from a significant disposal of non-current assets.

At 31 December 2015, the consolidated net debt to consolidated EBITDA ratio stood at 2.7.

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

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

The Group's loan and bond agreements include the usual commitment and default provisions of this type of contract: limitations to *pari passu* senior debt, negative pledges and cross default.

Its facility agreements contain a mandatory acceleration clause in the event of a change of control of the Company.

In addition, bonds issued by Casino, Guichard-Perrachon contain an acceleration clause at the investors' discretion (except for two perpetual deeply subordinated bond issues), should its long-term senior debt rating be downgraded to non-investment grade (or should it be further downgraded, if the rating is already non-investment grade), but only if this downgrade is due to a change of majority shareholder (if a third party other than Rallye or a related entity thereof holds more than 50% of Casino's voting rights). The bonds issued by Casino also contain a coupon step-up clause, which increases the interest rate by 1.25% per year should Casino, Guichard-Perrachon's long-term senior debt rating be downgraded to non-investment grade. In that case, this clause would apply progressively from the annual coupon payment date following the announcement of the downgrade.

These bonds (except for perpetual deeply subordinated bonds) are rated BBB- by the rating agencies Standard & Poor's and Fitch Ratings. On 15 January 2016, Standard & Poor's placed the Group's BBB- rating on "CreditWatch Negative" (see Note 21 "Events after the reporting period").

NOTE 14. OTHER LIABILITIES

(€ millions)	**2015**	2014
Related companies	541.1	493.2
Sundry liabilities	86.5	17.7
Deferred income	34.5	43.4
OTHER LIABILITIES	**662.1**	**554.3**
• o/w due within one year	624.1	520.0
• o/w due in more than one year	38.0	34.3

Other liabilities include €57.2 million in accrued expenses, mainly corresponding to compensation due in relation to the Morzan dispute (see Note 3 "Non-recurring income (expense)").

NOTE 15. TRANSACTIONS AND BALANCES WITH RELATED COMPANIES

(€ millions)	**2015**	2014
ASSETS		
Investments in subsidiaries and associates	16,498.2	16,179.7
Loans and advances to subsidiaries and associates	-	-
Trade receivables	48.0	73.9
Related companies	1,650.1	1,628.9
LIABILITIES		
Loans and other borrowings	189.2	277.3
Trade payables	21.2	36.4
Related companies	592.4	494.9
INCOME STATEMENT		
Financial income	55.2	93.8
Financial expenses	415.4	11.2
Dividends	727.2	427.9

Related companies correspond to Group companies that are fully consolidated.

In 2015, the Company did not enter into any new material agreement with a related party, within the meaning of Article R. 123-198 of the French Commercial Code *(Code de commerce)*, that was not concluded in the ordinary course of business on arm's length terms.

NOTE 16. OFF-BALANCE SHEET COMMITMENTS

Commitments entered into in the ordinary course of business

(€ millions)	**2015**	2014
Bonds and guarantees received from banks	0.2	0.2
Undrawn confirmed credit lines	3,243.5	2,973.7
Total commitments received	**3,243.7**	**2,973.9**
Bonds and guarantees given(1)	794.3	1,011.0
Deficits allocated to tax group subsidiaries(2)	939.3	677.2
TOTAL COMMITMENTS GIVEN	**1,733.6**	**1,688.2**

(1) Including €703.6 million to related companies and €80.0 million to joint ventures at 31 December 2015.

(2) The tax consolidation agreement (see Note 4) specifies that tax savings arising from deficits transferred to the Group will not be repaid to the subsidiary. Tax group subsidiaries are only entitled to deficit allocations in the event that they become profitable again and only for the amount of tax they would have borne in the absence of a tax consolidation agreement.

Other commitments

(€ millions)	**2015**	2014
Seller's warranties given in connection with:		
• Monoprix mandatory convertible bonds(1)	200.0	200.0
• the disposal of Ségisor and Gelase shares(2)	252.0	-
• GPA tax disputes(3)	121.0	-
Other commitments given	3.2	1.2
Total commitments given	**676.2**	**201.2**
Written put options in Uruguay(4)	90.0	105.6
Seller's warranties given in connection with:		
• Total Return Swap on GPA shares(5)	79.9	235.9
• Monoprix mandatory convertible bonds(6)	500.0	500.0
TOTAL RECIPROCAL COMMITMENTS	**669.9**	**841.5**

(1) Corresponds to the warranty regarding Monoprix's consolidated net assets (at 31 December 2013) given by the Company to CACIB at the time of the convertible bond issue. The warranty is capped at €200 million and the minimum claim level is €20 million. The warranty is valid until 26 June 2017.

(2) Casino granted the customary warranties in connection with the acquisition by its subsidiary Éxito of 50% of the voting shares of GPA (Brazil) and 100% of Libertad (Argentina). The Company has undertaken to compensate Éxito for any inaccuracies in its reporting disclosures, on the understanding that publicly available information and information provided to Éxito by Casino as part of the due diligence process exempt the Company of any obligation to provide compensation. The warranty remains in force for a period of two years, with the exception of tax-related issues for which the warranty covers the limitation period. The obligation to provide compensation is limited to (i) a minimum amount of USD500,000 for each claim, (ii) an excess of USD10 million after which Éxito can claim compensation for any amount and (iii) a cap corresponding to 15% of the acquisition price for losses related to an inaccuracy in fundamental disclosures or related to holding companies.

(3) Like many companies with operations in Brazil and given the complexity of the country's tax laws, GPA is involved in a significant number of tax disputes. With the exception of the specific warranty discussed below, Casino does not underwrite any tax-related risks. Casino granted a special warranty to its Brazilian subsidiary covering the reassessments received from the tax authorities for a total amount of BRL1,046 million (including interest and fines) at 31 December 2015 and under which Casino undertakes to compensate GPA for 50% of any damages incurred, providing those damages are definitive. Casino's maximum exposure as a result of the commitment given to its subsidiary is therefore BRL523 million, or €121 million at the 31 December 2015 exchange rate. Casino has not recognised a provision in its financial statements for the amount as the risks of liability to all or part of the amount are only considered possible rather than probable.

(4) Uruguay: Casino has granted a put option on the percentage of share capital it holds to the family shareholders. The option is exercisable until 21 June 2021. Its price is based on Disco Uruguay's consolidated operating profit, with a floor of USD 41 million plus interest at 5% per year.

(5) In December 2011, the Company entered into a Total Return Swap (TRS) with a financial institution covering 7.9 million American Depositary Receipts (ADRs) representing 3% of GPA's share capital. It will be settled in cash. At 31 December 2015, the swap covered 7.8 million ADRs (2.9% of GPA's share capital) and a notional amount of €332 million. The contract was amended on 17 January 2014 to extend the TSR's maturity to July 2017.
The negative fair value of the instrument at 31 December 2015 of €251.9 million (versus €96.0 million at 31 December 2014) was recognised in provisions. The amount disclosed in the table above corresponds to the difference between the notional amount and the provision.

(6) On 27 December 2013, Monoprix issued mandatory convertible bonds in Monoprix preferred shares (MCB) to CACIB in three tranches totalling €500 million. They have a maturity of three years. The original interest rate of 6-month Euribor +5.1% was reduced in 2015 to 6-month Euribor +4.1%. The redemption parity is fixed. Casino, Guichard-Perrachon also has a call option on the mandatory convertible bonds, which may be exercised in whole or in part at par plus accrued interest, from June 2014 to 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
Long-term borrowings	8,170.2	1,210.8	2,659.4	4,300.0
Non-cancellable written put options	90.0	90.0		
TOTAL	**8,260.2**	**1,300.8**	**2,659.4**	**4,300.0**

NOTE 17. CURRENCY RISK

	2015		2014
(€ millions)	USD	BRL	USD
Assets	6.8	-	21.9
Liabilities	6.2	221.7	95.2
Net position before hedging	**0.6**	**(221.7)**	**(73.3)**
Off-balance sheet positions	98.0	-	128.2
NET POSITION AFTER HEDGING	**98.6**	**(221.7)**	**54.9**

NOTE 18. EQUITY RISK

(€ millions)	2015	2014
Carrying amount of treasury shares	80.0	1.8
Market value (average December share price of €45.0)	82.6	1.5
Impairment	-	(0.3)
Sensitivity to a 10% fall in share price	(5.8)	(0.2)

NOTE 19. GROSS COMPENSATION AND BENEFITS OF DIRECTORS AND OFFICERS

(€ millions)	2015	2014
Compensation paid	1.0	0.9
Loans and advances	-	-

NOTE 20. CONSOLIDATION

Casino, Guichard-Perrachon is consolidated by Rallye SA.

NOTE 21. EVENTS AFTER THE REPORTING PERIOD

Credit risk assessment by Standard & Poor's

In the context of challenging macroeconomic conditions in emerging markets and Brazil's current recession, Standard & Poor's wishes to update its assessment of Casino's credit. As a result, the agency placed the Group's long-term senior debt BBB- credit rating under CreditWatch Negative on 15 January 2016. Standard & Poor's is conducting, in collaboration with Casino's management, a review of the Group's credit rating.

If Standard & Poor's downgraded Casino's long-term senior debt rating, this would have the effect of increasing the annual coupon paid on Casino, Guichard-Perrachon's bonds by 1.25%. The increase would be effective from the next annual coupon payment date of each bond issue. Assuming that the rating is downgraded at the beginning of the second quarter of 2016, the impact on interest expense would be less than €20 million in 2016, compared with a full-year impact of €92 million (on the basis of the value of the bonds as at 31 December 2015). A downgrade of Casino's rating would have no impact on the repayment schedule of Casino's liabilities.

Standard & Poor's and Fitch Ratings had previously confirmed Casino's BBB-/Outlook Stable rating in mid-December 2015.

Furthermore, Casino launched a disposal plan in late 2015, initially of €2 billion, which was increased to approximately €4 billion with the planned sale of its Big C subsidiary listed in Thailand, following indications of interest from potential buyers.

The Group is committed to its "Investment Grade" status. The expected improvement in its operating performance in France in 2016 and the scale of the initiated divestment programme are important elements that will strengthen its financial structure.

Independently of the execution of its disposal plan, Casino enjoys a strong liquidity position enabling it to meet all its debt repayments in coming years.

Planned disposal of the subsidiary Big C Thailand

On 7 February 2016, Casino announced the signing of a contract to sell its stake in Big C Supercenter PCL, listed in Thailand ("Big C"), for €3.1 billion (excluding debt) to the TCC Group, one of the leading conglomerates in Thailand, with operations in the retail, commercial and industrial business, food and beverage, finance and insurance, property and real estate, agricultural and agro-industrial sectors.

4.4. FIVE-YEAR FINANCIAL SUMMARY

	2015	2014	2013	2012	2011
FINANCIAL POSITION AT THE REPORTING DATE					
Share capital (€ millions)	173.2	173.2	173.1	172.4	169.3
Number of outstanding voting shares[1]	113,197,686	113,175,162	113,105,831	112,674,236	110,646,652
Number of outstanding preferred non-voting shares	-	-	-	-	-
RESULTS OF OPERATIONS (€ MILLIONS)					
Net sales (excluding taxes)	139.4	136.7	133.0	172.0	161.0
Profit before tax, employee profit-sharing, depreciation, amortisation and provisions	629.2	78.7	449.2	305.1	661.1
Income tax expense	(314.2)	(276.7)	(85.4)	(131.2)	(122.4)
Employee profit-sharing for the period	-	-	-	0.1	0.1
Net profit for the period	444.0	370.3	432.0	412.7	731.4
Dividends paid on voting shares	353.2	353.1	352.9	338.0	331.9
Dividends paid on non-voting shares	-	-	-	-	-
Total dividends paid	353.2	353.1	352.9	338.0	331.9
PER SHARE DATA (€)					
Weighted average number of shares outstanding during the period[2]	112,826,784	113,006,584	112,766,174	111,741,859	109,984,894
Earnings per share after tax and employee profit-sharing but before amortisation, depreciation and provisions	8.36	3.14	4.74	3.90	7.12
Net earnings per share	3.94	3.28	3.83	3.69	6.65
Dividend paid per voting share	3.12	3.12	3.12	3.00	3.00
Dividend paid per non-voting share	-	-	-	-	-
EMPLOYEE DATA					
Number of employees (full-time equivalent)	16	16	20	28	44
Total payroll[3] (€ millions)	6.7	7.8	9.3	15.0	15.4
Total benefits (€ millions)	2.3	2.6	3.0	5.1	7.4

(1) The increase in share capital during the year reflects the issuance of 22,485 shares on exercise of stock options and of 39 shares to shareholders of merged companies.
(2) Excluding treasury shares.
(3) Excluding discretionary profit sharing.

4.5. LIST OF SUBSIDIARIES AND ASSOCIATES

(€ millions)

Company	Share capital	Equity	% ownership	Number of shares held	Carrying amount		Loans and advances granted by the Company	Guarantees given by the Company	2015 net sales (excluding taxes)	2015 net profit (loss)	Dividends received by the Company in the prior year
					Gross	Net					
A. DATA ON INVESTMENTS WHOSE CARRYING AMOUNT EXCEEDS 1% OF THE SHARE CAPITAL											
1. SUBSIDIARIES (AT LEAST 50%-OWNED)											
Distribution Casino France 1, Esplanade de France 42008 Saint-Étienne Cedex, France	107	5,585	98.85	105,571,213	7,149	6,807		22	8,660	(514)	-
Immobilière Groupe Casino 1, Esplanade de France 42008 Saint-Étienne Cedex, France	250	1,987	100.00	249,938,991	2,219	2,219			111	230	52
Monoprix 14-16 rue Marc Bloch 92116 Clichy Cedex, France	62	992	100.00	7,718,962	2,020	2,020			253	232	-
Tevir 1, Esplanade de France 42008 Saint-Étienne, France	410	947	100.00	409,911,792	689	689			-	257	14
Easydis 1, Esplanade de France 42008 Saint-Étienne Cedex, France	63	46	100.00	3,953,968	106	106		61	588	1	-
Intexa 1, Esplanade de France 42008 Saint-Étienne Cedex, France	2	3	97.91	990,845	7	7			-	-	-
Casino Finance 1, Esplanade de France 42008 Saint-Étienne Cedex, France	70	36	100.00	69,999,999	100	100		455	-	(45)	-
GreenYellow 1, Esplanade de France 42008 Saint-Étienne Cedex, France	9	95	83.31	38,263	13	13			51	51	72
Casino Services 1, Esplanade de France 42008 Saint-Étienne Cedex, France	-	13	100.00	100,000	19	19			109	-	1
Boidis 1, Esplanade de France 42008 Saint-Étienne Cedex, France	-	(1)	99.68	2,492	4	2			-	-	-
Vindémia 5, impasse du Grand Prado 97438 Sainte-Marie, France	60	277	100.00	3,750,250	440	440			27	18	25
Casino Restauration 1, Esplanade de France 42008 Saint-Étienne Cedex, France	36	(23)	100.00	35,860,173	103	103		13	167	(31)	-
International											
Sonnat 5 place du Champs de Mars B-1050 Brussels, Belgium	800	799	99.99	800,061,499	800	800			-	(1)	-
2. ASSOCIATES (10% TO 50%)											
Banque du Groupe Casino 58-60, avenue Kléber 75116 Paris, France	23	71	50.00	117,346	107	86			93	(1)	-
Ségisor 1, Esplanade de France 42008 Saint-Étienne Cedex, France	607	1,772	50.00	887,239,542	1,115	1,115			-	(194)	-

					Carrying amount						
Company	Share capital	Equity	% ownership	Number of shares held	Gross	Net	Loans and advances granted by the Company	Guarantees given by the Company	2015 net sales (excluding taxes)	2015 net profit (loss)	Dividends received by the Company in the prior year
Geimex[1] 15 rue du Louvre 75001 Paris, France	-	64	49.99	4,999	63	49			192	6	25
Uranie 1, Esplanade de France 42008 Saint-Étienne, France	45	106	25.95	11,711,600	31	31			4	27	7
Casino Carburant 1, Esplanade de France 42008 Saint-Étienne, France	5	8	31.43	1,597,357	3	3			377	1	-
International											
Géant Foncière BV 1 Beemdstraadt NL 5653 MA Eindhoven, Netherlands	-	349	50.00	20,000	85	85			-	2	-
Cnova NV 1 Beemdstraadt NL 5653 MA Eindhoven, Netherlands	22	575	43.28	190,974,069	285	285			-	7	-
Géant Holding BV 1 Beemdstraadt NL 5653 MA Eindhoven, Netherlands	1	1,630	25.00	3,900	1,307	1,307			-	(9)	78
B. AGGREGATED DATA FOR ALL OTHER SUBSIDIARIES OR ASSOCIATES											
1. SUBSIDIARIES (NOT INCLUDED IN SECTION A ABOVE)											
Various companies					7	7					
2. ASSOCIATES (NOT INCLUDED IN SECTION A ABOVE)											
Other companies					4	1					
Total investments in subsidiaries and associates					**16,676**	**16,294**					
o/w consolidated companies					16,669	16,290					
• French companies					14,191	13,812					
• Foreign companies					2,478	2,478					
o/w non-consolidated companies					8	3					
• French companies					8	3					
• Foreign companies					-	-					
Other long-term investments					-	-					
Investment securities					-	-					
Casino shares					-	-					
Mutual funds					**1**	**1**					
Total					**1**	**1**					

[1] 2014 data.

All key information on foreign subsidiaries in a given country is provided in Note 6.

As a result of the judgement applied when measuring the fair value of investments in foreign entities, provisions to cover the negative difference between the Company's share in the equity of subsidiaries of a given country and the value of the corresponding investment are not systematically recognised (see Note 6).

4.6. STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS AND COMMITMENTS

SHAREHOLDERS' MEETING HELD TO APPROVE THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

This is a free translation into English of the Statutory Auditors' special report on regulated agreements and commitments that is issued in the French language and is provided solely for the convenience of English speaking readers. This report on regulated agreements and commitments should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by the French Commercial Code and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.

To the Shareholders,

In our capacity as Statutory Auditors of your Company, we hereby present to you our report on the regulated agreements and commitments.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements and commitments brought to our attention or which we may have discovered during the course of our audit, and the reasons justifying that these commitments and agreements are in the Company's interest, without expressing an opinion on their usefulness and appropriateness or identifying such other agreements, if any. It is your responsibility, pursuant to Article R. 225-31 of the French Commercial Code *(Code de Commerce)*, to assess the interest involved in respect of the conclusion of these agreements for the purpose of approving them.

Our role is also to provide you with the information provided for in Article R. 225-31 of the French Commercial Code in respect of the performance of the agreements and commitments, already authorised by the Shareholders' Meeting and having continuing effect during the year, if any.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement. These procedures consisted in agreeing the information provided to us with the relevant source documents.

Agreements and commitments submitted to the approval of the Shareholders' Meeting

Pursuant to Article L. 225-40 of the French Commercial Code, the following agreements and commitments, which were previously authorised by your Board of Directors, have been brought to our attention.

Advisory agreement with EURIS

Person concerned: Mr. Jean-Charles NAOURI (Chairman and Board member of EURIS). EURIS held more than 10% of your Company's voting rights, and hence is a controlling shareholder pursuant to Article L. 233-3 of the French Commercial Code.

Nature and purpose: During its meeting on 16 February 2015, your Board of Directors, having obtained the opinion of the Audit Committee, authorised the signature of an amendment to the service provider agreement dated 5 September 2003. The amendment was signed with EURIS on 9 April 2015.

EURIS conducts the policy of its group and participates directly in its strategy, development and management. Accordingly, EURIS provides ongoing advisory and assistance services to its subsidiary CASINO, GUICHARD-PERRACHON. These services, defined and organised under the agreement of 5 September 2003, cover business strategy, development and direction and, on a timely basis, complex legal, financial, tax or real estate operations.

Terms and conditions: Under the aforementioned amendment, the invoice for these service was increased from €350,000, an amount unchanged since 2003, to €840,000 as of 1 January 2015.

During the year, your Company recorded an expense for the payment of these services amounting to €840,000, excluding taxes

Reasons justifying that the agreements is in the Company's interest: Your Board believes that under this agreement your Company will continue to benefit from the competence, expertise and resources of EURIS in the various areas of activity concerned.

The increase as of 1 January 2015 takes into account the changes in your group's scope, resulting in a significant and permanent increase in the work performed by EURIS and was determined based on the conclusions of an external financial assessment. The invoicing may be updated on a yearly basis according to any changes in the services performed by EURIS and the related costs.

Agreements and commitments already approved by the Shareholders' Meeting

Agreements and commitments authorised in previous years

A) AND HAVING CONTINUING EFFECT DURING THE YEAR

Pursuant to Article L. 225-30 of the French Commercial Code, we have been advised that the following agreements and commitments, authorised in previous years by the Shareholders' Meeting, have had continuing effect during the year.

1. Real estate partnership agreement entered into with MERCIALYS

Person concerned: Mr. Michel SAVART (director of MERCIALYS)

Nature and purpose: On 17 October 2014, the Board of Directors authorised the signature of an amending act to the partnership agreement entered into between MERCIALYS and your Company on 2 July 2012, which replaced that signed on 19 March 2009.

Pursuant to this amending act, signed on 12 November 2014, the partnership agreement, which expires on 31 December 2015, was extended until 31 December 2017 and various adjustments have been made in order to facilitate the implementation of the respective strategies of both companies, while maintaining the balance of their rights and obligations (the new "Partnership Agreement").

The general principles of the Partnership Agreement are as follows:

- Maintain, for the benefit of MERCIALYS, a privileged access to the real estate development projects portfolio of your Company (priority right).
- Increased security of real estate development projects by an upstream mutual commitment, since your Company will begin the work only after MERCIALYS has confirmed the order; it being noted that the order can only be confirmed after the final authorisations have been duly obtained.

- Maintain the current economic balances between your Company and MERCIALYS (capitalisation rate defined according to a matrix updated every six months based on changes in the value of MERCIALYS's real estate assets and a 50/50 sharing of the "upside/downside" noted at the start of the project compared to estimated rent).
- Annual "rendez-vous" clause.

The scope of the Partnership Agreement corresponds to the business of MERCIALYS (shopping arcades and medium-sized retail stores, excluding food stores, *i.e.* supermarkets and hypermarkets).

The three types of project that fall or may fall within the scope of the Partnership Agreement are as follows:

- "New Projects" corresponding to the projects falling within the scope of the Partnership Agreement which your Company has decided to develop, regardless of whether the completion period extends beyond 31 December 2017, and which your Company undertakes to present to MERCIALYS.

  MERCIALYS also has the option of presenting to your Company any project, falling within or outside the scope of the agreement, which your Company then undertakes to study in order to determine whether or not it wishes to proceed with its development.
- "Projects to be Confirmed" corresponding to "New Projects" approved by the governing bodies of the parties for which the latter undertake to do their utmost to have the projects validated.
- "Validated Projects" corresponding to "Projects to be Confirmed" for which an order has been placed.

The various steps and commitments provided for are as follows:

- Identification of "Projects to be Confirmed" (projects underway which do not yet have sufficient visibility or are not yet sufficiently secure for an order to be placed).
- Placing of the "Validated Projects" order (projects offering sufficient visibility and a sufficient level of profitability for the two parties).
- Confirmation of the order based on a final and specific project (except for customary flexibility/tenant requests), subject to obtaining final authorisations and provided that the pre-commercialisation rate of 60% of signed leases has been reached (in value).
- Sale of the asset (transfer of the property at the start of the project and payment by MERCIALYS on delivery with a 50/50 sharing of the "upside/downside").

The agreement also provides for the option of setting up an accelerated project validation procedure through the direct signing of an officially recorded deed of sale after validation by the governing bodies.

Furthermore, the terms and conditions for setting and adjusting prices are as follows:

- Setting of the price, when the order is placed based on actual or budgeted rent determined by an independent expert, capitalised on the basis of rates calculated in accordance with the type of assets in question.
- Updating of the price upon confirmation of the order to take into account changes in lease commercialisation and capitalisation rates.
- Updating of the price upon sale based on the rental situation 2 months prior to the public opening, without updating of the capitalisation rate.

To take into account any fluctuations in market conditions, the capitalisation rates, applicable under the Partnership Agreement, are revised by the parties every six months.

For the 2015, the capitalisation rates were as follows:

- First half of 2015:

	Shopping centres		Retail parks		
Type of asset	Metropolitan France	Corsica and French overseas departments and territories (DOM TOM)	Metropolitan France	Corsica and French overseas departments and territories (DOM TOM)	City centre
Large regional shopping malls/Large shopping malls (> 20,000 sq. m)	6.0%	6.6%	6.6%	7.0%	5.8%
Neighbourhood shopping malls (from 5,000 to 20,000 sq. m)	6.5%	7.0%	7.0%	7.4%	6.1%
Other (< 5,000 sq. m)	7.0%	7.4%	7.4%	8.1%	6.6%

- Second half of 2015:

	Shopping centres		Retail parks		
Type of asset	Metropolitan France	Corsica and French overseas departments and territories (DOM TOM)	Metropolitan France	Corsica and French overseas departments and territories (DOM TOM)	City centre
Large regional shopping malls/Large shopping malls (> 20,000 sq. m)	5.9%	6.5%	6.5%	6.9%	5.7%
Neighbourhood shopping malls (from 5,000 to 20,000 sq. m)	6.4%	6.9%	6.9%	7.3%	6.0%
Other (< 5,000 sq. m)	6.9%	7.3%	7.3%	8.0%	6.7%

By way of derogation from the previous provisions, the Partnership Agreement provides that one or other of the parties may propose, for a defined project, to calculate the forecast sales price based on a forecast internal rate of return ("IRR") for said project. This IRR will be calculated using the forecast business plan prepared for the project. For information purposes, the aim of the Parties is to target projects likely to generate a forecast IRR of around 8% to 10%.

In consideration of the priority right to which MERCIALYS is entitled, the Partnership Agreement includes a non-compete clause for the benefit of your Company applicable over the term of the Agreement. As such, MERCIALYS may not invest in a "New Project" that competes with a Casino Group food store, without the consent of your Company. A "New Project" is defined as follows:

- Any project developed on a new site including a food store with a retail surface area in excess of 1,000 square meters; or
- Any existing shopping centre with a food product sales area in excess of 1,000 square meters subject to an extension representing a floor area in excess of or equal to 30% of the existing shopping centre's surface area; or
- Any existing shopping centre with a food product sales area subject to an extension that would increase the sales area to over 1,000 square meters.

Furthermore, this non-compete clause will be applicable for a period of three years as from the expiration of the Partnership Agreement.

Terms and conditions: In 2015, under this agreement, your Company's subsidiaries sold hypermarkets to be converted in Lanester, Besançon, Marseille Plan-de-Campagne, Poitiers, Fontaine-Lès-Dijon, Annemasse, Val-près-le-Puy, Narbonne, Istres, Clermont-Ferrand, Puteaux, Asnière, Chaville, Marseille-Cannebière, Lille Marcq-en-Baroeul, along with real estate projects in Aurillac and Village services de Mandelieu.

2. Membership of Mr. Jean-Charles NAOURI, Chairman and Chief Executive Officer, in a healthcare, death and disability insurance plan

Person concerned: Mr. Jean-Charles NAOURI

Nature, purpose and terms and conditions: With respect to this plan, employer contributions relating to healthcare and death and disability coverage amounted to €63,000 and €2,000 respectively, for fiscal year 2015.

In addition, the Chairman and Chief Executive Officer is also a member of group compulsory pension plans, the contributions to which are determined by national joint agreements.

B) WITHOUT CONTINUING EFFECT DURING THE YEAR

In addition, we have been informed that the following agreements and commitments, already approved by the Shareholders' Meeting in previous years, were not continued during the year.

1. Current account advance agreement entered into with MERCIALYS

Person concerned: Mr. Michel SAVART (director of MERCIALYS)

Nature, purpose and terms and conditions: Pursuant to the act signed on 26 February 2015 amending the current account advance agreement entered into between MERCIALYS and your Company on 25 July 2012, under which your Company granted a credit line to MERCIALYS for a maximum amount of €50,000, Casino Finance, a subsidiary of your Company and the financing and cash pooling entity for the Casino Group, assumed the rights and obligations of your Company.

2. Trademark license agreement entered into with MERCIALYS

Person concerned: Mr. Michel SAVART (director of MERCIALYS)

Nature, purpose and terms and conditions: Under this agreement concluded on 24 May 2007, your Company grants MERCIALYS, for no consideration, a non-exclusive right to use, in France only, the "Nacarat" wordmark and semi-figurative trademark, the "Beaulieu" wordmark and the "Beaulieu… pour une promenade" semi-figurative trademark.

MERCIALYS has a priority purchase right over these trademarks should your Company intend to sell them.

Lyon and Neuilly-sur-Seine, 10 March 2016

The Statutory Auditors

Ernst & Young et Autres		Deloitte & Associés	
Sylvain Lauria	Yvon Salaün	Antoine de Riedmatten	Gérard Badin

Chapter 5

Corporate governance/ Chairman's report

The Chairman's report on corporate governance (composition of the Board, application of the principle of balanced representation of women and men, the conditions for the preparation and organisation of the Board of Directors' duties) and the Company's internal control and risk management procedures, prepared in accordance with Article L. 225-37 of the French Commercial Code, was reviewed and approved by the Board of Directors at its meeting on 8 March 2016.

The corporate governance section of the Chairman's report is included in this Chapter 5. The principles and rules adopted by the Board for the determination of the compensation and benefits of any kind of corporate officers (*"mandataires sociaux"*) are presented in Chapter 6 and the section of the Chairman's report on the Company's internal control and risk management procedures is presented in Chapter 7.

The Chairman's report was prepared by the Board secretary with input from Senior Management and the Group Legal department. The presentation of internal control and risk management procedures was prepared by the Internal Control and Internal Audit department with Finance department oversight. In preparing the report, account was taken of current regulations, the Afep-Medef Corporate Governance Code for listed companies dated November 2015, the recommendations contained in the Code's application guide dated December 2015, the report of the Afep-Medef *Haut Comité de Gouvernement d'Entreprise* and the recommendations of France's securities regulator (*Autorité des Marchés Financiers* – AMF).

The draft report was submitted for comment to the Governance Committee, the Audit Committee and the Appointments and Compensation Committee at their meetings on 2, 4 and 7 March 2016 for the sections falling within their respective remits.

The Statutory Auditors have prepared a report setting out their observations on the description of internal control procedures applicable to the preparation and processing of accounting and financial information contained in the Chairman's report and certifying that the report includes the other information required by Article L. 225-37 of the French Commercial Code.

5.1. CORPORATE GOVERNANCE CODE

In line with the Company's policy of implementing sound governance practices, the Board of Directors refers to the Afep-Medef Corporate Governance Code for listed companies, in particular when drafting the Chairman's report on corporate governance and the compensation and benefits of corporate officers (Chapters 5 and 6).

The Afep-Medef Code, as revised in November 2015, is available on the Company's website (http://www.groupe-casino.fr), on the Medef website (www.medef.com) and on the Afep website (www.afep.com).

During 2015, the Board confirmed this policy with the creation of a new Governance Committee dedicated to governance matters and the implementation of a procedure for the systematic review of agreements between related parties within the Group by the Audit Committee. These initiatives, which illustrate the Board's determination to drive further improvement in corporate governance practices, are presented in more detail below.

The 11 meetings of the Board of Directors and 14 meetings of the Audit Committee in 2015 reflect the directors' deep involvement in steering the Group's business.

However, the objective of increasing the proportion of women on the Board to 40% by the 2016 Annual General Meeting could not be met and the Appointments and Compensation Committee is pursuing its selection efforts to this end.

The Board's composition does not therefore comply with Article 6.4 of the Afep-Medef Code which states that the Board should reach and maintain a percentage of at least 40% of women within a period of six years from the shareholders' meeting of 2010. The explanations for this situation are presented in the section "Gender balance on the Board of Directors and the Committees of the Board". The Company complies with all other recommendations in the Afep-Medef Code.

5.2. COMPOSITION OF THE BOARD OF DIRECTORS

5.2.1. COMPOSITION OF THE BOARD OF DIRECTORS AS OF 8 MARCH 2016

As of 8 March 2016, the Board of Directors had 15 members, including six members qualified as independent (40%) based on the criteria in the Afep-Medef Code and one non-French national member. The functions of Chairman and Chief Executive Officer are combined as one and Jean-Charles Naouri serves as Chairman and Chief Executive Officer.

Directors are elected for a three-year term, with a certain proportion retiring by rotation each year. The Company's Articles of Association do not set any age limit for serving on the Board except that, in accordance with French company law, no more than one-third of the directors may be aged over 70.

The Board of Directors pays close attention to complying with the recommendations of the Afep-Medef Code concerning its composition. With the help of the Committees of the Board, it regularly reviews its size, structure and composition as well as the size, structure and composition of its committees. Directors are selected for their experience, skills and readiness to be involved in the Group's development. The Appointments and Compensation Committee is responsible for proposing candidates for election or re-election to the Board. The aim is to maintain a diverse and complementary range of skills and experience on the Board and to increase the number of women directors as well as the number of nationalities represented on the Board.

The members of the Board of Directors as of 8 March 2016 were as follows:

Name	Position	Age	Independent director	Audit Committee member	Governance Committee member	Appointments and Compensation Committee member	First elected	Current term expires	Years on the Board as of the AGM 2016
Jean-Charles Naouri[1]	Chairman and Chief Executive Officer	67					2003	2016	13
Nathalie Andrieux	Director	50	✓			✓	2015	2018	1
Didier Carlier[1]	Representative of Euris, corporate director	64					2006	2017	10
Jacques Dumas[1]	Representative of Cobivia, corporate director	63					2015	2018	1
Henri Giscard d'Estaing	Director	59	✓			✓	2004	2016	12
Gérard Koenigheit[1]	Representative of Matignon Diderot, corporate director	66					2013	2016	3
Lady Sylvia Jay	Director	69	✓		✓		2012	2018	4
Marc Ladreit de Lacharrière	Director	75					2003	2016	13
Didier Lévêque[1]	Representative of Foncière Euris, corporate director	54					2008	2017	8
Catherine Lucet	Director	57	✓	✓ Chairman			2011	2018	5
Gilles Pinoncély	Director	76		✓			2003	2016	13
Gérald de Roquemaurel	Director	70	✓	✓		✓ Chairman	2006	2017	10
David de Rothschild	Director	73			✓		2003	2017	13
Frédéric Saint-Geours	Lead Independent Director	66	✓	✓	✓ Chairman		2006	2017	10
Michel Savart[1]	Representative of Finatis, corporate director	54					2011	2018	5

[1] Representing the controlling shareholder.

The Board of Directors does not include any representative of employee shareholders, as employees hold less than 3% of the capital, and no director has been appointed to represent employees as provided for in France's Job Protection Act of 14 June 2013. Following the adoption of Act 2015-994 on social dialogue and employment dated 17 August 2015 and the extension of the scope of employee representation rules, the Group is currently examining how these rules should be applied by the boards of directors of Group companies.

Under the Board's Charter, each director is required to own a number of registered shares equal to at least one year's attendance fees.

5.2.2. CHANGES TO THE BOARD OF DIRECTORS PROPOSED AT THE ANNUAL GENERAL MEETING ON 13 MAY 2016

The terms of the following directors expire at the close of the Annual General Meeting of 13 May 2016: Jean-Charles Naouri, Henri Giscard d'Estaing, Marc Ladreit de Lacharrière, Gilles Pinoncély and Matignon-Diderot.

On the recommendation of the Governance Committee, the Board proposes reducing the number of directors. Accordingly, based on the recommendation of the Appointments and Compensation Committee, the Board recommends that the Annual General Meeting convened on 13 May 2016 re-elect as directors for a three-year term Jean-Charles Naouri, Marc Ladreit de Lacharrière and Matignon-Diderot, to be represented by Diane Coliche (see p. 183). Henri Giscard d'Estaing and Gilles Pinoncély, who have served on the Board for 12 and 13 years respectively, will not be proposed for re-election as directors. Instead, shareholders will be asked to elect them as non-voting directors. The Board will review the composition of the Committees accordingly.

If these proposals are approved by shareholders, the Board of Directors will have 13 members, including five independent directors (38.5%) and four women (31%) *versus* three previously (see below).

5.2.3. SUMMARY OF CHANGES IN THE COMPOSITION OF THE BOARD OF DIRECTORS AND THE COMMITTEES OF THE BOARD

Changes in the composition of the Board of Directors that took place in 2015 and those proposed at the upcoming Annual General Meeting are as follows:

	Annual General Meeting of 12 May 2015	Annual General Meeting of 13 May 2016
Term expired	Catherine Lucet(1) Sylvia Jay(1) Rose-Marie Van Lerberghe(1) Finatis (Michel Savart)	Jean-Charles Naouri Henri Giscard d'Estaing Matignon Diderot (Gérard Koenigheit) Marc Ladreit de Lacharrière Gilles Pinoncély
Re-elected	Catherine Lucet(1) Sylvia Jay(1) Finatis (Michel Savart)	Jean-Charles Naouri Marc Ladreit de Lacharrière Matignon Diderot (Diane Coliche)
Elected	Nathalie Andrieux(1) Cobivia (Jacques Dumas)	-

(1) Independent director.

Changes in the composition of the Committees of the Board in 2015 were as follows, with the creation of a third Committee:

	Until 7 July 2015	As from 7 July 2015
Audit Committee		
Chairman	Frédéric Saint-Geours[1]	Catherine Lucet[1]
Members	Catherine Lucet[1] Gérald de Roquemaurel[1] Gilles Pinoncély	Frédéric Saint-Geours[1] Gérald de Roquemaurel[1] Gilles Pinoncély
Appointments and Compensation Committee		
Chairman	Rose-Marie Van Lerberghe[1] [3]	Gérald de Roquemaurel[1]
Members	Henri Giscard d'Estaing[1] Gérald de Roquemaurel[1] David de Rothschild	Nathalie Andrieux[1] Henri Giscard d'Estaing[1]
Governance Committee[2]		
Chairman	-	Frédéric Saint-Geours[1] [3]
Members	-	Sylvia Jay[1] David de Rothschild

(1) Independent director.
(2) Committee set up on 7 July 2015.
(3) Lead Independent Director.

5.2.4. GENDER BALANCE ON THE BOARD OF DIRECTORS AND THE COMMITTEES OF THE BOARD

As of 8 March 2016, three of the 15 members of the Board of Directors were women, representing 20%.

As recommended in the Afep-Medef Code, in 2015 the Appointments and Compensation Committee continued to implement a selection procedure designed to raise the proportion of women to 40% by the 2016 Annual General Meeting.

Nathalie Andrieux was elected to the Board at the Annual General Meeting of 12 May 2015. The meeting also elected Cobivia as a corporate director representing the majority shareholder, pending completion of the procedure in progress at the time to select another female candidate. The selection procedure is still in progress and will not be completed in time for the Annual General Meeting on 13 May 2016. Matignon Diderot, a corporate director proposed for re-election at the Annual General Meeting on 13 May 2016, will be represented by a woman, Diane Coliche, whose expertise and experience are presented in the section "Information about Directors".

Consequently, the proportion of women on the Board will be increased from 31% (4 out of 13) after the 2016 Annual General Meeting to at least 40% at the latest by the 2017 Annual General Meeting, in accordance with the law.

The Board of Directors is also working to improve the gender balance on the Committees of the Board. As of 8 March 2016, each Committee includes one woman and the Audit Committee has been chaired by a woman, Catherine Lucet, since 7 July 2015.

5.2.5. INDEPENDENT DIRECTORS

In accordance with Afep-Medef Code recommendations, during the annual review of its composition, the Board of Directors considers the proposals of the Appointments and Compensation Committee and the opinion of the Governance Committee concerning the representation of independent directors.

In line with the definition contained in the Afep-Medef Code, the Board considers that a director is independent when he or she has no relationship of any kind whatsoever with the Company, its Group or the management of either that could compromise the independence of his or her judgment.

The situation of each director serving on the Board after the Annual General Meeting of 13 May 2016 (if the proposed resolutions concerning the Board's composition are approved) has been assessed in relation to all the independence criteria in the Afep-Medef Code. These criteria are as follows:

- criterion 1: not to be an employee or executive corporate officer of the Company, or an employee or director of its parent or a company that the latter consolidates, and not having been in such a position for the previous five years;
- criterion 2: not to be an executive corporate officer of a company in which the Company holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive corporate officer of the Company (currently in office or having held such office for less than five years) is a director;
- criterion 3: not to be, either directly or Indirectly, a customer, supplier, investment banker or commercial banker that is material to the Company or its Group, or for a significant part of whose business the Company or the Group accounts;
- criterion 4: not to be related by close family ties to a corporate officer;
- criterion 5: not to have been a Statutory Auditor of the Company within the previous five years;
- criterion 6: not to have been a director of the Company for more than twelve years (with loss of the status of independent director on the basis of this criterion occurring upon expiry of the term of office during which the 12-year limit is reached);
- Criterion 7: not to be, control or represent a shareholder that owns, alone or in concert, over 10% of the shares or 10% of the voting rights at General Meetings of the Company.

The Board pays particular attention to complying with the third criterion (absence of material business ties). Where business transactions or ties have been identified between the Company or the Group and companies in which directors who are qualified as independent hold executive positions or directorships, a number of qualitative and/or quantitative factors are generally taken into account by the Board to confirm their independence, including the materiality of the transactions for each of the parties, whether the director holds an executive position within the company concerned or has a stake in managing the relationship and whether the business relationship pre-dated his or her election to the Company's Board.

Five directors fulfil all of the independence criteria: Nathalie Andrieux, Sylvia Jay, Catherine Lucet, Gérald de Roquemaurel and Frédéric Saint-Geours.

Nathalie Andrieux, Sylvia Jay, Gérald de Roquemaurel and Frédéric Saint-Geours have no direct or indirect business relationship with the Company or Group that might compromise the independence of their judgment.

Concerning Catherine Lucet, the Board has confirmed its assessment that the business ties between the Editis/Nathan group of which she is an executive corporate officer and the Casino Group in France are not likely to colour her judgment on matters discussed by the Board or give rise to a conflict of interests. These business ties pre-date her election to the Casino Board by many years. All transactions are on arm's length terms and no potential conflict of interest has ever been raised. The Casino Group deals with over 30,000 suppliers and this type of purchase is managed independently by a dedicated subsidiary, EMC Distribution, or by the operating subsidiaries. Based on the Appointments and Compensation Committee's review of the parties' respective purchase and sale volumes with each other (which are not disclosed for reasons of commercial secrecy) compared to their total purchases and sales, the Board has moreover concluded that the transaction volumes are not material at the level of either party.

Catherine Lucet has also confirmed that she is not exposed to any conflict of interest and that, if any such conflict were to arise, she would refrain from taking part in Board decisions involving any of these companies in compliance with the Board's Charter.

Two other external directors chosen for their skills and experience – Marc Ladreit de Lacharrière and David de Rothschild – do not qualify as independent due to material business ties with the Group and/or its executive officers.

Six directors would represent the controlling shareholder – Jean-Charles Naouri, Chairman and Chief Executive Officer, Jacques Dumas, Didier Carlier, Didier Lévêque, Michel Savart and Diane Coliche – and thus do not have a voting majority on the Board.

The following table shows the situation of independence of each member of the Board of Directors in its proposed composition after the Annual General Meeting of 13 May 2016:

Directors	Criterion 1	Criterion 2	Criterion 3	Criterion 4	Criterion 5	Criterion 6	Criterion 7
INDEPENDENT DIRECTORS							
Nathalie Andrieux	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Lady Sylvia Jay	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Catherine Lucet	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Gérald de Roquemaurel	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Frédéric Saint-Geours	Yes	Yes	Yes	Yes	Yes	Yes	Yes
NON-INDEPENDENT DIRECTORS							
Marc Ladreit de Lacharrière[1]	Yes	Yes	No	Yes	Yes	No	Yes
David de Rothschild	Yes	Yes	No	Yes	Yes	No	Yes
Jean-Charles Naouri[1]	No	Yes	Yes	Yes	Yes	No	No
Jacques Dumas, representing Cobivia	No	Yes	Yes	Yes	Yes	Yes	No
Didier Carlier, representing Euris	No	Yes	Yes	Yes	Yes	Yes	No
Diane Coliche, representing Matignon Diderot[1]	No	Yes	Yes	Yes	Yes	Yes	No
Didier Lévêque, representing Foncière Euris	No	Yes	Yes	Yes	Yes	Yes	No
Michel Savart, representing Finatis	No	Yes	Yes	Yes	Yes	Yes	No

(1) Director proposed for re-election at the Annual General Meeting on 13 May 2016.

If the resolutions concerning the Board's composition are approved, after the Annual General Meeting of 13 May 2016 the Board will have 13 members, five of whom will be independent, *i.e.*, 38.5%. This exceeds the one-third minimum recommended by the Afep-Medef Code for controlled companies.

5.2.6. NON-VOTING DIRECTORS

Non-voting directors, elected 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 holding office as non-voting director is 80.

Pierre Giacometti, who was elected as a non-voting director on 3 March 2010, will retire from the Board at the Annual General Meeting of 13 May 2016. At that meeting, the Board will propose that Henri Giscard d'Estaing and Gilles Pinoncély be elected as non-voting directors (with Henri Giscard d'Estaing replacing Pierre Giacometti). These elections will enable the Board to continue to benefit from their large experience and expertise.

5.3. MANAGEMENT STRUCTURE

5.3.1. CHAIRMAN AND CHIEF EXECUTIVE OFFICER

At its meeting of 21 March 2005, the Board of Directors decided to combine the functions of Chairman of the Board and Chief Executive Officer. Since then, the Board has systematically renewed this decision and Jean-Charles Naouri has served as Chairman and Chief Executive Officer (and the Company's sole executive director).

Immediately after the Annual General Meeting of 13 May 2016, at which shareholders will be asked to re-elect Jean-Charles Naouri as a director, the Board of Directors will meet to decide whether the positions of Chairman and Chief Executive Officer should remain combined and to re-appoint Jean-Charles Naouri to this dual role.

In a highly-competitive, fast-changing environment, the Board believes that combining the roles of Chairman and Chief Executive Officer makes decision-making processes more efficient by strengthening the link between strategic planning and implementation.

However, Jean-Charles Naouri proposed that the Chief Executive Officer's powers should be restricted and a Lead Independent Director should be designated to ensure that the combined duties of Chairman of the Board of Directors and Chief Executive Officer are performed in compliance with the principles of sound governance. On 11 May 2012, the Board designated the Chairman of the Appointments and Compensation Committee as Lead Independent Director. Since the creation of the Governance Committee on 7 July 2015, the position has been held by the Chairman of this Committee (see p. 190).

The Governance Committee was set up by the Board to monitor changes in governance rules, oversee their application by the Group and their alignment with the Group's organisation. At the same time, a procedure was introduced for the systematic review of agreements between related parties by the Audit Committee prior to their signature. (See p. 191).

The Lead Independent Director ensures that combining the roles of Chairman and Chief Executive Officer does not have an adverse impact on such matters as the information given to directors, the inclusion of items of the agenda of Board meetings and the organisation of Board discussions and votes. He or she may submit to the Governance Committee any issues that come to light during the fulfilment of his or her missions. The Lead Independent Director's 2015 report is presented on p. 190.

The practices contributing to more balanced governance in 2015 can be summarised as follows:

- Board decisions are prepared by Committees of the Board that are chaired by independent directors: the Audit Committee, the Appointments and Compensation Committee and the Governance Committee chaired by the Lead Independent Director;
- the Afep-Medef Code's recommendations concerning the proportion of independent directors are complied with at the level of both the Board of Directors and the Committees of the Board;
- strategic transactions, other large transactions and specific issues are examined by the Audit Committee or by dedicated Committees made up of independent directors which may seek advice from independent experts;
- a meeting of non-executive directors is held once a year, led by the Lead Independent Director, to notably assess the Chairman and Chief Executive Officer's performance in his combined role and the Board's practices and procedures;
- a procedure has been introduced for the systematic review of agreements between related parties by the Audit Committee and a charter has been adopted;
- the Charters of the Board of Directors and the Committees of the Board are reviewed periodically and revised as necessary. This was the case in 2015 following the creation of the Governance Committee.

5.3.2. RESTRICTIONS ON THE POWERS OF THE CHIEF EXECUTIVE OFFICER – POWERS OF THE BOARD OF DIRECTORS

Article L. 225-56 of the French Commercial Code gives the Chief Executive Officer the broadest powers to act in the Company's name in all circumstances within the scope of the corporate purpose and except for those powers specifically vested in the shareholders in General Meetings or in the Board of Directors. The Chief Executive Officer represents the Company in its dealings with third parties.

In line with the principles of sound corporate governance, Jean-Charles Naouri proposed that certain management transactions should be submitted to the Board for prior authorisation in view of the type of transaction and/or the amounts involved. These restrictions ensure that the Board of Directors remains responsible for the most significant transactions, in line with the law and with corporate governance practices.

Specifically, the Chief Executive Officer is required to obtain the Board's prior authorisation for the following:

- transactions that may affect the strategy of the Company and its subsidiaries, their financial position or scope of business, including the signature or termination of any industrial or commercial agreements representing a significant future commitment for the Group;
- transactions representing over five hundred million euros (€500,000,000), including but not limited to:
  - investments in securities and immediate or deferred investments in any company or business venture,
  - sales of assets, rights or securities in exchange for securities or a combination of securities and cash,
  - acquisitions of real property or real property rights,
  - purchases or sales of receivables, customer relationships or other intangible assets,
  - issues of securities by direct or indirect controlled subsidiaries,
  - lending and borrowing transactions, including cash advances,
  - litigation settlements,
  - disposals of real property or real property rights,
  - full or partial divestments of equity interests,
  - granting of security interests.

As an exception to the above rules, the Chief Executive Officer may, on an exceptional basis and after seeking the opinion of the Audit Committee, carry out any transaction not exceeding 15% of consolidated equity as measured at the previous year-end. The Chief Executive Officer reports on any such transaction at the next Board meeting.

All of the above restrictions apply to transactions carried out by the Company directly or through its direct and indirect controlled subsidiaries, except for intra-group transactions.

The Chief Executive Officer is also given specific authorisations to issue all types of guarantees and to carry out financing transactions. These authorisations are renewed each year, most recently in December 2015 for 2016.

Under these authorisations, the Chief Executive Officer may issue guarantees to third parties in the Company's name for up to €1.5 billion per year and €500 million per commitment.

The Chief Executive Officer may also negotiate, accept and/or roll over, extend or renew loans, confirmed credit lines and syndicated and non-syndicated financing facilities for up to €3.5 billion per year and €500 million per transaction.

Furthermore, to cover seasonal financial needs, the Chief Executive Officer is authorised to negotiate, accept, roll over, extend or renew cash advances for up to €1 billion.

The Chief Executive Officer may also issue bonds or other debt securities (other than commercial paper) under the EMTN programme or otherwise for up to €3.5 billion, decide the terms and conditions of any such issues and carry out all related market transactions. He may also issue commercial paper for a maximum of €2 billion.

As well as these specific annual authorisations, the Chief Executive Officer may act in the Company's name to guarantee all commitments given by Casino Finance on behalf of third parties in respect of:

- the implementation of bond issues, issues of debt securities under Casino Finance's EMTN programme, commercial paper issues and/or issues of other debt securities, and the signature of loan agreements for all borrowings, confirmed lines of credit, financing facilities and cash advances within the same annual limits and limits per transaction defined above by the annual authorisations;
- foreign currency transactions and derivatives transactions covered by an ISDA master agreement or an FBF agreement signed by Casino Finance, up to €100 million per bank and €1.2 billion in total.

5.3.3. EXECUTIVE COMMITTEE

The Executive Committee, headed by the Chairman and Chief Executive Officer, is responsible for the day-to-day management of the Group's operations. It implements the strategy developed by the Board of Directors and the Chief Executive Officer. It helps to shape strategy, coordinates and shares initiatives, and tracks cross-functional projects to ensure the alignment of action plans deployed by the subsidiaries and operating divisions, and, in this capacity, sets priorities when necessary. It monitors the Group's results and financial position and draws up the Group's overall business plans. The Committee meets once a month.

The Executive Committee comprises 11 members, including the Chairman and Chief Executive Officer, the Chief Executive Officers of the Group's main subsidiaries and Directors of the corporate functions:

- Jean-Charles Naouri, Chairman and Chief Executive Officer;
- Hervé Daudin, Merchandise and Supply Chain Director, Chairman of EMC Distribution;
- Yves Desjacques, Corporate Human Resources Director;
- Carlos Mario Giraldo Moreno, Chairman of Grupo Éxito (Colombia);
- Antoine Giscard d'Estaing, Chief Financial Officer;
- Ronaldo Labrudi, Chief Executive Officer of GPA (Brazil);
- Jean-Paul Mochet, Chief Executive Officer of Franprix and Convenience Banners;
- Tina Schuler, Chief Executive Officer of Leader Price and Casino Supermarkets;
- Arnaud Strasser, Corporate Development and Holdings Director;
- Gérard Walter, Chief Executive Officer of Géant Casino;
- Julien Lagubeau, Chief Operating Officer and Committee Secretary.

5.4. INFORMATION ABOUT DIRECTORS

Jean-Charles Naouri

Chairman and Chief Executive Officer
(term expires at the AGM – proposed for re-election)

BORN

8 March 1949, aged 67

Nationality: French

BUSINESS ADDRESS

1, Esplanade de France

42000 Saint-Étienne, France

NUMBER OF CASINO SHARES HELD: 376

EXPERTISE AND EXPERIENCE

A graduate of École Normale Supérieure (majoring in science), Harvard University and École Nationale d'Administration, Jean-Charles Naouri began his career as an *Inspecteur Général des Finances* at the French Treasury. He was appointed Chief of Staff for the Minister of Social Affairs and National Solidarity in 1982, then Chief of Staff for the Minister of the Economy, Finance and Budget in 1984. In 1987, he founded Euris, which became the controlling shareholder of Rallye in 1991 and then of Casino in 1998. Jean-Charles Naouri has been Chairman and Chief Executive Officer of Casino since March 2005.

MAIN EXECUTIVE POSITIONS

Chairman and Chief Executive Officer of Casino, Guichard-Perrachon (listed company)

Chairman of Euris

DIRECTORSHIPS AND OTHER POSITIONS HELD WITHIN THE COMPANY

Directorship/position	First elected/appointed	Current term expires
Director	4 September 2003	13 May 2016 AGM
Chairman of the Board of Directors	4 September 2003	13 May 2016 AGM
Chief Executive Officer	21 March 2005	13 May 2016 AGM

OTHER DIRECTORSHIPS AND POSITIONS HELD IN 2015 AND AS OF 8 MARCH 2016

Within the Casino/Euris group	Outside the Casino/Euris group
• Chairman of the Board of Directors of Rallye (listed company); • Chairman of the Board of Directors and Director of Companhia Brasileira de Distribuição (listed company – Brazil); • Chairman and Chief Executive Officer of Casino Finance; • Vice-Chairman of Fondation d'Entreprise Casino; • Chairman of Fondation Euris.	• Director of F. Marc de Lacharrière (Fimalac) and member of the Selection, Nominations and Remunerations Committee; • Member of the Banque de France Advisory Committee; • Chairman of "Promotion des Talents", a non-profit organisation; • Honorary Chairman and Director of Institut de l'École Normale Supérieure.

OTHER DIRECTORSHIPS AND POSITIONS HELD IN THE PAST FIVE YEARS (EXCLUDING THOSE LISTED ABOVE)

- Chairman and member of the Board of Directors of Cnova N.V.* (listed company – Netherlands);
- Chairman and member of the Board of Directors of Wilkes Participações* (Brazil);
- Chief Executive Officer of Rallye (listed company);
- Member of the Supervisory Board of Monoprix SA.
- Chairman and Chief Executive Officer, then Chairman of the Board of Directors then Chairman of the Supervisory Board of Monoprix SA;
- Legal Manager of SCI Penthièvre Neuilly;
- Chairman of Fondation d'Entreprise Casino.

* *Until 2015.*

Nathalie Andrieux

Independent director

BORN

27 July 1965, aged 50

Nationality: French

BUSINESS ADDRESS

171, rue de l'Université

75007 Paris, France

NUMBER OF CASINO SHARES HELD: 375

EXPERTISE AND EXPERIENCE

Nathalie Andrieux is a graduate of École Supérieure d'Informatique (Sup'Info) and ESCP Europe. She joined La Poste Group in 1997, was appointed Chief Executive Office of Média Poste in 2004, Chairman of Média Poste in 2009 and Chairman of La Poste Numérique in 2012, a position she held until March 2015. Prior to joining La Poste, she held various positions in the Banque Populaire group, Casden (1993-1997) and Bred (1990-1993).

MAIN EXECUTIVE POSITION

Independent director of various companies

DIRECTORSHIPS AND POSITIONS HELD WITHIN THE COMPANY

Directorship/position	First elected/appointed	Current term expires
Director	12 May 2015	2018 AGM
Independent member of the Appointments and Compensation Committee	7 July 2015	2018 AGM

OTHER DIRECTORSHIPS AND POSITIONS HELD IN 2015 AND AS OF 8 MARCH 2016

Outside the Casino group

- Member of the Supervisory Board and Member of the Audit Committee of Lagardère (listed company);
- Member of the Conseil National du Numérique;
- Member of the Scientific Board of Institut Mines Telecom.

OTHER DIRECTORSHIPS AND POSITIONS HELD IN THE PAST FIVE YEARS (EXCLUDING THOSE LISTED ABOVE)

- Chairman of Cabestan, Financière Adverline, Matching, MDP 1, Media Prisme, Mediapost, Mediapost Holding*, Mediapost Multicanal, Mediapost Publicité and SMP;
- Chairman and Chief Executive Officer of Mediapost;
- Chairman of the Board of Directors of Adverline, Mediapost and Mix Commerce;
- Chairman of the Board of Directors of Mediapost Hit Mail (Romania), Mediapost SGPS (Portugal) and Mediapost Spain (Spain);
- Director of Docapost*, Maileva* and Mix Commerce*;
- Director of Mediapost Hit Mail (Romania), Mediapost SGPS (Portugal) and Mediapost Spain (Spain);
- Permanent representative of Financière Adverline as Chairman of Adverline;
- Permanent representative of SMP as Chairman of Financière Sogec Marketing;
- Member of the Strategy Committee of Cabestan*, Matching*, Mediapost*, Media Prisme*, Mediapost Publicité*, Neopress and SMP*;
- Member of the Investment Committee of Xange Capital 2*;
- Member of the Supervisory Board of La Banque Postale and Xange Private Equity*;
- Member of the Strategy Committee of La Banque Postale and Idenum*;
- Member of the Executive Committee of Mediapost Multicanal.

* *Until 2015.*

Henri Giscard d'Estaing

Independent director
(term as director expires at the AGM – proposed for election as a non-voting director)

BORN

17 October 1956, aged 59

Nationality: French

BUSINESS ADDRESS

11, rue de Cambrai

75019 Paris, France

NUMBER OF CASINO SHARES HELD: 313

EXPERTISE AND EXPERIENCE

Henri Giscard d'Estaing is a graduate of the Institut d'Études Politiques de Paris and holds a Master's degree in economics. He began his career in 1982 with Cofremca, where he was associate director specialising in the study of food-consumer behaviour patterns and their impact on marketing and strategy. In 1987, he joined the Danone group as Head of business development, subsequently becoming Managing Director of UK subsidiary HP Food Lea & Perrins, then Chief Executive Officer of Évian-Badoit and lastly director of the Mineral Waters division. In 1997, he joined Club Méditerranée where he was successively Deputy Chief Executive Officer in charge of Finance, Business Development and International Relations (1997-2001), Chief Executive Officer (2001-2002), Chairman of the Management Board (2002-2005) and Chairman and Chief Executive Officer (2005 to date).

MAIN EXECUTIVE POSITION

Chairman and Chief Executive Officer of Club Méditerranée

DIRECTORSHIPS AND OTHER POSITIONS HELD WITHIN THE COMPANY

Directorship/position	First elected/appointed	Current term expires
Director	8 April 2004	13 May 2016 AGM
Independent member of the Appointments and Compensation Committee	9 December 2003	13 May 2016 AGM

OTHER DIRECTORSHIPS AND POSITIONS HELD IN 2015 AND AS OF 8 MARCH 2016

Outside the Casino group	
Within the Club Méditerranée group	**Outside the Club Méditerranée group**
• Chairman and founding director of Fondation d'Entreprise Club Méditerranée; • Chairman of Club Med Invest; • Chairman and director of Club Med Holding.	• Member of the Supervisory Board of Randstad (listed company – Netherlands).

OTHER DIRECTORSHIPS AND POSITIONS HELD IN THE PAST FIVE YEARS (EXCLUDING THOSE LISTED ABOVE)

- Director of ADP (listed company), Holiday Hôtels AG (Switzerland) and Carthago (Tunisia).

Lady Sylvia Jay

Independent director

BORN

1 November 1946, aged 69

Nationality: British

BUSINESS ADDRESS

38 Markham Street

London SW3 3NR, United Kingdom

NUMBER OF CASINO SHARES HELD: 400

EXPERTISE AND EXPERIENCE

Lady Sylvia Jay, Commander of the Order of the British Empire, is a graduate of the University of Nottingham and a researcher at the London School of Economics. She held various positions as a senior civil servant in the British civil service between 1971 and 1995, being involved in particular in financial aid to developing countries. She was seconded to the French Ministry of Cooperation and the French Treasury and was later Assistant Director in Jacques Attali's office at the European Bank for Reconstruction and Development. She entered the private sector in 2001, as Chief Executive Officer of the UK Food and Drink Federation. In 2005, she became Vice-Chairman of L'Oréal UK & Ireland and in 2011, she was appointed Chairman of L'Oréal UK & Ireland, a position she held until August 2013.

MAIN EXECUTIVE POSITION

Independent director of various companies

DIRECTORSHIPS AND POSITIONS HELD WITHIN THE COMPANY

Directorship/position	First elected/appointed	Current term expires
Director	11 May 2012	2018 AGM
Independent member of the Governance Committee	7 July 2015	2018 AGM

OTHER DIRECTORSHIPS AND POSITIONS HELD IN 2015 AND AS OF 8 MARCH 2016

Outside the Casino group

- Director of Saint-Gobain (listed company);
- Director of Lazard Ltd (listed company – United States).

OTHER DIRECTORSHIPS AND POSITIONS HELD IN THE PAST FIVE YEARS (EXCLUDING THOSE LISTED ABOVE)

- Vice-Chairman then Chairman of L'Oréal UK & Ireland;
- Director of Alcatel-Lucent (listed company);
- Trustee of the Body Shop Foundation;
- Chairman of the Pilgrim Trust*;
- Trustee of the Entente Cordiale Scholarship Scheme and the Prison Reform Trust.

* *Until 2015.*

Marc Ladreit de Lacharrière

Director
(term expires at the AGM – proposed for re-election)

BORN

6 November 1940, aged 75

Nationality: French

BUSINESS ADDRESS

97, rue de Lille

75007 Paris, France

NUMBER OF CASINO SHARES HELD: 600

EXPERTISE AND EXPERIENCE

A graduate of the École Nationale d'Administration, Marc Ladreit de Lacharrière began his career with 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 the 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. In March 1991, he left L'Oréal to found his own company, Fimalac.

MAIN EXECUTIVE POSITION

Chairman and Chief Executive Officer of Fimalac (listed company)

DIRECTORSHIPS AND OTHER POSITIONS HELD WITHIN THE COMPANY

Directorship/position	First elected/appointed	Current term expires
Director	4 September 2003	13 May 2016 AGM

OTHER DIRECTORSHIPS AND POSITIONS HELD IN 2015 AND AS OF 8 MARCH 2016

Outside the Casino group

Within the Fimalac group	Outside the Fimalac group
• Chairman of Fitch Group (United States); • Chairman of the Management Board of Groupe Marc de Lacharrière; • Chairman of the Supervisory Board of Webedia; • Legal Manager of Fimalac Participations (Luxembourg); • Director of Gilbert Coullier Productions, Groupe Lucien Barrière and Société Fermière du Casino Municipal de Cannes (listed company).	• Director of Renault (listed company); • Permanent representative of Fimalac on the Board of Directors of NextRadioTV (listed company); • 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; • Chairman of Fondation Culture et Diversité; • Member of the Fondation des Sciences Politiques and the Conseil Artistique des Musées Nationaux; • Member of the Institut de l'Académie des Beaux-Arts.

OTHER DIRECTORSHIPS AND POSITIONS HELD IN THE PAST FIVE YEARS (EXCLUDING THOSE LISTED ABOVE)

- Chairman of Fitch Ratings (United States);
- Member of Fondation Bettencourt-Schueller and Fondation d'Entreprise L'Oréal;
- Member of Musée des Arts Décoratifs (non-profit organisation);
- Director of L'Oréal (listed company).

Catherine Lucet

Independent director

BORN

3 February 1959, aged 57

Nationality: French

BUSINESS ADDRESS

25, avenue Pierre-de-Coubertin
75013 Paris, France

NUMBER OF CASINO SHARES HELD: 445

EXPERTISE AND EXPERIENCE

Catherine Lucet is a graduate of École Polytechnique (1979) and École des Mines de Paris (1984) and holds an MBA from INSEAD (1987). She began her career as an analyst at the Analysis and Forecasting Centre of the French Ministry of Foreign Affairs. She joined McKinsey in 1986 as a consultant, and was then appointed project manager. In 1991, she was appointed Chief Executive Officer of Éditions Harlequin, subsidiary of Éditions Hachette and of Canadian publisher Torstar. In 1996, she joined the Anglo-Dutch group Reed Elsevier where she headed their French scientific and medical publishing subsidiary until 2001, when she left to join the Vivendi Group as Chief Executive Officer of Éditions Nathan. Catherine Lucet is now a member of the Executive Committee of Editis, Chief Executive Officer of its Education and Reference division which includes Éditions Nathan, Bordas, Clé, Retz and the Le Robert dictionaries, and Chairman of Éditions Nathan. Since 2010, she has also served as Vice-Chairman of the Cap Digital business cluster.

MAIN EXECUTIVE POSITION

Chief Executive Officer of the Education and Reference division of Editis

DIRECTORSHIPS AND POSITIONS HELD WITHIN THE COMPANY

Directorship/position	First elected/appointed	Current term expires
Director	28 February 2011	2018 AGM
Chairman of the Audit Committee	7 July 2015	2018 AGM
Independent member of the Audit Committee	19 June 2012	2018 AGM

OTHER DIRECTORSHIPS AND POSITIONS HELD IN 2015 AND AS OF 8 MARCH 2016

Outside the Casino group	
Within the Editis group	**Outside the Editis group**
• Chairman of S.e.j.e.r.; • Chairman and Chief Executive Officer of Librairie Fernand Nathan.	• Director of Cap Digital, a French business cluster for digital transformation; • Member of the Supervisory Board of Brill (Netherlands).

OTHER DIRECTORSHIPS AND POSITIONS HELD IN THE PAST FIVE YEARS (EXCLUDING THOSE LISTED ABOVE)

• Chairman and Chief Executive Officer of Paraschool; • Chairman of Dokeo TV.	• Director of Dictionnaires Le Robert.

Gilles Pinoncély

Director
(term as director expires at the AGM – proposed for election as a non-voting director)

BORN

5 January 1940, aged 76

Nationality: French

BUSINESS ADDRESS

1, Esplanade de France

42000 Saint-Étienne, France

NUMBER OF CASINO SHARES HELD: 4,000 shares with full title and 21,000 shares with a beneficial interest

EXPERTISE AND EXPERIENCE

A graduate of the École Supérieure d'Agriculture de Purpan in Toulouse, Gilles Pinoncély began his career with L'Épargne, which was acquired by the Casino group in 1970. He was appointed fondé de pouvoir in 1976, Managing Partner of Casino in 1981, then Statutory Manager in 1990. He became a member of Casino's Supervisory Board in 1994, then a member of the Board of Directors in 2003.

MAIN EXECUTIVE POSITION

Company director

DIRECTORSHIPS AND OTHER POSITIONS HELD WITHIN THE COMPANY

Directorship/position	First elected/appointed	Current term expires
Director	4 September 2003	13 May 2016 AGM
Member of the Audit Committee	19 May 2005	13 May 2016 AGM

OTHER DIRECTORSHIPS AND POSITIONS HELD IN 2015 AND AS OF 8 MARCH 2016

Outside the Casino group

- Director of Financière Célinor (Vie & Véranda);
- Director of the Centre Long Séjour Sainte-Élisabeth.

OTHER DIRECTORSHIPS AND POSITIONS HELD IN THE PAST FIVE YEARS (EXCLUDING THOSE LISTED ABOVE)

- Director of Monoprix

Gérald de Roquemaurel

Independent director

BORN

27 March 1946, aged 70

Nationality: French

BUSINESS ADDRESS

Rue de Belle Vue, 64

Brussels 1000, Belgium

NUMBER OF CASINO SHARES HELD: 400

EXPERTISE AND EXPERIENCE

Gérald de Roquemaurel has a law degree, is a graduate of Institut d'Études Politiques de Paris and an alumnus of the École Nationale d'Administration (1970-1972). A direct descendant of Louis Hachette (founder of Librairie Hachette), he joined Publications Filipacchi in 1972 and became director of Paris-Match in 1976. In 1981, he was appointed Vice-Chairman and Chief Executive Officer of Groupe Presse Hachette (which became Hachette Filipacchi Presse in 1992). From 1983 to 1985, he was responsible for the Group's international expansion and in 1984, became director and Chief Executive Officer of Publications Filipacchi (later Filipacchi Medias) and then a member of the Executive and Strategy Committee of Lagardère SCA, a director of Hachette SA, and Legal Manager of NMPP. On 18 June 1997, he was appointed Chairman and Chief Executive Officer of Hachette Filipacchi Médias, then in 1998, Chief Operating Officer of the Lagardère Group in charge of the media division. In April 2001, he became Chairman of FIPP (Fédération Internationale de la Presse Périodique) for two years. In June 2001, he was appointed Chairman of Club de la Maison de la Chasse et de la Nature. In early 2007, he became Managing Partner of HR Banque and in January 2009, he was appointed Senior Partner of Arjil. On 15 December 2012, he was appointed Legal Manager of BGR Partners, Arjil's partner in Belgium. In September 2015, he resigned from his position with Arjil and became Senior Advisor at Messiers-Maris.

MAIN EXECUTIVE POSITION

Legal Manager of BGR Partners

DIRECTORSHIPS AND POSITIONS HELD WITHIN THE COMPANY

Directorship/position	First elected/appointed	Current term expires
Director	31 May 2006	2017 AGM
Lead Independent Director	7 July 2015	2017 AGM
Chairman of the Appointments and Compensation Committee	7 July 2015	2017 AGM
Independent member of the Appointments and Compensation Committee	31 May 2006	2017 AGM

OTHER DIRECTORSHIPS AND POSITIONS HELD IN 2015 AND AS OF 8 MARCH 2016

Outside the Casino group

- Member of the Supervisory Board of Baron Philippe de Rothschild SA.

OTHER DIRECTORSHIPS AND POSITIONS HELD DURING THE PAST FIVE YEARS (EXCLUDING THOSE LISTED ABOVE)

- Director of Musée des Arts Décoratifs (non-profit organisation) and of Nakama (Skyrock);
- Vice-Chairman of Presse Liberté (non-profit organisation)*.

* *Until 2015.*

David de Rothschild

Director

BORN

15 December 1942, aged 73

Nationality: French

BUSINESS ADDRESS

29, avenue de Messine

75008 Paris, France

NUMBER OF CASINO SHARES HELD: 400

EXPERTISE AND EXPERIENCE

David de Rothschild has run the Rothschild & Co. group (formerly Paris-Orléans) since 2003. He has been Chairman of Rothschild & Co Gestion SAS and Statutory Managing Partner of Rothschild & Co. since June 2012. He is a descendant of Mayer Amschel Rothschild, founder of the Rothschild dynasty, and of Baron James de Rothschild, who created the bank in Paris in 1812. David de Rothschild has worked in banking for 40 years, gaining experience in the various branches of the family business. Banque Rothschild, which was created by James de Rothschild in 1812 under the name Rothschild Frères, was nationalised in 1981. In 1986, David de Rothschild and his cousin Eric de Rothschild were authorised to create a new Rothschild bank in France following the 1981 nationalisation, and in 2003 were able to merge the family's UK and French businesses. David de Rothschild is a graduate of Institut d'Études Politiques de Paris.

MAIN EXECUTIVE POSITIONS

Chairman of Rothschild & Co. Gestion, Legal Manager of Rothschild & Co.

Permanent representative of Rothschild & Co. Gestion as Managing Partner of RCB Gestion, Lead Statutory Manager of Rothschild & Cie Gestion, Rothschild & Cie Banque and Rothschild & Cie.

Legal Manager of Rothschild & Cie Banque.

Managing Partner of Rothschild & Cie.

DIRECTORSHIPS AND POSITIONS HELD WITHIN THE COMPANY

Directorship/position	First elected/appointed	Current term expires
Director	4 September 2003	2017 AGM
Member of the Governance Committee	7 July 2015	2017 AGM

OTHER DIRECTORSHIPS AND POSITIONS HELD IN 2015 AND AS OF 8 MARCH 2016

Outside the Casino group	
Within the Rothschild group	**Outside the Rothschild group**
• Chairman of Rothschild Concordia, SCS Holding, Rothschild & Co Commandité, RCG Partenaires, RCI Partenaires, Cavour, Verdi, Aida, Financière Rabelais, Paris Orléans Holding Bancaire (POHB), Financière de Reux and Financière de Tournon; • Managing Partner of Rothschild & Cie; • Managing Partner of RCB Partenaires; • Legal Manager of Bero and Rothschild & Cie Banque; • Permanent representative of Rothschild & Co. Gestion as Managing Partner of RCB Gestion; • Sole director of GIE Sagitas; • Chairman of Rothschild Europe BV (Netherlands); • Vice-Chairman of Rothschild Bank AG (Switzerland) and Rothschild Concordia AG (Switzerland); • Member of the Board of Directors of Rothschilds Continuation Holdings AG (Switzerland), Rothschild Holding AG (Switzerland), Continuation Investments NV (Netherlands) and Rothschild Employee Trustees Ltd (United Kingdom).	• Managing Partner of Rothschild Ferrières, SCI 2 Square Tour Maubourg, Société Civile du Haras de Reux; • Director of Compagnie Financière Martin-Maurel; • Sole director of GIE Five Arrows Messieurs de Rothschild Frères.

OTHER DIRECTORSHIPS AND POSITIONS HELD IN THE PAST FIVE YEARS (EXCLUDING THOSE LISTED ABOVE)

- Chairman of RCG Gestion, RCB Gestion, RCBP Gestion, RCI Gestion and Norma;
- Chairman of NM Rothschild & Sons Ltd (United Kingdom), Rothschilds Continuation Holdings AG (Switzerland) and Rothschild North America Inc.* (United States);
- Director of Edmond de Rothschild*;
- Member of the Remuneration and Nomination Committee of Rothschilds Continuation Holdings AG (Switzerland);
- Member of the Board of Directors of De Beers SA (Luxembourg) and Rothschild Asia Holdings Ltd (China).

* *Until 2015.*

Frédéric Saint-Geours

Independent director

BORN

20 April 1950, aged 66

Nationality: French

BUSINESS ADDRESS

75, avenue de la Grande-Armée

75116 Paris, France

NUMBER OF CASINO SHARES HELD: 350

EXPERTISE AND EXPERIENCE

Frédéric Saint-Geours has a degree in economics, is a graduate of Institut d'Études Politiques de Paris and an alumnus of École Nationale d'Administration. After a career with the Ministry of Finance and in the offices of the President of the National Assembly and the Secretary of State for the Budget (1975 to 1986), he joined the PSA Peugeot Citroën Group in 1986 as Deputy Chief Financial Officer and became Chief Financial Officer of the Group in 1988. From 1990 to 1997, he was Deputy Chief Executive Officer of Automobiles Peugeot, where he was appointed Chief Executive Officer in early 1998. He was a member of the Management Board of PSA Peugeot Citroën from July 1998 to December 2007. In January 2008, he was appointed Advisor to the Chairman of the Management Board of PSA Peugeot Citroën and member of the Management Committee. He was elected Chairman of the UIMM trade federation on 20 December 2007. As from 2009, he was successively a member of the Management Board of Peugeot SA, Chief Financial Officer and Head of Strategy for the PSA Peugeot Citroën Group, head of the Peugeot and Citroën brands and Special Advisor to the Chairman of the Management Board of PSA Peugeot Citroën. In September 2013, he was elected Chairman of Groupe des Fédérations Industrielles (GFI). In November 2014, France's Council of Ministers appointed him as Chairman of the Supervisory Board of SNCF, an appointment that was renewed in July 2015.

MAIN EXECUTIVE POSITION

Chairman of the Supervisory Board of SNCF

DIRECTORSHIPS AND POSITIONS HELD WITHIN THE COMPANY

Directorship/position	First elected/appointed	Current term expires
Director	31 May 2006	2017 AGM
Lead Independent Director	7 July 2015	2017 AGM
Independent member of the Audit Committee	31 May 2006	2017 AGM
Chairman and independent member of the Governance Committee	7 July 2015	2017 AGM

OTHER DIRECTORSHIPS AND POSITIONS HELD IN 2015 AND AS OF 8 MARCH 2016

Outside the Casino group

- Director of BPIFrance Investissement;
- Director of BPIFrance Participations.

OTHER DIRECTORSHIPS AND POSITIONS HELD IN THE PAST FIVE YEARS (EXCLUDING THOSE LISTED ABOVE)

- Chairman 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;
- Chairman of the Supervisory Board of Peugeot Finance International NV (Netherlands);
- Vice-Chairman and Managing Director of PSA International SA (Switzerland);
- Director of Faurecia;
- Director of Gefco;
- Director of PCMA Holding BV (Netherlands);
- Permanent representative of Peugeot SA on the Board of Directors of Automobiles Peugeot;
- Director of Changan PSA Automobiles Co Ltd (China);
- Chairman of the Union des Industries et des Métiers de la Métallurgie;
- Chairman of Groupe des Fédérations Industrielles.

Cobivia

Director
Société par actions simplifiée *with share capital of €31,812,000*

REGISTERED OFFICE

83, rue du Faubourg-Saint-Honoré

75008 Paris, France

Registration no. 318 906 146 R.C.S. Paris

NUMBER OF CASINO SHARES HELD: 9,100,999

DIRECTORSHIPS AND OTHER POSITIONS HELD WITHIN THE COMPANY

Directorship/position	First elected/appointed	Current term expires
Director	12 May 2015	2018 AGM

OTHER DIRECTORSHIPS AND POSITIONS HELD IN 2015 AND AS OF 8 MARCH 2016

Within the Casino/Euris group

- None

OTHER DIRECTORSHIPS AND POSITIONS HELD IN THE PAST FIVE YEARS (EXCLUDING THOSE LISTED ABOVE)

- None

Jacques Dumas

Appointed on 12 May 2015
Permanent representative of Cobivia

BORN

15 May 1952, aged 63

Nationality: French

BUSINESS ADDRESS

148, rue de l'Université

75007 Paris, France

EXPERTISE AND EXPERIENCE

Jacques Dumas has a Master's degree in law and is a graduate of Institut d'Etudes Politiques de Lyon. He began his career in the Legal department of Compagnie Française de l'Afrique Occidentale (CFAO) before becoming Administrative Director (1978-1986). He left CFAO to take up a position as Deputy Company Secretary of Rallye Group (1987) and subsequently moved to the Euris Group as Legal Affairs Director (1994). He is currently Deputy Chief Executive Officer of Euris and Advisor to the Chairman of Casino Guichard-Perrachon.

MAIN EXECUTIVE POSITIONS

Advisor to the Chairman of Casino Guichard-Perrachon

Deputy Chief Executive Officer of Euris

OTHER DIRECTORSHIPS AND POSITIONS HELD IN 2015 AND AS OF 8 MARCH 2016

Within the Casino/Euris group	**Outside the Casino/Euris group**
• Director and member of the Appointments and Compensation Committee of Rallye (listed company); • Director and member of the Audit Committee of Mercialys (listed company); • Member of the Supervisory Board of Monoprix; • Permanent representative of Euris on the Board of Directors of Finatis (listed company) and member of the Audit Committee;	• Legal Manager of SCI Cognac-Parmentier and SCI Longchamp-Thiers.

OTHER DIRECTORSHIPS AND POSITIONS HELD IN THE PAST FIVE YEARS (EXCLUDING THOSE LISTED ABOVE)

- Chairman of GreenYellow*;
- Chairman and member of the Supervisory Board of Leader Price Holding;
- Vice-Chairman and member of the Supervisory Board of Franprix Holding;
- Vice-Chairman and member of the Supervisory Board of Monoprix SA;
- Permanent representative of Casino, Guichard-Perrachon on the Board of Directors of Monoprix SA;
- Permanent representative of Casino, Guichard-Perrachon on the Supervisory Board of Monoprix SA;
- Permanent representative of Distribution Casino France on the Board of Directors of Distribution Franprix;
- Permanent representative of Matignon Diderot on the Board of Directors of Finatis (listed company);
- Permanent representative of Messidor SNC on the Board of Directors of CDiscount;
- Permanent representative of Retail Leader Price Investissement (RLPI) on the Board of Directors of Clignancourt Discount;
- Permanent representative of Germinal SNC as Chairman of Théïadis.

* *Until 2015.*

Euris

Director
Société par actions simplifiée *with share capital of €164,806*

REGISTERED OFFICE

83, rue du Faubourg-Saint-Honoré

75008 Paris, France

Registration no. 348 847 062 R.C.S. Paris

NUMBER OF CASINO SHARES HELD: 365

DIRECTORSHIPS AND OTHER POSITIONS HELD WITHIN THE COMPANY

Directorship/position	First elected/appointed	Current term expires
Director	4 September 2003	2017 AGM

OTHER DIRECTORSHIPS AND POSITIONS HELD IN 2015 AND AS OF 8 MARCH 2016

Within the Casino group

- Director of Finatis, Foncière Euris and Rallye (listed companies).

OTHER DIRECTORSHIPS AND POSITIONS HELD IN THE PAST FIVE YEARS (EXCLUDING THOSE LISTED ABOVE)

- None

Didier Carlier

Appointed on 2 March 2006
Permanent representative of Euris

BORN

5 January 1952, aged 64

Nationality: French

BUSINESS ADDRESS

83, rue du Faubourg-Saint-Honoré

75008 Paris, France

EXPERTISE AND EXPERIENCE

Didier Carlier is a graduate of École Supérieure de Commerce de Reims and a qualified accountant. He began his career in 1975 at Arthur Andersen in the Audit department, rising to the position of Manager. He subsequently became Corporate Secretary of Équipements Mécaniques Spécialisés and then Chief Financial Officer of the Hippopotamus restaurant group. He then joined the Rallye Group as Chief Financial Officer in 1994 and was appointed Deputy Chief Executive Officer in January 2002. He was appointed Chief Executive Officer of Rallye on 28 February 2013.

MAIN EXECUTIVE POSITION

Chief Executive Officer of Rallye (listed company)

OTHER DIRECTORSHIPS AND POSITIONS HELD IN 2015 AND AS OF 8 MARCH 2016

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, L'Habitation Moderne de Boulogne, Les Magasins Jean, Matignon Sablons and Parande; • Chairman and Chief Executive of MFD, Inc. (United States); • Representative of Parande as Chairman of Pargest and Parinvest; • Permanent representative of Matignon Sablons on the Board of Directors of Groupe Go Sport; • Legal Manager of SCI de Kergorju, SCI des Sables and SCI des Perrières.	• Legal Manager of SC Dicaro.

OTHER DIRECTORSHIPS AND POSITIONS HELD IN THE PAST FIVE YEARS (EXCLUDING THOSE LISTED ABOVE)

• Chairman and Chief Executive Officer of Colisée Finance VI; • Chairman of Kerrous, Genty Immobilier et Participations, Marigny Percier, Colisée Finance IV and Colisée Finance V; • Chief Executive of Limpart Investments BV (Netherlands); • Permanent representative of Foncière Euris on the Board of Directors of Rallye (listed company);	• Permanent representative of Matignon Diderot on the Board of Directors of Rallye (listed company); • President of Crapon LLC, King LLC, Lobo I LLC, Oregon LLC, Parker I LLC, Pointer I LLC, Sharper I LLC and Summit I LLC (United States).

Finatis

Director
Société anonyme *with share capital of €84,852,900*

REGISTERED OFFICE

83, rue du Faubourg-Saint-Honoré

75008 Paris, France

Registration no. 712 039 163 R.C.S. Paris

NUMBER OF CASINO SHARES HELD: 380

DIRECTORSHIPS AND OTHER POSITIONS HELD WITHIN THE COMPANY

Directorship/position	First elected/appointed	Current term expires
Director	15 March 2005	2018 AGM

OTHER DIRECTORSHIPS AND POSITIONS HELD IN 2015 AND AS OF 8 MARCH 2016

Within the Casino group

- Director of Carpinienne de Participations, Foncière Euris and Rallye (listed companies)

OTHER DIRECTORSHIPS AND POSITIONS HELD IN THE PAST FIVE YEARS (EXCLUDING THOSE LISTED ABOVE)

- None

Michel Savart

Appointed on 28 February 2011
Permanent representative of Finatis

BORN

1 April 1962, aged 54

Nationality: French

BUSINESS ADDRESS

83, rue du Faubourg Saint-Honoré

75008 Paris, France

EXPERTISE AND EXPERIENCE

Michel Savart is a graduate of École Polytechnique and École Nationale Supérieure des Mines de Paris. He began his career with Havas in 1986, and joined Banque Louis Dreyfus as project manager in 1987 and Banque Arjil (Lagardère group) in 1988, where he was project manager then Advisor to the Management Board until 1994. He joined Dresdner Kleinwort Benson (DKB) in 1995, where he was notably Managing Director in charge of mergers and acquisitions until 1999. He joined the Euris-Rallye Group in October 1999 as Director – Advisor to the Chairman, in charge of private equity investments. He is currently Advisor to the Chairman of the Rallye-Casino Group. He has also been Chairman and Chief Executive Officer of Foncière Euris since August 2009.

MAIN EXECUTIVE POSITIONS

Advisor to the Chairman of the Rallye-Casino group

Chairman and Chief Executive Officer of Foncière Euris (listed company)

OTHER DIRECTORSHIPS AND POSITIONS HELD IN 2015 AND AS OF 8 MARCH 2016

Within the Casino/Euris group	Outside the Casino/Euris group
• Chairman of the Board of Centrum Riviera Sp Zoo (Poland); • Permanent representative of Rallye on the Board of Directors of Groupe Go Sport; • Representative of Foncière Euris as Chairman of Marigny Foncière, Mat-Bel 2 and Matignon Abbeville; • Representative of Marigny Foncière as co-Legal Manager of SCI Les Deux Lions and SCI Ruban Bleu Saint-Nazaire and Legal Manager of SCI Pont de Grenelle and SNC Centre Commercial Porte de Châtillon; • Representative of Mat-Bel 2 as Legal Manager of Marigny Fenouillet, Immat Bel and Matbelys; • Representative of Fenouillet Participation as Legal Manager of Fenouillet Immobilier; • Representative of Marigny Fenouillet as Legal Manager of Fenouillet Participation; • Co-Legal Manager of Guttenbergstrasse BAB5 GmbH (Germany).	• Director, member of the Investment Committee and member of the Appointments and Compensation Committee of Mercialys (listed company); • Chairman of Aubriot Investissements; • Legal Manager of Montmorency.

OTHER DIRECTORSHIPS AND POSITIONS HELD IN THE PAST FIVE YEARS (EXLUDING THOSE LISTED ABOVE)

- Chairman of the Board of Directors of Mercialys (listed company);
- Chairman of the Board of Centrum Wzgorze Sp Zoo (Poland)
- Director of CDiscount;
- Representative of Foncière Euris as Chairman of Marigny Élysées, Marigny Belfort, Matignon-Bail and Matignon Corbeil Centre;
- Representative of Foncière Euris as Legal Manager of SCI Sofaret and SCI Les Herbiers;
- Representative of Matignon Abbeville as Manager of Centrum Z Sarl, Centrum K Sarl* and Centrum J Sarl* and Manager A of Centrum NS Luxembourg Sarl*;
- Representative of Marigny Foncière as Chairman of Mat-Bel 2*;
- Legal Manager of Aubriot Investissements;
- Co-Legal Manager of Alexa Holding GmbH, Alexa Shopping Centre GmbH, Alexanderplatz Voltairestrasse GmbH, Einkaufszentrumam Alex GmbH* and Loop 5 Shopping Centre GmbH** (Germany).

** Until 2015.*

*** Until January 2016.*

Foncière Euris

Director
Société anonyme *with share capital of €149,578,110*

REGISTERED OFFICE

83, rue du Faubourg-Saint-Honoré

75008 Paris, France

Registration no. 702 023 508 R.C.S. Paris

NUMBER OF CASINO SHARES HELD: 365

DIRECTORSHIPS AND OTHER POSITIONS HELD WITHIN THE COMPANY

Directorship/position	First elected/appointed	Current term expires
Director	29 April 2010	2017 AGM

OTHER DIRECTORSHIPS AND POSITIONS HELD IN 2015 AND AS OF 8 MARCH 2016

Within the Casino group

- Chairman of Matignon Abbeville, Marigny Foncière and Mat-Bel 2;
- Director of Rallye (listed company).

OTHER DIRECTORSHIPS AND POSITIONS HELD IN THE PAST FIVE YEARS (EXCLUDING THOSE LISTED ABOVE)

- Chairman of Marigny-Elysées, Matignon Bail, Matignon Corbeil Centre and Marigny Belfort;
- Legal Manager of SCI Sofaret and SCI Les Herbiers.

Didier Lévêque

Appointed on 29 April 2010

Permanent representative of Foncière Euris

BORN

20 December 1961, aged 54

Nationality: French

BUSINESS ADDRESS

83, rue du Faubourg-Saint-Honoré

75008 Paris, France

EXPERTISE AND EXPERIENCE

Didier Lévêque is a graduate of École des Hautes Études Commerciales. From 1985 to 1989, he was research manager for the Finance Department of Roussel-Uclaf. He joined the Euris Group in 1989 as deputy Corporate Secretary and was appointed Corporate Secretary in 2008.

MAIN EXECUTIVE POSITIONS

Corporate Secretary of Euris

Chairman and Chief Executive Officer of Finatis (listed company)

OTHER DIRECTORSHIPS AND POSITIONS HELD IN 2015 AND AS OF 8 MARCH 2016

Within the Casino/Euris group

- Chairman and Chief Executive Officer of Carpinienne de Participations (listed company), Euris North America Corporation (ENAC), Euristates Inc., Euris Real Estate Corporation (EREC) and Parande Brooklyn Corp. (United States);
- Chairman of Par-Bel 2 and Matignon Diderot;
- Vice-Chairman and Non-executive Director of the Board of Directors of Cnova NV (listed company – Netherlands);
- Director of Euris Limited (United Kingdom);
- Member of the Supervisory Board of Centrum Baltica, Centrum Development, Centrum Krakow, Centrum Poznan, Centrum Warta and Centrum Weiterstadt (Luxembourg);
- Permanent representative of Finatis on the Board of Directors of Foncière Euris (listed company);
- Permanent representative of Foncière Euris on the Board of Directors of Rallye (listed company);
- Representative of Matignon Diderot as Legal Manager of SCI Penthièvre Neuilly;
- Co-Legal Manager of Silberhorn (Luxembourg);
- Director and Treasurer of Fondation Euris;
- Member of the Audit Committee and member of the Appointments and Compensation Committee of Foncière Euris (listed company).

OTHER DIRECTORSHIPS AND POSITIONS HELD IN THE PAST FIVE YEARS (EXCLUDING THOSE LISTED ABOVE)

- Chairman of the Board of Directors of Cnova NV* (listed company – Netherlands);
- Chairman of Matimmob 1;
- Member of the Supervisory Board of Centrum Leto (Luxembourg);
- Permanent representative of Matignon Diderot on the Board of Directors of Rallye (listed company);
- Permanent representative of Matignon Corbeil Centre on the Board of Directors of Rallye (listed company);
- Legal Manager of EMC Avenir 2*.

* *Until 2015.*

Matignon Diderot

Director
(term expires at the AGM – proposed for re-election)

Société par actions simplifiée *with share capital of €83,038,500*

REGISTERED OFFICE

83, rue du Faubourg-Saint-Honoré

75008 Paris, France

Registration no. 433 586 260 R.C.S. Paris

NUMBER OF CASINO SHARES HELD: 350

DIRECTORSHIPS AND OTHER POSITIONS HELD WITHIN THE COMPANY

Directorship/position	First elected/appointed	Current term expires
Director	17 October 2007	13 May 2016 AGM

OTHER DIRECTORSHIPS AND POSITIONS HELD IN 2015 AND AS OF 8 MARCH 2016

Within the Casino group

- Director of Finatis (listed company);
- Legal Manager of SCI Penthièvre Neuilly.

OTHER DIRECTORSHIPS AND POSITIONS HELD IN THE PAST FIVE YEARS (EXCLUDING THOSE LISTED ABOVE)

- Director of Rallye (listed company)

Gérard Koenigheit

Appointed on 22 April 2013

Permanent representative of Matignon Diderot until the 13 May 2016 AGM

BORN

10 September 1949, aged 66

Nationality: French

BUSINESS ADDRESS

148, rue de l'Université

75007 Paris, France

EXPERTISE AND EXPERIENCE

Gérard Koenigheit is a graduate of the École des Mines de Nancy engineering school and holds an MBA from the University of Chicago. He started his career as director of Citibank Paris (1975 to 1985). He then joined Midland Bank SA as Chief Financial Officer. In 1990, he joined Euris as a director. Gérard Koenigheit was also Advisor to the Chairman of Casino Guichard-Perrachon and Rallye. He continues to act in an advisory capacity to Casino.

MAIN EXECUTIVE POSITION

Legal Manager of GK Advisor SARL

OTHER DIRECTORSHIPS AND POSITIONS HELD IN 2015 AND AS OF 8 MARCH 2016

Within the Casino/Euris group	Outside the Casino/Euris group
• Legal Manager of Euriscom	• Director of Equigest

OTHER DIRECTORSHIPS AND POSITIONS HELD IN THE PAST FIVE YEARS (EXCLUDING THOSE LISTED ABOVE)

- Advisor to the Chairman of Rallye (listed company);
- Advisor to the Chairman of Casino, Guichard-Perrachon (listed company);
- Chairman and Chief Executive Officer of Aubanne;
- Chief Executive Officer of Sofigep;
- Chairman of the Management Board of Franprix Holding;
- Member of the Management Board of Leader Price Holding;
- Chairman of the Board of Directors of Sofigep, Saad and Villette Discount;
- Chairman of Franprix Leader Price Holding;
- Chairman of Saris;
- Member of the Supervisory Board of Jay Distribution;
- Director and Chairman of the Board of Directors of GIE Franleader;
- Permanent representative of Miramont Finance et Distribution on the Board of Directors of Groupe Go Sport*;
- Chairman of 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 as Chairman of Aubanne, Société Alésienne de Distribution, Villette Discount, DBMH and Leader Price Magasin Quatre;
- Representative of DBMH as Chairman of MCM and Romabelle;
- Representative of Sofigep as Chairman of King Super Gobelins, Super 10, Établissement Panet, Sogiquatre, Nell SP and Sofigep Finances;
- Legal 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 Herault, 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 Nimes, Leader Belley, Leader Saint Peray, 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:
- Legal Manager of 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, Etablissements 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 Cèze, Leader Gardanne, Disalis, Montrodis, Leader Vendargues, Leader Babeau, Leadalis, Distrileader Choisey, Clermont Cristal, Leader Seyssinet, Nord Libre-Service, Campadis, Leader Distribution Yonne, Leader Distribution Autunoise, Belfort Distribution, Montbéliard 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;
- Legal Manager of Super Leader and Super Temple;
- Representative of Sofidis as Legal Manager of CP-MAG-LP, Leader Aoste, Distrileader Saint-Mars, Leader Price Val-de-Seine, Leader Garance, Distrileader Lognes, Leader Grenat, Leader Dionys, Leader Niort, Distrileader 79, Distrileader Gruchet Le Valasse, Distrileader 66, Distrileader Chateaubourg and Distrileader Loudeac;
- Representative of Sofigep as Legal Manager of À La Bonne Source, Sogilouvre, CP-Mag-FP and Sogipoissonnière;
- Representative of Franprix Leader Price Holding as Legal Manager of Palim SCI;
- Representative of DBMH as Legal Manager of SCI Creancey 21, STT La Courtilière, Neuilly La Combe, Fontaine Cortots and Ama-Toltec Quetigny;
- Liquidator of Rediseo;
- Legal Manager of Arina.

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* *Until 2015.*

Diane Coliche

Permanent representative of Matignon Diderot as from the 13 May 2016 AGM (provided that Matignon Diderot is re-elected)

BORN

23 December 1977, aged 38

Nationality: French

BUSINESS ADDRESS

148, rue de l'Université

75007 Paris, France

EXPERTISE AND EXPERIENCE

A graduate of ESSEC business school and with a Master's degree in business law from Université de Paris II – Assas, Diane Coliche has been M&A and Investments Director at Casino since 2010. Prior to joining Casino, between 2000 and 2010 she worked in the mergers and acquisitions department of investment bank Morgan Stanley in Paris and London.

MAIN EXECUTIVE POSITION

M&A and Investments Director in the Casino group

OTHER DIRECTORSHIPS AND POSITIONS HELD IN 2015 AND AS OF 8 MARCH 2016

Within the Casino group

- Permanent representative of Messidor S.N.C., member of the Supervisory Board of Monoprix;
- Non-Executive Director of Big C Supercenter Public Company Limited (listed company – Thailand).

OTHER DIRECTORSHIPS AND POSITIONS HELD IN THE PAST FIVE YEARS (EXCLUDING THOSE LISTED ABOVE)

- Permanent representative of Messidor S.N.C., member of the Supervisory Board of Monoprix SA;
- Member of the Management Board and Managing Director of Quinam BV (Netherlands);
- Chief Executive Officer of Latic LLC* (United States);
- Member of the Management Board and Managing Director of Géant Foncière BV** (Netherlands).

* *Until 2015.*
** *Until early 2016.*

Pierre Giacometti

Non-voting director
(term expires at the AGM)

BORN

14 June 1962, aged 53

Nationality: French

BUSINESS ADDRESS

4, rue de la Planche

75007 Paris, France

NUMBER OF CASINO SHARES HELD: 300

EXPERTISE AND EXPERIENCE

A graduate of the Institut d'Études Politiques de Paris, Pierre Giacometti began his career with BVA in 1985. He became head of political research in 1986 and was appointed Executive Director responsible for the Opinion, Institutional Research & Media division in 1990. In 1995, he joined the Ipsos group as Chief Executive Officer of Ipsos Opinion and International Director responsible for developing global opinion research within the group. In 2000, he became co-Chief Executive Officer of Ipsos-France. In February 2008, he left Ipsos and created the strategy and communications consulting firm, GiacomettiPeron & Associés. Pierre Giacometti is a senior lecturer at the Institut d'Études Politiques de Paris.

MAIN EXECUTIVE POSITION

Chairman of GiacomettiPéron & Associés

DIRECTORSHIPS AND POSITIONS HELD WITHIN THE COMPANY

Directorship/position	First elected/appointed	Current term expires
Non-voting director	3 March 2010	13 May 2016 AGM

OTHER DIRECTORSHIPS AND POSITIONS HELD IN 2015 AND AS OF 8 MARCH 2016

Outside the Casino group

- Member of the Supervisory Board of Fondation pour l'Innovation Politique;
- Senior Lecturer at Institut d'Études Politiques de Paris.

OTHER DIRECTORSHIPS AND POSITIONS HELD IN THE PAST FIVE YEARS (EXCLUDING THOSE LISTED ABOVE)

- None

5.5. PREPARATION AND ORGANISATION OF THE BOARD OF DIRECTORS' WORK

5.5.1. ORGANISATION AND FUNCTIONING OF THE BOARD OF DIRECTORS

The Board of Directors' organisation and functioning are defined by law, the Company's Articles of Association and the Charters of the Board of Directors and the Committees of the Board.

The Board of Directors meets as often as necessary in the interests of the Company. A quorum of at least half the directors is required for the meeting to transact business. Decisions are taken by majority vote of the directors present or represented by proxy. In the event of a split decision, the Chairman of the meeting has the casting vote.

The Chairman organises and leads meetings of the Board of Directors and reports to shareholders on the Board's work at the General Meeting.

He calls Board meetings and is responsible for drawing up the agenda and minutes. He also ensures that the Company's corporate governance structures function correctly and that the directors are capable of fulfilling their duties.

Board of Directors' Charter

The organisation and functioning of the Board of Directors are described in a Charter adopted in December 2003 and last amended by the Board on 15 December 2015. The Charter presents in a single document the legal and regulatory provisions and the provisions of the Articles of Association applicable to the Board, together with any necessary clarifications. It also incorporates the corporate governance principles that the Board of Directors is responsible for implementing. The Charter is reviewed periodically by the Board to identify any amendments or clarifications that may be needed to comply with the applicable regulations or make the Board and its Committees more efficient.

The Charter describes the rules of procedure, roles and responsibilities of the Board of Directors and its Committees, as well as the process for appointing the Lead Independent Director and his or her role. It also describes the restrictions on the powers of the Chairman and Chief Executive Officer.

The main changes to the Charter in 2015 concerned i) the addition of a description of the role of the Governance Committee set up on 7 July 2015, together with amendments to reflect resulting changes to the role of the Lead Independent Director and the Appointments and Compensation Committee, and ii) the new requirement for agreements between related parties to be submitted to the Audit Committee for prior review.

The Charter sets out the rules of conduct and principles of sound governance to be followed by directors (see 5.5.5 below).

It establishes the principle of regular formal assessments of the Board of Directors' performance, describes how Board meetings are to be conducted and decisions adopted, and authorises directors to take part in meetings *via* videoconference or any other telecommunications medium.

The Board of Directors' Charter is presented in Chapter 11 of this Registration Document. It may also be consulted, along with the Charters of the Committees of the Board, on the Company's website: http://www.groupe-casino.fr.

Information provided to the Board of Directors

The Chairman and Chief Executive Officer is responsible for providing all directors with the documents and information they need to fulfil their role and duties.

The documents and information required for reviewing the items for discussion at Board meetings are sent to directors before the meetings take place. Prior to each Board meeting, the directors receive a brief containing all available information and documents about the agenda items, with the level of detail dependent on the status of the project concerned.

In accordance with the Board's Charter, Senior Management reports to the Board of Directors at least once a quarter on the Company's business and that of its main subsidiaries, including information on sales and results, debt and available credit lines and employee numbers of the Company and its main subsidiaries.

The Group's off-balance sheet commitments are reviewed by the Board at least once every six months.

Every year, a specific meeting or seminar is organised to present the Group's strategy and budget to the members of the Board.

The Chief Financial Officer attends all meetings of the Board. Other Executive Committee members, the Chief Executives of the subsidiaries and the heads of the Corporate departments are also invited to attend based on the matters on the agenda.

When they are first elected, directors are given all the information they need to fulfil their role and duties, and they may also request any documents that they believe would be useful. Meetings are organised with the heads of the main Corporate departments and the Chief Executives of the main subsidiaries so that the directors can get to know the management teams and deepen their understanding of the Company's businesses, markets and specific features.

Directors may also ask the Chief Executive Officer, the Chief Financial Officer and the Secretary to the Board for information or explanations as needed.

In the period between Board meetings, directors receive any important information concerning the Company or any events that materially affect the Company, its operations, or any information previously given to the directors or any matters discussed by the Board during the meetings.

Role and responsibilities of the Board of Directors

Pursuant to Article L. 225-35 of the French Commercial Code, the Board of Directors determines the Company's business strategy and monitors its implementation. Except for those matters that may only be decided by shareholders in General Meetings, the Board of Directors considers and decides on all matters related to the Company's operations, subject to compliance with the corporate purpose.

It carries out any audits or controls it considers appropriate.

The Board of Directors also reviews and approves the annual and interim financial statements of the Company and the Group, as well as the management reports on the operations and results of the Company and its subsidiaries. It also approves the Company forecasts, reviews and approves the Chairman's report, determines whether the positions of Chairman and Chief Executive Officer are to be combined or split, appoints the Chairman and Chief Executive Officer and decides on his compensation. It awards stock options, makes share grants, establishes employee share ownership plans and reviews the Company's gender equality policies (pay and promotions) each year.

As explained earlier in this report, in line with the restrictions on the Chief Executive Officer's powers, management transactions that are significant in terms of their nature and/or amount must be submitted to the Board for prior approval.

In line with the principles of sound governance, the Audit Committee or a specific committee of independent directors is tasked with examining or monitoring significant transactions or considering governance issues. The Board may also consult external legal or financial advisors as needed.

Activities of the Board of Directors during 2015

The Board of Directors met eleven times in 2015 (*versus* nine times in 2014), with an average attendance rate of 85.3% (versus 85.2% in 2014). The meetings lasted an average of one hour and forty-five minutes.

The key events of fiscal year 2015 were the approvals by the Board in July of a plan to combine the Group's operations in Latin America, and in December of the deleveraging and asset disposals plan. The approval of the latter plan was preceded by a detailed strategic review, a budget and business plan presentation and an overview of growth opportunities.

The Board also decided on certain governance changes to take account of the Group's organisation around subsidiaries and parent companies that are listed on stock markets in France or abroad, and the internationalisation of the Group's business. To better identify and manage potential conflicts of interest, after consulting the Audit Committee, the Board decided to introduce a procedure for the systematic review by the Audit Committee of all agreements entered into with related parties (see also the report on the Audit Committee's activities and paragraph 5.5.5 below). In July, the decision was made to set up a Governance Committee.

The Board also discussed and made decisions on all other important matters concerning the Group.

Approval of the financial statements – operations of the Company and its subsidiaries

The Board of Directors reviewed and approved the financial statements of the Company and the Group for the year ended 31 December 2014 and the interim financial statements of the Group for the first half of 2015, together with the related reports and the Company forecasts. Its review also covered the business performance of the Company and its subsidiaries, the business outlook and the Group's detailed financial position, and took into account the opinion of the Audit Committee and the Statutory Auditors' audit opinion. The Board discussed and approved the wording of the Group's press releases, as well as the reports and resolutions to be presented at the Annual General Meeting of 12 May 2015. It was informed of the Group's business performance for the three months to 31 March 2015 and the nine months to 30 September 2015, and its debt, financing and liquidity positions at each quarter-end. A report on the Group's credit rating was presented to the Board during the fiscal year.

The Board reviewed all of the Group's material risk exposures, changes in the levels of risk and the action plans deployed to address them. It received six-monthly reports from the Internal Audit and Internal Control department and was informed about action plans to strengthen anti-corruption measures and prevent cybercrime.

The Board was also informed about the extension of the cooperation agreement with Intermarché and the proposed international purchasing partnership with DIA. During the fiscal year, specific presentations were made to the Board on the situation and business performances of the Géant, Franprix and Casino Convenience banners, and on real estate transactions carried out with related parties. The Board reviewed the Group's corporate social responsibility policies and received a presentation of its gender equality policy.

Based on the Audit Committee's recommendation, it approved the renewal of the Statutory Auditors' appointment in 2016.

Compensation – Share grants

The Board of Directors set the Chairman and Chief Executive Officer's fixed salary and variable compensation for 2015, and determined his variable compensation for 2014. It decided on the basis for allocating fees payable to directors, Board Committee members, the non-voting director and the Lead Independent Director for 2015.

It also decided on the annual free allotments of shares to be made to managers and senior executives of the Group responsible for implementing and ensuring the success of strategic and/or highly complex transactions.

Corporate governance

The Board of Directors performed its annual review of the Company's position with regard to corporate governance principles. The review covered such issues as the composition and organisation of the Board and the Committees of the Board, the situation of directors in relation to independence criteria and the proportion of women on the Board, particularly in light of the proposed re-election of the directors whose term expired at the 12 May 2015 Annual General Meeting.

It reviewed the Lead Independent Director's annual report on the application of the principles of sound governance by the Chairman and Chief Executive Officer in each of these roles, as well as by the Board of Directors and the Committees of the Board, and reviewed the minutes of the meeting of independent directors.

The Board approved the Chairman's Report on corporate governance, internal control and risk management.

It also approved certain amendments to the strategic advisory services agreement between Euris and the Company.

In connection with the creation of the Governance Committee and the replacement of Rose-Marie Van Lerberghe as Lead Independent Director, the Board discussed the composition and chairmanship of the Board Committees and appointed a new Lead Independent Director. It decided on the role and responsibilities of the Governance Committee, approved the Committee's Charter, adjusted the roles and responsibilities of the Appointments and Compensation Committee and the Lead Independent Director and updated the Charters of the Board of Directors and the Board Committees.

Lastly, it reviewed the work of the Committees of the Board, as presented in detail below.

5.5.2. COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors is assisted by three committees that report to the Board – the Audit Committee, the Appointments and Compensation Committee and, since 7 July 2015, the Governance Committee.

The members of these Committees are appointed by the Board which also designates their Chairmen. The Chairman and Chief Executive Officer does not sit on and is not represented on any of the Committees. The Committees' composition and organisation are reviewed each year by the Appointments and Compensation Committee, the Governance Committee and the Board of Directors. When selecting Committee members, the Board takes into account their professional background and expertise.

The role, duties and functioning of each Committee are defined and are regularly reviewed by the Board of Directors. They are incorporated in the Board of Directors' Charter and in the charter prepared for each committee describing their organisation and rules of procedure.

Board meetings are generally preceded by a meeting of one or several committees depending on the matters on the agenda of the Board meeting. The committees report to the Board on their work and observations, and inform the Board of their opinions, proposals or recommendations as appropriate.

The Board may also decide at any time to set up a special committee of independent directors to examine a specific issue. On 16 February 2015, one such committee was set up to look into the creation of a new Governance Committee, define its role and responsibilities on a compatible basis with those of the two other Committees of the Board and draw up its Charter.

The Audit Committee and Governance Committee Charters stipulate that they both should have at least three members, at least two-thirds of whom – including the Chairman – should qualify as independent directors based on the criteria in the Afep-Medef Code. The Appointments and Compensation Committee Charter states that it should have at least three members, a majority of whom should qualify as independent directors.

Each Committee may organise meetings with the Senior Management of the Company and its subsidiaries, as deemed necessary, and freely call on the services of outside consultants or ask for any information that it needs to fulfil its duties.

The Chairmen of the Committees report on their Committee's activities during Board meetings and also prepare a written report for directors.

The Audit Committee

Composition

The Committee consists of four members, three of whom (75%) – Catherine Lucet, Frédéric Saint-Geours and Gérald de Roquemaurel – are independent, and a fourth member, Gilles Pinoncély, a director with skill and expertise.

Catherine Lucet has served as Chairman of the Committee since 7 July 2015, taking over from Frédéric Saint-Geours.

The proportion of independent directors on the Committee exceeds the two-thirds recommended by the Afep-Medef Code.

All members of the Audit Committee hold or have held senior executive positions and therefore have the financial or accounting skills required by Article L. 823-19 of the French Commercial Code (*Code de commerce*).

Role and duties

The Audit Committee is responsible for assisting the Board of Directors in reviewing the annual and interim financial statements and in dealing with transactions or events that could have a material impact on the position of the Company or its subsidiaries in terms of commitments and/or risks.

The Company ensures that the Audit Committee meets to review the annual and interim financial statements at least two days before the Board meeting held to approve them.

As required by Article L. 823-19 of the French Commercial Code (*Code de commerce*), it deals with matters relating to the preparation and control of accounting and financial information. It examines the accounts closing process and the nature, scope and results of the procedures performed on the accounts of the Company and its subsidiaries by the Statutory Auditors.

It monitors the effectiveness of internal control and risk management systems, the audit of the financial statements of the Company and the Group by the Statutory Auditors and the Statutory Auditors' independence.

To this end, it interviews the Statutory Auditors and is given a presentation of their procedures and audit findings. The Audit Committee may meet with the Statutory Auditors at any time and at least once a year without any members of Company management being present.

The Committee organises the Statutory Auditor selection procedure.

Since 15 February 2015, the Audit Committee has also reviewed, prior to their signature, all material agreements between the Company or its wholly-owned subsidiaries and related parties (defined as the other Casino Group companies, the Group's parent companies and their subsidiaries and associated companies). It informs the Chief Executive Officer and the Board of Directors of its opinion on these agreements, for information or prior to their approval as applicable. The Audit Committee's role in this case is to establish that the transaction falls within the scope of the related party procedure and express an opinion on whether the agreement fairly balances the interests of the Company and the related party (see also paragraph 5.5.5 below on the procedure for reviewing related party agreements and its scope).

The Audit Committee's powers and duties are set out in a Charter, including those concerning risk analysis and the detection and prevention of management errors. The Charter was updated in November 2015 to reflect the introduction of the new procedure for the review by the Audit Committee of related party agreements. Its powers and duties are also presented in the Board of Directors' Charter.

Work performed in 2015

The Audit Committee met fourteen times in 2015. Two scheduled meetings were held to review the annual and interim financial statements and two others to discuss the work of the Internal Audit and Internal Control department, while ten special meetings were devoted to examining major asset acquisitions or disposals or related party matters (in 2014, eleven meetings were held in total, including seven special meetings). The average attendance rate at these meetings was 83.9% *versus* 93.2% in 2014.

The Chief Financial Officer, the Chief Financial Officer Corporate Finance, the Chief Accountant, the head of the Internal Audit and Internal Control department, the Group Legal Counsel and the Board Secretary all participated in all or substantially all of these meetings. Representatives of the Statutory Auditors attend the meetings when the annual and interim financial statements and the work of the Internal Audit and Internal Control Department are reviewed. Other executives, including the Strategic Planning Director, the Executive Director, Corporate Development and Holdings, and the Deputy Chief Executive Officer responsible for real estate transactions, also participated in Audit Committee meetings in 2015. During its review of the 2015 financial statements, the Committee met the Statutory Auditors without any representatives of the Company being present.

The annual and half-year closing of the accounts led to a review by the Committee of the annual and interim accounts closing processes, and the Statutory Auditors' post-audit report, which included a discussion of the financial statements and of all consolidation operations. The Committee also reviewed off-balance sheet commitments, risks, provisioning policies and legal and accounting developments affecting the financial statements. It received the Statutory Auditors' audit plan and fees for 2015.

The Committee examined the Finance and Accounting department's memo on risks and off-balance sheet commitments, the Company's risk management documents and the Chairman's report on internal control and risk management.

It expressed its support for the proposal to introduce a procedure for the review of material related party agreements conducted within the Group. Implementation of this procedure led to seven special meetings of the Committee being held. In line with its role of reviewing both related party agreements and strategic transactions, it examined the proposed reorganisation of the Group's activities in Latin America and oversaw the work of the independent expert. It expressed an opinion on various real estate transactions carried out with a related party, based on financial and legal experts' reports, and reviewed agreements between the Company or its wholly-owned subsidiaries and Cnova group companies signed since the E-commerce Division was set up in June 2014. The Committee was also called upon to review proposed changes to the strategic advisory services agreement originally entered into between the Company and Euris in 2003.

Two independent members of the Committee participated in the special Committee set up by the Board to look into the proposed creation of a Governance Committee and define its role and responsibilities.

The Audit Committee was informed of the Statutory Auditors' conclusions on procedures relating to the preparation and processing of accounting and financial information and on the plan and timeline for the 2015 year-end reporting process.

It discussed with the head of Internal Audit the audits carried out in 2015 – particularly those concerning the prevention of cybercrime –, any problems encountered during the audits and the follow-up of the action plans, action taken to implement the auditors' recommendations and the 2016 internal audit plan. It informed the head of Internal Audit of its observations and recommendations concerning these audits and their follow-up. The Committee was also informed of the work carried out in 2015 by the Internal Control department, including the action plans implemented to improve internal control and the management of risks. It received details of the action plans developed to strengthen anti-corruption measures.

The Committee also recommended to the Board that shareholders be asked at the Annual Meeting to re-appoint the incumbent Statutory Auditors without issuing any call for tenders.

The Chairman of the Committee reported to the Board of Directors on the work carried out at each Committee meeting.

Appointments and Compensation Committee

Composition

The Appointments and Compensation Committee is currently comprised of three independent members (100%): Gérald de Roquemaurel, Nathalie Andrieux and Henri Giscard d'Estaing.

The Committee has been chaired by Gérald de Roquemaurel since 7 July 2015. The proportion of independent directors on the Committee exceeds the Afep-Medef Code's recommendation that a majority of Compensation Committee members should be independent.

The Chairman and Chief Executive Officer participates in the Committee's director selection and appointment process.

Role and duties

The Appointments and Compensation Committee's primary roles are to assist the Board of Directors in reviewing candidates for appointment to Senior Management positions and for election to the Board of Directors based on criteria set jointly with the Governance Committee, assessing directors' independence, setting and overseeing the executive officers' compensation, stock option and share grant policies, and establishing employee share ownership plans.

Its role of ensuring that corporate governance rules are properly applied has been transferred to the Governance Committee set up on 7 July 2015.

The Appointments and Compensation Committee's Charter, as amended during the year to reflect the creation of the Governance Committee, sets out its powers and duties concerning in particular the review of candidates for appointment to Senior Management positions and election as directors, and oversight of Senior Management compensation policies. Its powers and duties are also presented in the Board of Directors' Charter.

Work performed in 2015

The Appointments and Compensation Committee met five times in 2015 (*versus* three times in 2014). The average attendance rate at these meetings was 81.6% (*versus* 67% in 2014).

At the beginning of the year, the Committee undertook its annual review of Board and Board Committee functioning and compliance with the corporate governance principles and code of conduct as set out in the Afep-Medef Code and the Board Charter. It presented its conclusions and recommendations to the Board of Directors in February 2015. It received copies of the Lead Independent Director's 2014 reports on the Board's functioning, on the application of the principles of sound governance by the Chairman and Chief Executive Officer in each of these roles, and on the meeting of independent directors held to discuss the Board's organisation and procedures.

It was also informed of changes in the legal rules governing related party agreements (as defined under French law) and reviewed the agreements currently in force between related parties within the Group. The Committee expressed its support for the proposal to introduce a procedure for the review of material related party agreements that was included in the Company's planned governance changes. It was also consulted about the plan to set up a new committee that would take over its corporate governance role, and two of its independent members participated in the special Committee set up by the Board to look into the proposed creation of a Governance Committee and define its role and duties in a way that was compatible with those of the two other Board Committees.

It reviewed the Chairman's report on corporate governance and the information on corporate governance contained in the 2014 Registration Document. As part of this review, it examined whether any directors had any relationships with Group companies that might colour their judgment or lead to conflicts of interest.

The Committee issued a favourable opinion on the proposal to re-elect the directors whose term expired at the Annual Meeting in May 2015 and selected a candidate for election to the Board at that Meeting. It also made recommendations concerning the composition and chairmanship of the Board Committees following the creation of the Governance Committee and the appointment of Frédéric Saint-Geours as Lead Independent Director.

It was consulted about the method of determining the Chairman and Chief Executive Officer's fixed compensation and variable portion for 2015 and the amount of the variable compensation to be paid to him for 2014. The Committee also made recommendations about the allocation of directors' fees for 2015 among Board members and members of the Board Committees, the successive Lead Independent Directors in 2015 and the non-voting directors. It recommended paying an additional fee to Audit Committee members for the nine unscheduled meetings held in 2015 to review related party agreements prior to their approval and to examine the proposal to combine the Group's operations in Latin America.

The Committee was consulted about the plan to make free share grants to senior executives of the Group.

It also reviewed the proposed resolution and the Board's report on the elements of the Chairman and Chief Executive Officer's compensation to be submitted to the shareholders' advisory vote at the Annual General Meeting in May 2015.

In December 2015, the Committee discussed the ongoing process to select new women directors in order to achieve a 50/50 balance between men and women on the Board.

The Chairman of the Committee reported to the Board of Directors on the work carried out at each Committee meeting.

The Committee uses outside research and benchmarking surveys, mainly carried out by specialist firms, to assist it in some of its duties.

Governance Committee

Composition

The Governance Committee was set up on 7 July 2015 and consists of three members, two of whom are independent (66.66%) – Frédéric Saint-Geours and Lady Sylvia Jay – and the third member, David de Rothschild, a director with skill and expertise.

The Committee is chaired by Frédéric Saint-Geours, Lead Independent Director.

Role and duties

The Governance Committee was created to monitor the development of governance rules, oversee their application by the Group and their alignment with the Group's organisation. Its duties have been determined in coherence with those of the other two Board committees.

They include monitoring issues related to the directors' code of conduct, organising assessments of the Board's organisation and functioning and managing conflicts of interest. It periodically reviews the Board's structure, size and composition and the Company's corporate social responsibility policy.

The Governance Committee's organisation and procedures are described in a Charter approved by the Board of Directors. Its powers and duties are also presented in the Board of Directors' Charter.

Work performed in 2015

The Governance Committee met twice in the period after it was set up on 7 July with an attendance rate of 100%.

The Committee reviewed the Company's situation in relation to the 2015 reports of France's securities regulator (AMF) and the Afep-Medef corporate governance committee (HCGE) and the November 2015 version of the Afep-Medef Code. It noted that the key matter for attention was the proportion of women on the Board of Directors. The Committee was informed of the ongoing process to select new women directors in order to achieve 40% representation on the Board.

It also initiated a comparative analysis of governance practices among the Group's listed subsidiaries. It noted that the subsidiaries applied sound governance practices based on a comprehensive set of consistent external and internal rules. It decided to pursue these analyses and suggested topics for consideration in 2016 with a view to achieving consistent application of best governance practices.

In accordance with the duties transferred to it at the time of its creation, the Committee also examined the proposed renewal of the specific annual authorisations given to the Chairman and Chief Executive Officer, as described in the Board's Charter.

The Committee used outside research and benchmarking surveys, carried out by specialist firms, to assist it in some of its duties.

The Committee's Chairman reported to the Board of Directors on the work carried out at each meeting of the Committee.

5.5.3. LEAD INDEPENDENT DIRECTOR – WORK PERFORMED IN 2015

The position of Lead Independent Director was created on 11 May 2012 upon the proposal of the Chairman and Chief Executive Officer. The first Lead Independent Director was Rose-Marie Van Lerberghe, Chairman of the Appointments and Compensation Committee, who stepped down from the Board in 2015. Since 7 July 2015, the position has been held by Frédéric Saint-Geours who was appointed Chairman of the Governance Committee at the same time.

Between them, the two successive Lead Independent Directors participated in all Board meetings held during the year and chaired all meetings of the Appointments and Compensation Committee and the Governance Committee.

The powers and duties of the Lead Independent Director are described in Article 13 of the Board's Charter. The Lead Independent Director ensures that combining the roles of Chairman and Chief Executive Officer does not have an adverse impact on such matters as the information given to directors, the inclusion of items of the agenda of Board meetings and the organisation of Board discussions and votes.

He may consult the Governance Committee at any time about any matters that may create any issue.

In 2015:

- The Lead Independent Director chaired the annual meeting of independent directors devoted notably to assessing the Board's practices and whether the combined duties of Chairman of the Board of Directors and Chief Executive Officer are performed in compliance with the principles of sound governance.
- In his report to the Governance Committee, the Lead Independent Director confirmed that the positions of Chairman of the Board of Directors and Chief Executive Officer and the duties of the Board and the Board Committees were performed satisfactorily and that no problems had come to light or been reported to the Appointments and Compensation Committee or the Governance Committee or the Lead Independent Director during the fiscal year concerning any actual or potential conflicts of interest. The Lead Independent Director therefore confirmed the proper functioning of the Board with regard notably to the organisation of its discussions and votes and the information given to directors. He informed the Chairman and Chief Executive Officer of his observations and recommendations.
- As Chairman of the Appointments and Compensation Committee and then of the Governance Committee, the Lead Independent Director also performed the annual review of corporate governance practices in relation to the Afep-Medef Code and application guidelines and the reports of France's securities regulator (AMF) and the Afep-Medef corporate governance committee (HCGE). He also led the discussion of the comparative analysis of governance practices among the Group's listed subsidiaries.
- As Chairman of the Appointments and Compensation Committee during part of the year, the Lead Independent Director led the procedure for the selection of a new woman candidate for election as a director at the Annual General Meeting of 12 May 2015 and participated in the discussions that led to the creation of the Governance Committee.
- The Lead Independent Director met regularly with the Board Secretary to help prepare meetings of the Board Committees and presentations of important issues to be examined or decided by the Board.
- The Lead Independent Director reported on his activities to the Governance Committee.

The Board Secretary is available to assist the Lead Independent Director in the fulfilment of his duties.

5.5.4. ASSESSMENT OF THE BOARD'S FUNCTIONING AND PERFORMANCE

In accordance with the Afep-Medef Code, the Board of Directors' Charter provides for an annual discussion and regular assessment of the Board's functioning and performance, organised and carried out by the Appointments and Compensation Committee with the assistance of outside consultants if required.

The fifth assessment since 2004 was conducted internally at the end of 2013 by the Appointments and Compensation Committee, using a questionnaire covering a set of issues selected in advance based on market practices and adapted to Casino's specific situation.

The comments and observations made by the directors confirmed that the Board's practices are highly satisfactory and fully compliant with corporate governance principles and regulations and the code of business conduct.

In response to the directors' observations, operating managers now make regular presentations to the Board about the subsidiaries' businesses and strategies.

The directors also expressed a wish for greater representation of women and non-French directors on the Board. This goal is currently being pursued.

A new formal assessment will be organised at the end of 2016.

The Lead Independent Director's annual report on the Board's practices during 2015 was presented and discussed during the Governance Committee meeting of 2 March 2016, which issued recommendations that were subsequently discussed and approved by the Board of Directors.

The directors expressed satisfaction with the Board's functioning and the actions taken during the fiscal year, including the organisation of presentations by operating managers of the Group's subsidiaries' businesses and strategies, the review of the Group's strategy, the presentation of Group risks and the adoption of a procedure for the review of related party agreements. The main matters for attention concerned the continuation of the review of the Group's strategy with the organisation of a strategic review seminar for Board members, the composition of the Board and an increase of the proportion of women, an assessment of the effectiveness of the new procedure to review related party agreements and the review of succession plans for the heads of the main operating units, especially in France.

5.5.5. CODE OF CONDUCT

Section VI of the Board of Directors' Charter describes the code of conduct applicable to Board members. The code states that each director must fulfil his or her duties in full compliance with the rules of independence, business ethics and integrity. It includes the disclosure rules applicable to directors, their obligation to protect the Company's interests, to avoid conflicts of interest, to make every effort to attend all meetings of the Board and, if applicable, its Committees as well as all General Meetings of Shareholders, to protect confidential information and to hold shares in the Company.

The directors are required to advise the Board of any actual or potential conflict of interest in which they might be directly or indirectly involved and in such a case to abstain from taking part in the discussion and vote on the matter concerned.

In order to take into account the Group's broad geographic footprint and the fact that several subsidiaries or parent companies in the Group are listed on the stock market in France or abroad, in 2015 the Board of Directors decided to strengthen its governance by adjusting existing procedures and/or structures or creating new ones. At its meeting on 16 February 2015, the Board decided to introduce a procedure for the review of all agreements between related parties (see below), and at its 7 July 2015 meeting, to create a new Board Committee with specific responsibility for examining governance issues.

As part of its duties, the Governance Committee may examine any exceptional issue that may give rise to a conflict of interest for any Board member and inform the Board of its opinion or recommendation on the matter.

Procedure for the prior review of related party agreements by the Audit Committee

The Board considered that close attention should be paid to agreements between the Company or its wholly-owned subsidiaries and related parties (defined as the other Casino Group companies, the Group's parent companies and their subsidiaries and companies accounted for by the equity method in the Group accounts).

It therefore decided at its meeting on 16 February 2015 to introduce a procedure for the systematic review of related party agreements by the Audit Committee, in order to prevent conflicts of interest and protect the minority shareholders of Group companies. The procedure for the prior authorisation of regulated (*i.e.*, related party) agreements provided for in France's Commercial Code applies mainly to agreements that Casino is a party to directly, and it does not cover routine agreements entered into on arm's length terms although these represent the vast majority of intra-group agreements.

For this reason, the Board has introduced a procedure for the review by the Audit Committee, prior to their presentation to the Board for information or authorisation, of all agreements between i) the Company or its wholly-owned subsidiaries and ii) the other Group companies, the companies that control the Group and the companies accounted for by the equity method in the Group accounts, where the transaction amount individually or in total with the same related party is greater than €10 million, or €1 million per transaction if the total amount of transactions with the same related party in a given fiscal year exceeds €10 million. The Audit Committee is required to express an opinion as to whether the terms of such contracts fairly balance the interests of both parties. The procedure does not apply to agreements between the Company and its wholly-owned subsidiaries or between wholly-owned subsidiaries that concern i) routine transactions carried out in the normal course of business, ii) group relief agreements provided that they do not place one of the parties in a less favourable position than if it had elected to be taxed on a stand-alone basis, or iii) the issue of a guarantee or a payment for a guarantee unless it is not consistent with the Group normal practices in this regard.

The Audit Committee may use any research or analyses produced by specialist consultants to make an informed decision about the related party agreements subject to its review. Regulated agreements (as per French law) entered into by the Company are subject to this procedure whatever their amount. In addition, at the request of the Chairman and Chief Executive Officer, any agreement not falling within the scope of the procedure may nevertheless be submitted to the Audit Committee's review due to its characteristics. At the request of the Chairman and Chief Executive Officer or the Chairman of the Audit Committee, the Board of Directors may also decide to give a special Committee responsibility for performing a prior review of an agreement with a specific related party due to the nature or size of the planned transaction.

A specific charter describing the procedure's organisation and process was drawn up and approved by the Board of Directors at its meeting on 16 February 2015, based on the recommendation of the Audit Committee and the Appointments and Compensation Committee. The Board of Directors' Charter, as updated during 2015, includes provisions concerning the prior review of related party agreements by the Audit Committee.

The Audit Committee issued a favourable opinion on all of the transactions reviewed during 2015 based on the reports of independent experts, having concluded that their terms fairly balanced the interests of both parties. Each year, Senior Management presents a report to the Audit Committee on all related party agreements entered into during the year and all transactions qualified as exceptions to the application of such procedure.

Conflicts of interest involving directors and corporate officers

The Company has relations with all its subsidiaries in its day-to-day management of the Group. It also receives strategic advice from Euris, its ultimate parent company. Euris is controlled by Jean-Charles Naouri who serves as the Chairman of its Board of Directors, and provides permanent strategic and advisory services defined under an agreement dated 5 September 2003 which was therefore submitted to shareholders for approval under the statutory procedure applicable to regulated agreements and commitments. Compensation paid to Euris under the agreement in regard of this assistance in 2015 amounted to €840,000 excluding VAT. This amount was set in the 9 April 2015 addendum to the 2003 agreement that was approved by the Board of Directors on 16 February 2015 following the review and favourable opinion of the Audit Committee. It will be submitted to shareholders for approval at the Annual General Meeting on 13 May 2016 (the presentation and text of the resolution are on page 281 and the Statutory Auditors' report on regulated agreements is on page 147).

Euris also provides strategic and development advice and assistance to the Company's subsidiaries. The total amount billed by Euris for these services in 2015 amounted to €1.8 million excluding VAT. In addition, Euris and Foncière Euris provide staff and fitted-out premises to the Company and its subsidiaries (see note 14 to the consolidated financial statements).

Jean-Charles Naouri, Jacques Dumas, Didier Carlier, Gérard Koenigheit, Didier Lévêque and Michel Savart, directors or permanent representatives of companies in the Rallye and Euris groups, are members of the administrative, management and/or supervisory bodies of companies belonging to those groups and/or the Casino Group (see list of directorships in section 5.4) and receive compensation and/or directors' fees in that capacity.

To the best of the Company's knowledge, there are no other potential conflicts of interests between the duties to the Company of the members of the Board of Directors and their private interests or other obligations. There are no arrangements or agreements with shareholders, customers, suppliers or others in which a member of the Board has been appointed as a director.

The responsibilities of the Audit Committee, particularly through the recently-implemented prior review procedure for related-party agreements, and the Governance Committee, both of which comprise a majority of independent directors, and of the Lead Independent Director help to prevent conflicts of interest and ensure that the majority shareholder does not abuse its position.

To the best of the Company's knowledge, there are no family ties between members of the Company's Board of Directors.

No loans or guarantees have been granted or issued by the Company to or on behalf of any individual members of the Board of Directors or representatives of corporate directors.

Convictions

To the best of the Company's knowledge, during the last five years, none of the members of the Board of Directors has been:

- convicted in relation to fraudulent offences or received an official public incrimination and/or sanction by any statutory or regulatory authority;
- associated, as a member of the administrative, management or supervisory body or partner, with any bankruptcies, receiverships or liquidations;
- disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

Restrictions on the sale of shares accepted by members of the Board of Directors

Under the Board's Charter, each director is required to own a number of registered shares equal to at least one year's directors' fees. These fees may be used to finance the share purchases.

Except as explained above, to the best of the Company's knowledge there are no restrictions on the sale of Casino shares by the members of the Board of Directors, apart from the internal rules implemented by the Group, or more generally set by the laws and regulation to prevent insider trading.

Preventing insider trading

The Board of Directors' Charter also requires directors to comply with insider trading laws and regulations and with the Group's internal rules banning directors from trading in the Company's shares during certain periods, especially the black-out periods covering the fifteen days that precede publication of the Company's annual and interim financial statements.

The Charter also mentions the requirement for directors to be included on the list of permanent insiders prepared by the Company in accordance with French securities regulations. The Charter includes provisions governing the declarations that must be made by corporate officers, individuals having close personal ties to members of the Board of Directors and individuals assimilated to those persons regarding their transactions in Company shares.

A guide has been prepared for directors setting out their obligations and the related penalties in more detail. During 2016, the Governance Committee will review the rules designed to prevent breaches of securities laws and make any recommendations that may be considered necessary in line with the principles of sound governance.

Attendance at meetings of the Board and Board Committees, multiple directorships

The Board of Directors' Charter states that directors must devote the necessary time and attention to their duties. They must make every effort to attend all meetings of the Board of Directors and General Meetings of Shareholders, as well as all meetings of any Board Committees of which they are members. The Company's methods of determining and allocating directors' fees comply with the Afep-Medef Code recommendation that most of the fee should be linked to the director's attendance rate.

Checks are performed to ensure that no directors standing for re-election at the Annual General Meeting hold multiple directorships. The directors are required to comply with the legal rules and also with the following recommendations of the Afep-Medef Code:

- an executive director should not hold more than two other directorships in listed corporations, including foreign corporations, not affiliated with his or her group. He or she must also seek the opinion of the Board before accepting a new directorship in a listed corporation not affiliated with his or her group;
- a non-executive director should not hold more than four other directorships in listed corporations, including foreign corporations, not affiliated with his or her group. This recommendation will apply at the time of appointment or the next renewal of the term of office.

5.6. OTHER INFORMATION FROM THE CHAIRMAN'S REPORT

In addition to the method of determining corporate officers' compensation and benefits which is described in Chapter 6 "Executive and management compensation" (page 198 *et seq.*) and the report on internal control and risk management procedures included in section 7.2 "Internal control and risk management procedures" (pages 212 *et seq.* of Chapter 7 "Risks and insurance"), other information from the Chairman's report is presented in the following sections:

Participation in General Meetings of Shareholders

All shareholders have the right to participate in General Meetings subject to the provisions of the law and the Company's Articles of Association. The process for participating in General Meetings is described in Articles 25, 27 and 28 of the Company's Articles of Association and on page 293 of Chapter 11.

Information that may have an impact in the event of a takeover bid for the Company

These components of the Board of Directors' report to the Annual General Meeting provided for in Article L. 225-100-3 of the French Commercial Code are presented on page 294 of Chapter 11.

5.7. AUDITING OF THE FINANCIAL STATEMENTS

5.7.1. STATUTORY AUDITORS

Ernst & Young et Autres

Signing partners: Sylvain Lauria (since 2015) and Yvon Salaün (since 2015).

First appointed: 20 May 1978

Current appointment ends: at the close of the Annual General Meeting to be held in 2016 to approve the financial statements for the year ending 31 December 2015.

In accordance with France's *Loi de Sécurité Financière* dated 1 August 2003, the Ernst & Young signing partner was rotated for the second time in 2015.

Deloitte & Associés

Signing partners: Gérard Badin (since 2011) and Antoine de Riedmatten (since 2010).

First appointed: 29 April 2010

Current term ends: at the close of the Annual General Meeting to be held in 2016 to approve the financial statements for the year ending 31 December 2015.

5.7.2. ALTERNATE AUDITORS

Auditex

Alternate to Ernst & Young et Autres.

First appointed: 29 April 2010

Current term ends: at the close of the Annual General Meeting to be held in 2016 to approve the financial statements for the year ending 31 December 2015.

BEAS

Alternate to Deloitte & Associés.

First appointed: 29 April 2010

Current term ends: at the close of the Annual General Meeting to be held in 2016 to approve the financial statements for the year ending 31 December 2015.

5.7.3. STATUTORY AUDITORS' FEES

Years covered: 2015 and 2014

	Ernst & Young et Autres				Deloitte & Associés			
	Amount (excl. VAT)		%		Amount (excl. VAT)		%	
(€ thousands)	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
AUDIT								
Independent Auditors' diligence, certification, review of individual and consolidated accounts								
Issuer	386	386	6%	7%	163	328	4%	7%
Fully-consolidated subsidiaries	5,311	4,982	88%	89%	4,049	4,219	90%	91%
Other audit diligence and audit-related services								
Issuer	20	30	0%	1%	10	30	0%	1%
Fully-consolidated subsidiaries	282	107	5%	2%	187	61	4%	1%
Sub-total	**5,999**	**5,505**	**99%**	**99%**	**4,409**	**4,638**	**98%**	**100%**
Legal, tax and social	0	21	0%	0%	6	5	0%	0%
Other	60	58	1%	1%	74	5	2%	0%
Sub-total	**60**	**79**	**1%**	**1%**	**80**	**10**	**2%**	**0%**
TOTAL	**6,059**	**5,584**	**100%**	**100%**	**4,489**	**4,649**	**100%**	**100%**

5.7.4. NEW APPOINTMENTS

The Statutory Auditors' appointments expire at the close of the Annual General Meeting called on 13 May 2016 to approve the 2015 financial statements.

The Audit Committee considered that there was no need to issue a call for tenders and recommended to the Board of Directors to re-appoint the incumbent Statutory Auditors. As required by law, one of the two signing partners at Deloitte & Associés will be rotated.

On the recommendation of the Audit Committee, the Board of Directors proposes at the Annual General Meeting on 13 May 2016 to make the following appointments for a period of six years ending at the close of the Annual General Meeting called to approve the 2022 financial statements:

Statutory Auditors

Ernst & Young et Autres

Signing partners: Sylvain Lauria (since 2015) and Yvon Salaün (since 2015).

Deloitte & Associés

Signing partners: Gérard Badin (since 2011) and Frédéric Moulin (from 2016).

Alternate Auditors

Auditex

Alternate to Ernst & Young et Autres.

BEAS

Alternate to Deloitte & Associés.

5.8. 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

Year ended 31 December 2015

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

To the Shareholders,

In our capacity as Statutory Auditors of Casino, Guichard-Perrachon and pursuant to the provisions of Article L. 225-235 of the French Commercial Code (*Code de 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 2015.

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.

Our role is to:

- report to you on the information contained in the Chairman's report in respect of the internal control procedures relating to the preparation and processing of the accounting and financial information,
- attest that the report includes the other information required by Article L. 225-37 of the French Commercial Code (*Code de commerce*), it being specified that it is not our responsibility to assess the fairness of this other information.

We conducted our work in accordance with professional standards applicable in France.

Information on internal control and risk management procedures relating to the preparation and processing of accounting and financial information

The professional standards require that we perform the necessary procedures to assess the fair presentation of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information set out in the Chairman's report. These procedures consisted mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based, and of the existing documentation;
- obtaining an understanding of the work performed to support the information given in the report and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our work are properly disclosed in the Chairman's report.

On the basis of our work, we have nothing to report on the information in respect of the company's internal control and risk management procedures relating to the preparation and processing of the accounting and financial information contained in the report prepared by the Chairman of the Board of Directors in accordance with Article L. 225-37 of the French Commercial Code (*Code de commerce*).

Other information

We confirm that the report prepared by the Chairman of the Board of Directors also contains the other information required by Article L. 225-37 of the French Commercial Code (*Code de commerce*)

Lyon and Neuilly-sur-Seine, 10 March 2016

The Statutory Auditors

Ernst & Young et Autres		Deloitte & Associés	
Sylvain Lauria	Yvon Salaün	Antoine de Riedmatten	Gérard Badin

Chapter 6

Executive and management compensation

6.1. PROCEDURES FOR DETERMINING EXECUTIVE AND NON-EXECUTIVE CORPORATE OFFICERS' COMPENSATION

MANAGEMENT

The compensation of the Chairman and Chief Executive Officer Is comprised of a fixed part and of a performance-related variable part set annually on the recommendation of the Appointments and Compensation Committee, supported where appropriate by market surveys conducted by outside consultants.

His gross fixed compensation for 2015 amounted to €480,000, unchanged since 2013.

His variable compensation for 2015 was based in equal proportions on three exclusively quantitative objectives, assessed using budgetary data relating to consolidated revenue, consolidated trading profit, as well as underlying profit attributable to owners of the parent at constant exchange rates, consistent with the objectives set for members of the Executive Committee.

A bonus of up to 175% of the fixed compensation may be awarded for exceeding objectives, bearing in mind that the 2015 target variable compensation was equal to 100% of the fixed component, *i.e.*, €480,000.

No variable compensation was paid for 2015 as the pre-determined performance criteria were not met.

OTHER CORPORATE OFFICERS

At their meeting of 19 May 2009, the shareholders set the maximum total amount of directors' fees to be allocated to members of the Board and the Committees at €650,000.

The method of allocating the directors' fees for 2015, as voted by the shareholders, among directors, members of the Board Committees and the non-voting director was determined by the Board of Directors on 15 December 2015, based on the recommendations of the Appointments and Compensation Committee:

- The total gross fee per director is set at €25,000, unchanged since 2007, comprising a fixed portion of €8,500 and a maximum variable portion of €16,500 based on their attendance rate at Board meetings. Variable fees not paid to absent members are not reallocated.
- The total gross amount of directors' fees allocated to the Chairman and to each director representing the majority shareholder is also unchanged and is capped at €12,500 (a gross fixed portion of €4,250 and a gross variable portion of €8,250). On his appointment, the Chairman of the Board of Directors waived the additional gross fee of €25,000 previously paid to the Chairman.
- Members of the Audit Committee and the Appointments and Compensation Committee receive an additional gross fixed fee (€6,500), which is unchanged, and a gross variable fee based on their attendance rate at meetings (up to €13,500 for members of the Audit Committee (unchanged) and up to €9,500 (up from the previous maximum amount of €8,745) for members of the Appointments and Compensation Committee). Variable fees not paid to absent members are not reallocated.
- Members of the Governance Committee, created on 7 July 2015, receive an additional gross fee of €16,000, the same amount as that paid to members of the Appointments and Compensation Committee, and also comprising a fixed portion (€6,500 gross, calculated on a pro rata basis during 2015, with members who were appointed to the Board in July receiving a gross amount of €3,250) and a variable portion (€9,500 gross, *i.e.*, €4,750 calculated on a pro rata basis during 2015). Variable fees not paid to absent members are not reallocated.

An additional exceptional fee in a gross amount of €10,000 was paid to members of the Audit Committee in respect of the ten extraordinary meetings held in 2015 to discuss the tasks entrusted to it by the Board of Directors in relation to the preliminary review procedure for transactions with related parties and Casino's regrouping of its Latin American operations.

An additional gross fee of €10,000 was paid, on a pro rata basis, to each of the two Lead Independent Directors who succeeded one another on the Board in 2015, *i.e.*, €5,000 each.

As previously, under the authorisation granted by the shareholders on 29 April 2010, the Board of Directors decided to pay a fee to the non-voting director on exactly the same basis as to other directors, *i.e.*, €25,000, comprising a fixed portion of €8,500 gross and a maximum variable portion of up to €16,500 gross. This sum is included in the total amount of directors' fees approved by the shareholders at the Annual General Meeting held in 2009.

6.2. CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S COMPENSATION

6.2.1. COMPENSATION DUE AND PAID TO THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER BY CASINO

Total compensation, directors' fees and benefits of any kind due and paid by the Company to Jean-Charles Naouri in his capacity as Chairman and Chief Executive Officer in 2014 and 2015 were as follows:

	2014		**2015**	
(Gross amounts in €)	Amounts due[1]	Amounts paid[2]	Amounts due[1]	Amounts paid[2]
Fixed compensation	480,000	480,000	480,000	480,000
Variable compensation	-	515,312	-	-
Deferred compensation	Not applicable	Not applicable	Not applicable	Not applicable
Long-term incentive bonus	Not applicable	Not applicable	Not applicable	Not applicable
Exceptional bonus	Not applicable	Not applicable	Not applicable	Not applicable
Directors' fees	12,500	12,500	12,500	12,500
Benefits in kind	Not applicable	Not applicable	Not applicable	Not applicable
TOTAL	**492,500**	**1,007,812**	**492,500**	**492,500**

[1] Compensation and directors' fees due in respect of the relevant year regardless of the payment date.
[2] Total compensation and directors' fees paid by the Company during the year. Variable compensation is paid in the year after it is earned.

Stock options and share grants awarded by the Company

(€)	2014	**2015**
Value of stock options granted during the year	Not applicable	Not applicable
Value of share grants made during the year	Not applicable	Not applicable

Employment contract, pension and protection plans, termination benefits and non-compete benefits

Employment contract	Supplementary pension plan	Termination benefits	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 management employees within the Company.

6.2.2. COMPENSATION DUE AND PAID TO THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER BY CASINO, GUICHARD-PERRACHON AND OTHER EURIS GROUP COMPANIES

Total compensation, directors' fees and benefits of any kind due and paid to the Chairman and Chief Executive Officer in 2014 and 2015 by Casino, Guichard-Perrachon, its controlled subsidiaries, companies that control the Company and companies controlled by them were as follows:

	2014		**2015**	
(Gross amounts in €)	Amounts due	Amounts paid	Amounts due	Amounts paid
Compensation	1,499,800	2,015,112[1]	1,328,508	1,337,639[2]
Value of stock options granted during the year	Not applicable	Not applicable	Not applicable	Not applicable
Value of shares freely allotted during the year	Not applicable	Not applicable	Not applicable	Not applicable
TOTAL	**1,499,800**	**2,015,112**	**1,328,508**	**1,337,639**

(1) Compensation and/or directors' fees paid in 2014 by Casino, Guichard-Perrachon (compensation of €995,312, including a fixed portion of €480,000 and a variable portion in respect of 2013 of €515,312, and directors' fees of €12,500), Rallye (directors' fees of €8,800) and Euris (€998,500, comprising a fixed portion of €520,000 and a variable portion of €478,500).

(2) Compensation and/or directors' fees paid in 2015 by Casino, Guichard-Perrachon (fixed compensation of €480,000 with no variable compensation paid, and directors' fees of €12,500), Cnova (directors' fees for 2014 and 2015 of €15,139), Rallye (directors' fees of €10,000) and Euris (€820,000, comprising a fixed portion of €520,000 and a variable portion of €300,000).

In accordance with the recommendations of the Afep-Medef Corporate Governance Code, at the Company's Annual General Meeting of 13 May 2016, the shareholders will be asked to give an advisory vote on the components of compensation due or paid to the Chairman and Chief Executive Officer in respect of 2015. For this purpose, a summary of this information and other related disclosures is provided on page 288.

6.3. COMPENSATION AND/OR DIRECTORS' FEES PAID TO THE OTHER CORPORATE OFFICERS

DIRECTORS' FEES AND COMPENSATION PAID IN 2014 (IN RESPECT OF 2013) AND IN 2015 (IN RESPECT OF 2014)

Total compensation and directors' fees paid in 2014 and 2015 by the Company, its controlled subsidiaries, companies that control it and companies controlled by them, to corporate officers other than the Chairman and Chief Executive Officer and to the non-voting director were as follows:

	Directors' fees and compensation paid			
(Gross amounts in €)	2014 in respect of 2013		**2015 in respect of 2014**	
Directors	Directors' fees	Other compensation[1]	Directors' fees	Other compensation[1]
Didier Carlier[2]	11,125	723,222	12,500	765,190
Pierre Giacometti	25,000	-	23,167	-
Henri Giscard d'Estaing	38,059	-	32,582	-
Sylvia Jay	16,750	-	17,667	-
Gérard Koenigheit[3]	8,333	4,000	12,500	4,000
Marc Ladreit de Lacharrière	16,750	-	12,167	-
Didier Lévêque	12,500	717,027[4]	12,500	793,698[4]
Catherine Lucet	47,250	-	53,167	-
Gilles Pinoncély	50,000	-	55,000	-
Gérald de Roquemaurel	62,495	-	67,330	-
David de Rothschild	27,622	-	29,996	-
Michel Savart	12,500	845,859[5]	12,500	906,348[5]
Frédéric Saint-Geours	47,250	-	55,000	-
Rose-Marie Van Lerberghe	50,245[6]	-	56,578[6]	-

(1) Directors' fees and/or compensation and benefits of any kind paid by Casino's controlled subsidiaries and/or companies that control Casino or companies controlled by them.

(2) Representative of Euris, parent company of the Group, which in 2015 received total fees of €5.9 million excluding VAT, including €2.6 million from Casino and its subsidiaries, in respect of the regular strategic advisory services it provides to the Casino Group's parent company and its subsidiaries.

(3) Gérard Koenigheit is also the Manager of GK Advisor, which received annual advisory fees of €297,967 in 2014 and €395,833 in 2015.

(4) Excluding exceptional bonuses of €256,000 in 2014 and €219,000 in 2015. Didier Lévêque was also awarded 9,847 Rallye performance shares on 15 December 2015, valued at €7.851 per share in accordance with IFRS. They will vest on 15 December 2018 provided that he is still employed by the Company and that the EBITDA-to-interest and cost of debt conditions are met. The shares will be transferable as from 15 December 2020.

(5) Excluding a gross deferred bonus of €2,000,000 paid in 2015. Michel Savart was also awarded 2,604 Rallye performance shares on 15 December 2015, valued at €7.851 per share in accordance with IFRS. They will vest on 15 December 2018 provided that he is still employed by the Company and that the EBITDA-to-interest and cost of debt conditions are met. The shares will be transferable as from 15 December 2020.

(6) Including the additional fees of €10,000 paid in 2014 and €20,000 paid in 2015 in respect of her duties as Lead Independent Director.

Total compensation and directors' fees paid in 2016 in respect of 2015 by the Company to corporate officers other than the Chairman and Chief Executive Officer and to the non-voting director were as follows:

	Directors' fees paid in 2016 in respect of 2015				
	Directors		Committees		
(Gross amounts in €)	Fixed	Variable	Fixed	Variable	**Total**
Nathalie Andrieux[1]	5,667	12,000	3,250	1,900	22,817
Didier Carlier	4,250	6,750	-	-	11,000
Jacques Dumas[2]	2,479	4,500	-	-	6,979
Pierre Giacometti	8,500	12,000	-	-	20,500
Henri Giscard d'Estaing	8,500	9,000	6,500	5,700	29,700
Sylvia Jay[3]	8,500	13,500	3,250	4,750	30,000
Gérard Koenigheit	4,250	8,250			12,500
Marc Ladreit de Lacharrière	8,500	3,000	-	-	11,500
Didier Lévêque	4,250	8,250	-	-	12,500
Catherine Lucet	8,500	15,000	6,500	23,500	53,500
Gilles Pinoncély	8,500	16,500	6,500	22,462	53,962
Gérald de Roquemaurel	8,500	15,000	13,000	31,962	68,462
David de Rothschild[3] [4]	8,500	13,500	7,042	10,450	39,492
Frédéric Saint-Geours[5]	13,500[6]	16,500	9,750	27,212	66,962
Michel Savart	4,250	8,250	-	-	12,500
Rose-Marie Van Lerberghe[7]	8,542[6]	4,500	2,708	5,700	21,450

(1) Appointed in May 2015 as a director and in July 2015 as a member of the Appointments and Compensation Committee.
(2) Appointed as permanent representative of Cobivia in June 2015.
(3) Appointed in July 2015 as a member of the Governance Committee.
(4) Duties as a member of the Appointments and Compensation Committee terminated in July 2015.
(5) Appointed in July 2015 as Chairman of the Governance Committee.
(6) Including the additional gross fee of €5,000 paid to the Lead Independent Director in respect of 2015, calculated on a pro rata temporis basis.
(7) Term as director ended in May 2015.

Total directors' fees paid in January 2016 in respect of 2015 to members of the Board of Directors, the Board Committees and the non-voting director amounted to a gross amount of €486,322. The total gross amount of directors' fees paid in 2015 in respect of 2014 amounted to €465,153. The variable component represents a significant portion of the total amount of directors' fees.

6.4. EXECUTIVE COMMITTEE COMPENSATION

The executive compensation policy is designed to ensure a competitive compensation positioning relative to general market practices and to be in line with similar companies. It is also designed to encourage and reward performance both in terms of Group activity and results and individual performance.

Total compensation paid to Executive Committee members comprises a fixed and a variable component.

The variable component is contingent on the achievement of various objectives:

- quantitative Group objectives, which are identical to those set for the Chief Executive Officer;
- personal quantitative objectives based on the operating units and departments for which the person is responsible (*e.g.*, achievement of budget or strategic plan);
- personal qualitative objectives based on a general appraisal mainly taking account of managerial attitudes and behaviour.

An annual "road map" sets out the applicable criteria, the weighting assigned to each criterion in the overall appraisal, and the objectives (target) to be met.

The variable component can be up to 50% of the fixed salary if the objectives are met and up to 100% if they are exceeded.

In 2015, total gross fixed and variable compensation paid by the Company and its controlled subsidiaries to Executive Committee members, other than the Chairman and Chief Executive Officer and exceptional bonuses, amounted to €13.3 million, including a variable component of €6.3 million in respect of 2014 and €217,100 in benefits in kind.

6.5. STOCK OPTIONS AND SHARE GRANTS

The Chairman and Chief Executive Officer is not and has never been entitled to receive stock options or share grants from Casino, Guichard-Perrachon, the companies it controls or companies that control it.

As employees, members of the Executive Committee may receive stock options and/or share grants, as part of a policy to retain key people and involve them in the Group's development.

Share grants are contingent on the achievement of a performance condition specific to the Company and on the grantee being employed by the Group on the vesting date or on the exercise date for stock options.

Options are granted with no discount to the share price calculated on the basis of the average quoted prices during the 20 trading days immediately prior to the grant date.

The Company may also make one-off free share grants to employees who have made a significant contribution to strategic or highly complex transactions.

In 2015, a member of the Executive Committee was granted 3,500 free shares as part of a one-off share grant. The vesting of these shares is contingent on him still being employed by the Company.

In 2015, no stock options on Casino shares were granted or exercised by Executive Committee members.

The share award policy and details of these various plans which were still valid at 29 February 2016 are provided on pages 273 and 274.

Chapter 7

Risk factors and insurance

Risk management is an integral part of the Group's operational and strategic management of the business and is organised at several levels (see below).

The Group has reviewed the main risks that could have a material impact on its operations, financial position or results. These risks are described below.

7.1. RISK FACTORS

7.1.1. FINANCIAL RISKS

The main risks associated with the Group's financial instruments are market risks – mainly currency, interest rate and equity risks – and counterparty and liquidity risks.

Financial risk monitoring and management is the responsibility of the Corporate Finance department, which is part of the Group Finance department. This team manages all financial exposures in coordination with the finance departments of the Group's main subsidiaries and is also responsible for management reporting systems. It has issued good practice guidance governing all financing, investment and hedging operations carried out by Group business units.

The Group uses derivative financial instruments such as interest rate swaps and forward currency transactions to manage its exposure to interest rate changes and currency risks. These instruments are mainly over-the-counter instruments transacted with first-class bank counterparties. A majority of these transactions or instruments qualify for hedge accounting.

However, like many other large corporates, the Group has the possibility of taking very small, strictly controlled speculative positions as part of its hedging policy, for more dynamic and flexible management of its interest rate positions.

A breakdown of derivative financial instruments by type of risk and accounting classification is provided in Note 11.6.1 to the 2015 consolidated financial statements.

7.1.1.1. Market risks

Interest rate risk

The Group is exposed to interest rate risk on financial liabilities and its liquidity position. More specifically, the Group's interest-bearing debt (see Note 11.2 to the 2015 consolidated financial statements) exposes it to interest rate fluctuations, which impact its finance costs.

The Group's objective is to optimise borrowing costs by efficiently managing its exposure to the risk of interest rate changes. Its strategy therefore consists of dynamically managing debt by monitoring and, where necessary, adjusting its hedging ratio based on forecast trends in interest rates.

Interest rate risks are managed using various derivative instruments, mainly interest rate swaps. Group financial policy consists of managing finance costs by combining variable and fixed-rate derivatives. Although these instruments do not always qualify for hedge accounting, they are all selected in line with the Group's interest rate risk management policy.

Casino, Guichard-Perrachon debt is mainly composed of fixed-rate bonds (€7,346 million at 31 December 2015 excluding accrued interest). Most of this bond debt has been converted to floating rate using swaps generally set up when the bonds were issued. All of the swaps qualify for hedge accounting.

As of 31 December 2015, Casino, Guichard-Perrachon had a portfolio of 94 interest rate swaps with around fifteen bank counterparties with scaled maturity between 2016 and 2026, representing floating rate exposure on a notional amount of €6,896 million and fixed rate exposure on €500 million.

An analysis of sensitivity to changes in interest rates is provided in Note 11.6.2 to the 2015 consolidated financial statements.

Currency risk

Information about currency risk is provided in the notes to the consolidated financial statements (see Note 11.6.2).

Due to its geographical diversification, the Group is exposed to currency translation risk. In other words, its statement of financial position, income statement, and consequently its financial ratios, are sensitive to changes in exchange rates used to translate the financial statements of foreign subsidiaries outside the euro zone. In 2015, the currencies of most of the countries in which the Group operates fell significantly against the euro compared to 2014, with declines in the average rate for the year of 15.7% for the Brazilian real and 13.0% for the Colombian peso. Conversely, the Thai baht gained 13.5% against the euro. In 2015, the currency effect on net sales and trading profit was a negative 6.4% and a negative 4.8%, respectively. Currency risk is not hedged.

The Group is also exposed to transaction risk on transactions denominated in currencies other than the euro. The Group's policy for managing transaction risk consists of hedging highly probable budgeted exposures. These mainly concern purchases made in a currency other than the subsidiary's functional currency, particularly purchases in US dollars hedged by forward currency purchases. Substantially all budgeted purchases are hedged using instruments with the same maturities as the underlying transactions.

An analysis of the sensitivity of net exposure (after hedging) to currency risk is provided in Note 11.6.2 to the 2015 consolidated financial statements.

Equity risk

At 31 December 2015, the Group did not hold any significant interests in listed companies other than its subsidiaries or treasury shares.

The Group may use derivative instruments (*e.g.* total return swaps with no call option, forward contracts and call options) on equities to build a synthetic economic exposure to the shares of its listed subsidiaries (see Note 11.4.2 to the 2015 consolidated financial statements). The carrying amount of these instruments corresponds to their estimated value as provided by a financial institution on the closing date. These values take account of market data such as exchange rates, share prices and interest rates.

The Group's cash management policy consists of investing solely in money market instruments that are not exposed to equity risk.

Commodity risk

Given the nature of its business, the Group is not exposed to any material commodity risk.

7.1.1.2. Counterparty and credit risk

The Group is exposed to counterparty risks on its operating, short-term investing and interest rate and currency hedging activities. It monitors these risks regularly, using several objective indicators, and diversifies its exposure by dealing with the least risky counterparties (based mainly on their credit ratings and their reciprocal commitments with the Group).

The Group's policy for managing customer credit risk consists of checking the financial health of all customers applying for credit. Trade receivables are regularly monitored and the Group's exposure to default risk is not material. Trade receivables are analysed in Note 11.6.3 to the 2015 consolidated financial statements.

The age of overdue receivables that are not qualified as impaired may vary substantially depending on the type of customer, *i.e.* private companies, consumers or public authorities. Provisioning policies are determined on a debtor-by-debtor basis according to customer type. The Group believes that it is not exposed to any material concentration of credit risk.

Regarding credit risk on the Group's other financial assets – mainly comprising cash and cash equivalents, available-for-sale financial assets and certain derivative financial instruments – the exposure of the Group linked to the risk of failure by the counterparty to fulfil its obligations is limited, with a maximum exposure corresponding to the accounting value of the instruments. The Group's cash management policy consists of investing cash and cash equivalents with various first-class counterparties and in investment-grade instruments.

7.1.1.3. Liquidity risk

The Group's 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 liquidity risk management methods consist of:

- diversifying sources of financing to include capital markets, private placements, banks (confirmed and unconfirmed facilities), commercial paper programmes and discounting facilities;
- diversifying financing currencies to include the euro, the Group's other functional currencies and the US dollar;
- maintaining at all times confirmed financing facilities that significantly exceed the Group's liabilities;
- limiting annual debt repayments and proactively managing debt maturities;
- managing the average maturity of debt and, where appropriate, replacing facilities before they fall due.

This liquidity analysis is performed both at the Casino, Guichard-Perrachon holding company level (taking into account the funds available in the cash pool managed on behalf of all wholly-owned French companies) and at the level of each of the Group's international subsidiaries.

In addition, the Group sells receivables on a non-recourse basis – without any continuing involvement, within the meaning of IFRS 7 – as well as conducting reverse factoring transactions.

Most of the Group's debt is carried by Casino, Guichard-Perrachon and is not secured by collateral. Financing is managed by the Corporate Finance department. The main subsidiaries (GPA, Big C Thailand, Monoprix, Éxito) also have their own financing sources. This financing is not secured by collateral and is not underwritten by Casino (except for GPA loans to BNDES totalling €35 million at 31 December 2015 that are secured by security interests in the financed assets and a guarantee from Wilkes, which is indirectly 50%-owned by Casino and 50% by Éxito).

All subsidiaries submit weekly cash reports to the Group and all new financing facilities require prior approval from the Corporate Finance department.

At 31 December 2015, the Group's liquidity position comprised:

- undrawn confirmed credit facilities totalling €4,515 million (including €3,854 million for France);
- available cash of €4,588 million.

Casino Guichard-Perrachon has a €9,000 million euro medium-term notes (EMTN) programme. As of 31 December 2015, issuance under this programme totalled €7,346 million.

The Company also has a €2,000 million commercial paper programme. As of 31 December 2015, issuance under the programme amounted to €424 million.

The Group's bank loans and debt issues are subject to the usual *pari passu*, negative pledge and cross default clauses.

In addition, most of Casino, Guichard-Perrachon's bank facilities include a clause providing for immediate repayment in the event of a change of control of the Company.

Casino, Guichard-Perrachon's bond issues (except for two perpetual deeply subordinated notes issues) include a rating trigger that would allow investors to require early repayment if its senior long-term debt were to lose its investment-grade rating (or its non-investment grade rating were to be downgraded) due to a change of control (*i.e.*, due to an investor other than Rallye or a company related to Rallye acquiring over 50% of Casino's voting rights). They also contain a step-up clause whereby the interest rate on Casino, Guichard-Perrachon's senior long-term debt would be increased by 125 bps per year if the credit rating of such senior long-term debt were to be downgraded to non-investment grade. If activated, this clause would apply gradually from the annual interest payment date that followed the announcement of the rating downgrade.

The bond issues (other than perpetual deeply subordinated notes issues) are currently rated BBB- by Fitch Ratings and BB+ by Standard & Poor's. On 15 January 2016, Standard & Poor's placed the Group's BBB- rating on CreditWatch with negative implications (see Note 15 to the consolidated financial statements) and on 21 March 2016 it downgraded the rating by one notch to BB+. As explained above, the downgrade has led to a step-up of the annual interest paid on the Company's bond issues, that will apply from the next annual interest payment date for each bond issue. The impact on finance costs will be less than €20 million in 2016 (before taking into account the effect of any bond retirements) and €92 million over a full year (based on the number of bonds outstanding at 31 December 2015). It has not triggered any early repayment of Casino's debt.

At 31 December 2015, the Company's debt was subject to the following covenants:

Covenant	Debt subject to covenant	Frequency of compliance tests	**Ratio at 31 December 2015**
Consolidated net debt[1]/ consolidated EBITDA[2] < 3.5	• €1.2 billion syndicated credit line • USD 1 billion syndicated credit line • Bilateral credit lines totalling €575 million	**annually**	**2.7**
Consolidated net debt[1]/ consolidated EBITDA[2] < 3.7	• Bilateral credit lines totalling €50 million	**annually**	

[1] Net debt as defined in the loan agreements may differ from net debt presented in the consolidated financial statements (Note 11.2). It corresponds to financial liabilities less cash and cash equivalents, as increased or reduced by the net impact of fair value hedges of debt with a positive or negative fair value.

[2] EBITDA (earnings before interest, taxes, depreciation and amortisation) corresponds to trading profit plus net depreciation and amortisation expense.

The Group considers that it will have no difficulty in complying with its covenants over the next twelve months.

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

Most of the Group's other loan agreements contain financial covenants and mainly concern GPA, Éxito and Monoprix (see table below).

Subsidiary	Covenant	Frequency of compliance tests	Debt subject to covenant
Monoprix	Net debt/EBITDA < 2.5	Annually	• €370 million syndicated credit line • Other confirmed credit lines totalling €240 million
GPA[1]	Net debt[2] < equity[3]	Quarterly/ half-yearly/ annually	• All bond issues and some bank facilities
	Consolidated net debt/consolidated EBITDA < 3.25		
	Equity/total assets ≥ 0.3	Half-yearly	• BNDES borrowings totalling €35 million
	EBITDA/net debt ≥ 0.35		
EXITO	Consolidated net debt/consolidated EBITDA < 3.5	Annually	• Bank facilities (Note 11.2.3)

[1] All of GPA's covenants are based on consolidated indicators.

[2] Debt less cash, cash equivalents and receivables.

[3] Consolidated equity (attributable to owners of the parent and non-controlling interests).

These covenants were complied with at 31 December 2015.

The debt repayment schedule at 31 December 2015 (undiscounted principal and accrued interest), is presented in Note 11.6.4 to the consolidated financial statements.

Banque du Groupe Casino's liquidity risk is monitored under the liquidity policy of the CMCIC Group (50% joint owner with Casino). The bank's liquidity position is therefore assessed based on CMCIC Group standards and early warning indicators, as well as regulatory ratios.

The main objectives of liquidity risk management processes are to:

- ensure that the bank has secure sources of refinancing by preparing monthly projections of cash surpluses and requirements based on a comparison of committed financing facilities and customer loan forecasts;
- gradually bring the bank into line with the new Basel III liquidity ratios by extending the duration of transactions in order to closely match cash flows from assets and liabilities.

At 12.13%, the bank's capital adequacy ratio significantly exceeds the minimum ratio set by the banking supervisor.

7.1.2. OPERATIONAL RISKS

7.1.2.1. Risks related to product procurement and marketing

Competition and economic risks

The Group's stores and e-commerce sites are exposed to fierce competition. Competition is particularly intense in the mature French market. Outside France, the Group's leadership in most markets is under constant attack from international and local retailers that are seeking to strengthen their positions. The Group may be forced to cut prices in order to protect its market shares, which may have a negative impact on its results. The competitive environment and related trends are monitored and taken into account for each country and banner, mainly through efficient pricing management and promotional and customer loyalty initiatives, as well as by identifying and carrying out asset development or purchase and sale transactions.

The Group's sales, trading profit and cash flow depend on the economic environment in its host countries. An economic downturn in one or several markets, or in all of its markets may negatively impact its financial position, results or ability to implement strategic decisions. This is currently the case in Brazil, where Via Varejo has implemented large-scale action plans to optimise the store network and focus on the best performing range of products, while also reducing in-store and corporate costs.

Product quality, conformity and safety risks

Guaranteeing product safety and complying with health and safety standards in stores is a major challenge that can have far-reaching consequences on the Group's reputation and financial performance, and breaches in this area may even result in liability claims.

From product specifications to store operations, an end-to-end system ensures that the Group sells safe, healthy and high quality products. The Group Quality department coordinates the actions of the various local Quality departments, which are responsible for guaranteeing the quality of private label products and ensuring that all products sold are safe for the consumer. These exchanges mainly involve sharing best practices and procedures (product quality and safety policy, traceability procedure, supplier audits, crisis management, product recall, etc.). They led to the implementation of a Group Quality Charter distributed to all business units in 2012.

Additional information is provided in the CSR report and in the section of the Chairman's report on internal control and risk management procedures (General principles of internal control/Goods management processes) (see section 7.2 below).

The Group's e-commerce units with marketplace activities are exposed to reputational risk and possibly also liability risk which could have an impact on the Group's results in the event that their marketplace merchants sell sub-standard products.

Product marketing risks

The Group's banners in France and in international markets have affiliate and franchise networks. These networks represented 48% of stores at 31 December 2015 and mainly concerned supermarket (Casino, Franprix and Monoprix), discount (Leader Price and Surtimax) and convenience (Vival and Spar) networks. Thus, the Group is exposed to reputational risk in the event that franchisees' practices do not comply with the applicable regulations or with the Group's standards or values, and also to default risk. Each network maintains close relations with its franchisees/affiliates, through regular contacts by the networks' sales advisors. Credit risk is managed by each of the networks through regular monitoring of outstanding payments.

Risks related to trademarks and banners

The Group owns substantially all of its trademarks and is not dependent on any patent or licence, except for the "Spar" trademark which is licensed to the Group for use in France. The licence was last renewed in 2009 for a further ten years. In France, 856 stores are operated under this banner, including 720 franchise stores.

The Group proactively protects all of the trademarks that it uses or distributes and does not believe that any potential infringement of trademark regulations would have a material adverse effect on its operations and/or results.

Supplier risks

The Group is not dependent on any specific supply, manufacturing or sales contracts. Casino deals with over 30,000 suppliers.

Products sold by the Group may be sourced from suppliers based in countries that present risks of non-compliance with the laws and standards on working conditions in manufacturing environments, or with the values listed in the Universal Declaration of Human Rights and the ILO's Declaration on Fundamental Principles and Rights at Work. By pledging to uphold the United Nations Global Compact since 2009, the Group has regularly reaffirmed its commitment to ensuring that human rights are protected and promoted in all of its international subsidiaries and by all of its suppliers. The Group has also developed several initiatives in France aimed at small and medium-sized enterprises (SMEs), such as appointing a coordinator in charge of facilitating relations between the Group and SMEs. The policies deployed by the Group are presented in the CSR report.

Logistics risks

The Group's stores and e-commerce businesses have set up bespoke supply chains to re-stock integrated stores and franchisees and to deliver goods ordered on-line to retail customers. Changes in supply chain organisation or the failure of one or more logistics processes could lead to temporary or prolonged business disruption and have an adverse effect on the Group's image and financial results.

Supply chains are organised at local (country) level rather than internationally, and they may differ depending on the business.

For example in France, the logistics network operated by the Group's specialised subsidiary Easydis makes deliveries from 22 sites throughout France representing some 900,000 sq.m. of warehousing to all of the various banners except for Monoprix and Franprix-Leader Price which have their own logistics networks.

Goods are delivered to the point of sale or, in the case of on-line orders, to the pick-up point or customer's home by transport companies and courier services such as La Poste. Failure by these contractors to fulfil their delivery obligations may have an adverse effect on the Group's image and financial results.

Information systems and data protection risks

The Group is dependent on its technical infrastructure and computer applications for all aspects of the day-to-day management of the business, including procurement, purchasing, inward and outward deliveries of goods, on-line sales, invoicing, reporting and consolidation, electronic data interchange and access to internal information.

Information systems protection and uptime are therefore considered of prime importance. The Group runs, directly or indirectly, an extensive array of information systems (servers, networks, applications, websites and databases) that are essential to the operation and efficient management of its activities. Any breach of systems integrity, for example due to a technical failure or cyber-attack, could have a serious adverse effect on the Group's business operations and assets. A hardware or software failure, or failure by a service provider (especially a hosting company), interruption of mission-critical IT services or a data security breach could have an unfavourable impact on the Group, particularly the e-commerce business which is highly dependent on reliable and secure computer systems.

The Group implements comprehensive measures in each business unit to protect sensitive data and ensure business continuity.

7.1.2.2. Other operational risks

Fraud, corruption and theft risks

Incidences of fraud, theft and corruption may have a negative impact on the Group's results and image. The various Group business units deploy internal control processes aimed at limiting the occurrence of these risks.

The Group seeks to operate its businesses in accordance with ethical standards and has established an internal control framework along with internal control tools and systems tailored to its businesses and corporate culture. Details of the Group's anti-corruption policies and systems to flag up possible breaches of ethical standards are presented in the CSR report.

The Group's anti-corruption programme is managed by the business units' Senior Management, with support from the Group's Internal Control department which helps them develop action plans as part of its initiative to raise awareness of internal control issues among all the Group's business units.

Geographic risks

Some of the Group's businesses are exposed to risks and uncertainties arising from trading in countries that may experience or have recently experienced periods of economic or political instability, especially in Latin America and Asia. In 2015, international operations accounted for over 55% of consolidated net sales and more than 86% of consolidated trading profit. The occurrence of geographic risks may affect the Group's business operations and, potentially, its financial position and the value of its underlying assets including goodwill (the breakdown of goodwill by business and geographical segment is provided in Note 10.1 to the consolidated financial statements at 31 December 2015 and goodwill impairment losses are disclosed in Note 10.5.2). The Group draws up action plans and implements measures to mitigate the impacts of these risks and ensure business continuity.

Human resources risks

The skills, drive, quality and engagement of Group employees play a significant role in developing the business. If the Group were to fail to identify, attract, retain and train skilled employees, especially in emerging economies and/or in the Group's principal markets, the development of its businesses and results could be affected.

The Group addresses this risk by developing a nurturing and participative working environment and encouraging employees to buy into its values. As an engaged employer, the Group is deploying various initiatives aimed at fighting all forms of discrimination, promoting diversity, equal opportunity and gender equality and improving workplace health and safety. Additional information is provided in the CSR chapter and in the section of the Chairman's report on internal control and risk management procedures (General principles of internal control/Human resources management processes) (see section 7.2 below).

Natural disaster risks

The Group may be exposed to the risk of natural disasters in its host countries that may have a direct or indirect impact on its businesses, assets and employees and possible consequences on its financial position. The Group draws up action plans and implements measures to mitigate the effects of these risks and ensure business continuity. Additional information is provided in the CSR chapter.

Industrial and environmental risks

The Group's sustainable development policy is implemented by a dedicated organisation created in 2002. As an increasingly global organisation, in 2009 Casino pledged to uphold the United Nations Global Compact. A Group CSR department was set up in 2010, with the aim, in particular, of accelerating the deployment of corporate social responsibility initiatives among the French and international subsidiaries. Each of these subsidiaries have created a network of CSR correspondents that holds regular meetings to discuss ways of achieving these goals.

Environmental risks and management procedures are described in the CSR section below. The Group's 277 service stations in France, 83 in Brazil and 22 in Colombia are subject to regular strict inspections. A ground pollution prevention plan has been launched in France, comprising sub-soil and groundwater surveys and continuous surveillance of 100% of underground structures. Service stations outside France are also subject to monitoring and inspection procedures.

7.1.3. LEGAL RISKS

Compliance risks

Due to the nature of its businesses and international footprint, the Group is subject to a wide variety of laws and regulations, including labour, competition, consumer and town planning laws, company law, securities laws, public health and environmental laws. Changes in these laws, particularly if they lead to increased obligations, may have a negative impact on the Group and its results.

Both in France and abroad, the Group is required to follow regulations governing the operation of establishments open to the public, notably health and safety regulations, and classified facilities (service stations), as well as product compliance and safety regulations.

In addition, administrative consents are required to open new stores and extend existing ones.

In the various host countries, expansion through bolt-on acquisitions may be subject to approval by the local anti-trust authorities. One condition of such approval may be the sale of certain assets. This was the case, for example, for the acquisition of Monoprix which was authorised only after Casino agreed to sell 58 other stores representing a total retail area of some 21,000 sq.m. and less than 1% of the Group's net sales in France. Similarly, in Colombia, Éxito's buyout of Super Inter was authorised in exchange for a commitment to sell four Super Inter stores.

Five of the Group's subsidiaries are listed on stock exchanges (see page 261) and are subject to different securities laws in the listing country. Companhia Brasileira de Distribuçao – GPA (Brazil) and Cnova (Netherlands) are listed in the United States and are therefore also required to comply with the Sarbanes-Oxley Act.

Moreover, some of the Group's businesses are subject to specific regulations, notably, in France, Banque du Groupe Casino (banking and personal finance), Cdiscount (e-commerce), Sudéco (real estate), Floréal and Casino Carburants (service stations) and L'Immoibilière Groupe Casino and GreenYellow (solar energy).

The necessary legal structures and processes have been set up at the appropriate levels to ensure compliance with these regulations.

Tax and customs risks

The Group is required to comply with the rules applicable in its host countries to the businesses of its various business units. Identifying, monitoring, managing and controlling tax risks are the responsibility of the Group Tax department and the tax departments of the various business units.

The Group is subject to periodic tax audits in France and in its other host countries. Provision is made for all accepted reassessments. Contested reassessments are provided for on a case-by-case basis, according to estimates taking into account the risk of an unfavourable outcome of legal actions and appeals engaged.

Tax risks at GPA are discussed in Note 13.2 to the consolidated financial statements at 31 December 2015.

Claims and litigation

In the normal course of its business, the Group is involved in various legal, administrative and arbitration proceedings and is subject to controls of administrative and regulatory authorities. Provisions are set aside to cover these proceedings when (i) the Group has a legal, contractual or constructive obligation towards a third party at the year-end; (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (iii) the amount of the obligation can be reliably estimated.

Information on outstanding claims and litigation is provided in Note 13 to the consolidated financial statements at 31 December 2015.

As of the Registration Document filing date, the Company is not and has not been involved in any other governmental, legal or arbitration proceedings (including any such proceedings that are pending or threatened of which the Company is aware) which may have, or have had, during the previous 12 months, a material adverse effect on the financial position or profitability of the Company and/or the Group.

- Disputes between Casino and the Baud family, 50/50 shareholders of Geimex, owner of the Leader Price trademark internationally, specifically concern the sale of Leader Price Polska by Casino in 2006 and the Baud family's activities in Switzerland that are currently the subject of commercial and criminal proceedings.
- In June 2009, GPA acquired through a subsidiary 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 ultimate holding company), Casino, Guichard-Perrachon and three of its other sub-holding companies, had failed to comply with the contractual terms regarding payment of a portion of the purchase price in GPA shares. Morzan Empreendimentos is seeking damages of approximately BRL 160 million.

GPA and its controlling shareholders believe that the claim is without merit. 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. This was confirmed by the arbitral tribunal on 9 July 2013.

No provision was booked for the Morzan Empreendimentos claim.

However, contrary to all expectations and the opinions of the defendants' legal counsels, in a ruling handed down on 14 August 2015, the arbitral tribunal accepted Morzan Empreendimentos's claim and declared CBD and Wilkes jointly and severally liable for the payment of BRL 212 million in damages plus interest for the period until full payment was made.

On 17 November 2015, CBD and Wilkes lodged an appeal with the Paris Court of Appeal to have the ruling overturned. No decision in the matter is expected until 2017.

The appeal does not suspend execution of the 14 August 2015 ruling and the damages will therefore be paid during the first quarter of 2016.

- Following the actions and release by Muddy Waters, while trading was in progress on 17 December 2015, of a report containing grossly untrue allegations about the Group, triggering an abrupt, very steep fall in the Casino share price, the Company asked France's securities regulator, AMF, to take disciplinary sanctions and prevent such actions from occurring again.
- Three requests for class action lawsuits were launched in the United States by individual shareholders on 15, 20 and 22 January 2016 against Cnova N.V., some of its current and former officers and directors and the banks that underwrote its IPO on NASDAQ in November 2014. The plaintiffs allege certain breaches of US securities laws, particularly with regard to the financial information provided in the IPO prospectus. Two of the lawsuits have been brought before the Federal Court of the Southern District of New York and the third before the Supreme Court of the State of New York. The courts have not yet ruled on whether the class actions are admissible and the plaintiffs have yet to state how much they are claiming in damages.

7.2. INTERNAL CONTROL AND RISK MANAGEMENT

7.2.1. ORGANISATION OF AND GENERAL APPROACH TO INTERNAL CONTROL AND RISK MANAGEMENT

7.2.2.1. Standards

The Group's internal control and risk management system is based on the internal control and risk management framework published by the *Autorité des Marchés Financiers* ("the AMF Framework"). The system's organisation and procedures comply with the general principles described in the AMF Framework and take into account the related internal control and risk management guidelines dated January 2007 as updated regarding risk management guidelines in July 2010.

This report is based on interviews, reviews of audit reports and responses to AMF questionnaires and internal questionnaires designed to identify all components of the Group's internal control and risk management system.

The report was presented to the Audit Committee for review and comment on 4 March 2016 and was approved by the Board of Directors of Casino, Guichard-Perrachon on 8 March 2016, as required by law.

It also refers to the 17 principles of effective internal control of the Committee of Sponsoring Organizations of the Treadway Commission ("COSO Framework") published in 2013.

7.2.2.2. Scope

The Group's risk management and internal control systems as described in this report are those applicable to the parent company and to its controlled subsidiaries within the meaning of Article L. 233-1 of the French Commercial Code *(Code de commerce).*

The Group's six listed subsidiaries, Intexa in France and Éxito, Big C Thailand, GPA, Cnova and Via Varejo outside France, are also subject to various internal control and risk management obligations. Grupo Pão de Açúcar (GPA), listed on the NYSE, and Cnova NV, listed on the NASDAQ, are additionally required to comply with the Sarbanes Oxley Act. Following Cnova's listing on NASDAQ in November 2014, a process was initiated and pursued throughout 2015 to ensure that the company complied with all of the requirements of the Sarbanes-Oxley Act by 31 December 2015. During 2015, GPA focused on aligning its internal control procedures relating to the production of its financial statements with the 2013 COSO Framework.

7.2.2.3. Parties involved in risk management and internal control

Senior Management, *via* the Executive Committee, is responsible for defining, designing and implementing the risk management and internal control system.

The Company's Board of Directors is informed of the system's key features.

The Audit Committee is responsible under the authority of the Board for examining issues concerning the preparation and control of accounting and financial information, and reporting thereon to the Board. To this end, as well as reviewing the process for preparing financial information, the choice of accounting options and the financial statements, the Committee obtains assurance concerning the effectiveness of the internal control and risk management systems. The Committee is also responsible for checking that the Group has the appropriate resources and structures to identify, detect and prevent risks, errors or irregularities in the management of its business. As such, it maintains continuous oversight of the risk management and internal control system.

The Charters of the Board of Directors and the Audit Committee clearly describe the Committee's duties which were extended in 2015 to include the systematic review of material agreements between related parties prior to their signature. The Audit Committee's characteristics, role, duties and activities are described in the Corporate Governance section of this report.

The Boards of most of the Group's listed subsidiaries have set up an Audit Committee or equivalent structure to assist the Board of Directors in these areas and play a key role in the subsidiary's internal control and risk management system. The listed subsidiaries have also voluntarily adopted charters dealing with the prior approval of related party agreements.

Within the Group Internal Audit and Internal Control department, the Internal Control unit is responsible for encouraging implementation of best practices in the area of internal control.

Its duties mainly include:

- helping managers to identify the major risks faced by Group units;
- drafting general procedures and risk matrices defining the key controls to be updated;
- assisting operating and support units in improving and optimising existing or planned risk management and internal control systems;
- analysing one-off issues flagged up by the operating and support units involving internal control weaknesses or significant process or information system upgrades.

Within the Group, each unit is responsible for defining and implementing its own internal control system (see paragraph 3 below). Group Internal Control works with the local internal controllers in the various business units, forming a network of around 50 dedicated internal control staff.

Group Internal Control also deploys initiatives to raise awareness of the risks of fraud and corruption, encouraging the managers of each business unit to continuously strengthen the management of these risks (in 2015, for example, managers were reminded of the procedure to prevent credit card and cheque fraud).

The Group's Insurance department liaises with the operating and support units to help identify and assess insurable risks. It participates in risk mapping and reviews of the liability and insurance issues associated with calls for tenders, major contracts and development transactions. It defines and coordinates insurance policies in order to consolidate the Group's vision of risks and obtain improved coverage at lower premiums. In 2015, the Group took further steps to rationalise its insurance programmes by purchasing master policies. GPA's policies in Brazil were reorganised with those of the Group and Monoprix's insurance risks were integrated in the programmes. The Insurance department is also responsible for managing or overseeing litigation on operational matters with the Group Legal department.

The Group has purchased several global and centralised master insurance policies. Where permitted under local laws and regulations, risks are insured directly under the master policies. Alternatively, the master policies may increase or extend the limits or conditions of cover available under policies purchased locally.

Local insurance policies for construction activities, vehicle fleets or workplace accidents for example, are purchased in the host country in coordination with the Group Insurance department which relies on local insurance advisers.

The Risk Prevention Committee participates in the company-wide risk management process and ensures that a consistent overall process is in place to prevent risks that could have a major impact on the implementation of the Group's strategy, the achievement of its objectives or, more generally, its continuity.

It meets every three months with representatives of the Executive Committee, the main Corporate departments (Legal, Human Resources, Finance, Internal Audit and Internal Control) and operational divisions (Hypermarkets, Supermarkets, Supply Chain, Group Purchasing, Property Development).

It works closely with the Internal Audit and Internal Control department and with the Legal Risks department, which also plays an important role in internal control alongside the Group Legal department, and also communicates with subsidiaries that have their own Risk Prevention Committees (Vindémia, Libertad and Monoprix).

The Internal Audit unit of the Group Internal Audit and Internal Control department and the local Internal Audit units are also involved in overseeing internal control. Their roles and responsibilities are described in the Monitoring of Internal Control section of this report.

Lastly, a Group Crisis Management Unit has been set up to manage crises affecting employees, consumers, the Company's image and its assets. The Unit's members include representatives of Senior Management (the Chairman and Chief Executive Officer depending on the event, and the Human Resources Director) and internal staff (heads of the branches, business lines, or units concerned, heads of the Communication, Legal and Insurance departments) or external experts (specialists, lawyers, etc.) as needed to deal effectively with the crisis.

7.2.2. GENERAL RISK MANAGEMENT PRINCIPLES

7.2.2.1. Definition of risk management

The risk management system encompasses a set of resources, behaviours, procedures and actions adapted to the Group's specific characteristics that enables Senior Management to keep risks at acceptable levels for the Company if not eliminate them altogether. Taking advantage of opportunities and developing the business in an inherently uncertain environment necessarily involves a certain amount of risk-taking.

Employees, managers and department heads are responsible for ensuring that risk management and internal control systems operate efficiently and continuously seeking to improve them.

7.2.2.2. Risk management objectives

The key objectives of risk management are to help:

- create and preserve the Company's value, assets and reputation;
- secure decision-making processes and the processes that help the Company meet its objectives;
- ensure that the Company's actions are consistent with its values;
- promote a shared vision of the main risks among all employees.

7.2.2.3. Risk management process

Within the Casino group, risk management is decentralised, with the subsidiaries' Management Committees having responsibility for identifying, assessing and dealing with their main risks under the supervision of the parent company's Senior Management.

Risk identification

The Group is faced with various types of risks such as market risk, operational risk and legal risk. These risks are described in section 7.1.

Since 2014, the Executive Committee is responsible for defining the major inherent risks at Group level and the business units' Management Committees are responsible for identifying their own specific major risks.

In 2015, major risks at the parent company level were reviewed by a cross-functional working group made up of representatives of the Administration and Finance, Internal Audit and Internal Control, Insurance, Legal, Information Systems Security and Group Human Resources departments. At the business unit level, each Management Committee was asked to identify and analyse their ten major risks. For each risk, this involved:

- assessing the inherent and residual risk;
- identifying the main causes and consequences;
- recommending ways of addressing the risk in order to improve internal control (with four options: conservation, mitigation, transfer or avoidance – see below);
- drawing up formal action plans to reduce the level of residual risk.

The Group Internal Control department and Group Insurance department have developed methods and tools to assist the business units in identifying their ten major risks. These include:

- a risk catalogue listing the major risks identified by the Group Executive Committee, which not only facilitates the identification process but also helps to ensure that all business units describe the same risks in the same way. Business units may include in their Top 10 any major risk that is not listed in the catalogue;
- criteria and rules for determining the risks' probability and impact, so as to perform assessments of both the inherent risk (before the effects of any existing internal controls) and the residual risk.

For all business units, risk checklists are used to manage and track the implementation of action plans.

Risk assessment

The risks identified by each business unit's Management Committee are analysed and quantified by the business unit and the resulting risk map is used as the basis for the Group Internal Control department's work. This department's duties and activities are described in the "Organisation" section.

Risks are reviewed regularly during Group Internal Audit assignments. The internal auditors evaluate them independently according to their impact and likelihood of occurrence, taking into account existing internal controls.

Risk treatment

The control activities described below seek to reduce the risks identified by the management of each business unit and at Group level, whose occurrence may prevent the Group from achieving its objectives.

The various risk identification and assessment tools are monitored by each business unit, which develops action plans designed to reduce these risks based on previously-defined risk mitigation procedures. The four possible ways in which risks can be treated include:

- risk mitigation: measures are taken to mitigate the risk's probability and/or impact; the Group Internal Control department may be requested by the business unit to implement necessary means to mitigate the risks;
- risk conservation: no measures are taken to change the risk's probability and impact; the risk is accepted and assumed by executive management;
- risk avoidance: the activities giving rise to the risk are abandoned;
- risk transfer: the risk's probability or impact is reduced by transferring or sharing part of the risk, for example on the insurance market.

The Group Internal Audit and Internal Control department assesses the risks inherent in the business unit's activities and the implementation of the associated internal controls, in order to identify residual risks which may be potentially material. Action plans are recommended to control these residual risks. The internal auditors subsequently check that these recommendations have been implemented and the risks reduced.

Each business unit is responsible for organising a business continuity plan to deal with crisis risk and for setting up a process for reporting critical information and managing potentially harmful events. Local management may call on the Group crisis management unit for support.

7.2.3. GENERAL INTERNAL CONTROL PRINCIPLES

7.2.3.1. Definition of internal control

The internal control system is defined and implemented under the responsibility of each business unit. This organisation allows them to participate in controlling their activities, while ensuring operational efficiency and efficient use of resources. It also helps to ensure that the material risks that may affect a business unit's ability to achieve its objectives are dealt with appropriately.

7.2.3.2. Internal control objectives

The AMF Framework states that internal control aims to provide reasonable assurance concerning:

- compliance with laws and regulations;
- compliance with Senior Management instructions and guidelines;
- efficient execution of processes, particularly for the safeguarding of assets;
- the reliability of financial information.

However, as underlined by the AMF Framework, no matter how well-designed or well-applied, no internal control system can provide absolute assurance that the Group will achieve its objectives. All internal control systems have inherent limitations, due notably to uncertain external events, the exercise of human judgment and the breakdowns that can occur because of human failures such as simple errors.

7.2.3.3. Internal control environment

Because of its diverse business base and broad international reach, the Group has adopted a decentralised structure that takes better account of each business unit's local features and makes the decision-making process more efficient.

Each business unit has its own support functions, which work in cooperation with the corresponding Group department.

Setting and communicating objectives

Strategic and financial objectives are set by the Company's Senior Management in a three-year business plan which is reviewed every year. The first year of the plan constitutes the annual budget.

The business plan process is led by the Strategic Planning department, which is responsible for:

- coordinating the preparation of the business units' business plans, checking that they are consistent and are aligned with the Group's strategy;
- liaising with the business units' Finance departments to check that major cash inflows and outflows are balanced, particularly capital expenditure, financial resource allocation and debt management transactions;
- with the Group Finance department and its Budget Control unit, monitoring actual performance against the business plan and updating the business plan to take into account actual results;
- contributing, with the Executive Committee and the business or support units concerned, to the preparation of the main corrective action plans and monitoring their implementation.

Rules of conduct and integrity

In 2011, Casino published a Group Ethics Charter comprising nine fundamental ethical principles and outlining the Company's commitments to its stakeholders. The Charter applies to all Group subsidiaries and covers the commitments made under the United Nations Global Compact in 2009. It is included in the managerial attitudes and behaviours guide distributed to all management teams.

Responsibilities and powers

SEGREGATION OF DUTIES

Each business unit is responsible for organising its structure in such a way as to ensure proper segregation of duties. The structure is set out in a formal organisation chart. Organisation charts for the main business units and support functions are available on the Company's intranet.

DELEGATIONS OF POWERS AND RESPONSIBILITY

The business units' Legal and Human Resources departments manage and supervise the process of delegating signature powers and responsibilities in accordance with local law. The Legal department is responsible for issuing guidelines for delegations and defining their scope. The Human Resources department implements and oversees the application of these guidelines.

Human resources policy

The Group's human resources policy aims to ensure an appropriate allocation of resources within the Group through structured recruitment and careers management policies designed to help achieve the objectives set by the parent company.

The Group also has specific training policies, particularly in business management, personal development and the Group's various business areas.

The business units base their compensation policies on an analysis of market practices and on the principle of internal pay parity, in order to motivate employees.

Managerial practices are assessed each year during the annual appraisal process to ensure that they conform with the Group's set of managerial attitudes and behaviour. The results contribute to the determination of part of the management bonuses.

In 2015, various company and Group agreements were signed, including the agreement on working hours, employee benefits and working conditions signed in France in April, which introduced significant improvements in the areas of gender equality and work life balance, the July addendum to the Group agreement on time savings accounts (CET) allowing employees to exchange the value of hours accumulated in their time savings accounts for personal service vouchers ("CESU"), and an addendum to the Group agreement on ongoing professional training guaranteeing the vesting rules and use of personal training accounts.

Information systems

The Group has developed a target model based primarily on two well-known management software suites available on the market, one for administrative functions and the other for sales functions. The model also encompasses IT standards and governance frameworks to ensure that the information systems are geared to the Group's current and future objectives. The dissemination of these best practices also helps to enhance systems security (hardware and software), data storage, secure access management and business continuity.

Following the work of the Group Internal Audit department on data security management in the various business units in 2015, 15 golden cybercrime prevention rules were introduced to strengthen the protection of information systems and data security. A system has been set up to support and monitor their deployment in all business units in cooperation with the Group Information Systems Security department.

In 2015, Cnova replaced its Enterprise Resource Planning (ERP) system.

Operating procedures and methods, content

The Group has internal control procedures for its significant business processes. These include Accounting (four processes – monitoring standards; recording transactions; closing and preparing the parent company financial statements; and preparing the consolidated financial statements – sub-divided into 17 procedures) and Purchasing (five processes – assortment definition; identifying, negotiating with and selecting suppliers; monitoring contractual commitments; quality, hygiene, safety and environment; and general administrative services – sub-divided into 26 procedures). They describe the objectives of the processes, the departments and activities concerned and the guidelines to be followed. These procedures are published on the intranet sites and other documentary databases of the various Group business units.

Dissemination of information

The Group's information systems, intranet sites, databases and other communication media are not only used to communicate information but also to centralise and circulate procedures applicable to various activities.

The timeframe for providing information is designed to give the parties involved sufficient time to react appropriately.

A specific procedure sets out what to do in situations likely to lead to a crisis at Group level. A reporting tool is used by a number of business units for prompt reporting to Senior Management.

All Group employees are bound by a duty of confidentiality covering any information used in the course of their work. Employees likely to have access to inside information in the course of their work are identified and informed of the behaviour to be followed. They are also registered on an insider list established by the Group Legal department in accordance with the AMF's general rules.

7.2.3.4. Internal control activities

Compliance with laws and regulations

The control activities described below are designed to mitigate the legal risks described in section 7.1.

ORGANISATION

The Group Legal department's role is to ensure that the Group's operations comply with the applicable laws and regulations. It reports to Senior Management on all major legal matters and helps to share and spread good practices among the various business units.

Each consolidated company has its own legal department that oversees compliance with applicable laws and regulations and reports to the Group Legal Counsel.

Tax matters are dealt with by a department reporting to the Group's Chief Financial Officer. Its main role is to provide support to the Group's business units in France and its foreign subsidiaries. It monitors regulatory changes and developments in all types of taxes and duties affecting the Group.

More generally, the Tax department is responsible for spreading, disseminating and implementing the tax practices it considers appropriate throughout the Group, with the support of the Finance department. It also monitors tax audits and disputes in France and abroad. However, these audits and disputes are managed at the country level. The Tax department may be assisted by local tax advisors in order to better understand the position in the host country concerned.

It receives Group reporting documents (France and international) updated on an annual or half-yearly basis in order to fulfil its role.

The larger business units or subsidiaries may have their own dedicated tax units, failing which a tax correspondent is designated.

LEGAL INTELLIGENCE

Legal intelligence is handled in each entity by legal experts who may be assisted by external law firms if necessary.

The legal teams have access to databases and specialist reviews to keep them abreast of developments on a daily basis.

Legal intelligence in labour law is the responsibility of the Human Resources and Legal departments.

TRANSCRIBING LEGISLATION INTO INTERNAL RULES

The legal team is responsible for ensuring that the business units are familiar with and comply with the laws and regulations that are applicable to them. To do this, it prepares and circulates opinions, standard procedures or memos on the Group's legal and regulatory obligations.

STAFF INFORMING AND TRAINING ON RELEVANT REGULATIONS

Documents drawn up by the legal team are made available to the heads of the business units on an internal educational website to ensure that they comply with all laws and regulations. Training programs for managers and/or operations teams on current issues or specific points are regularly organised by the legal teams, with the assistance of external experts if necessary.

The Group Legal department and Legal Risks department work closely with the Risk Prevention Committee to develop and implement action plans to raise awareness about legal risks among the Group's operational and support teams, by distributing procedures and providing training to employees.

REGULATORY COMPLIANCE CONTROLS

The heads of business units and their representatives are responsible for ensuring compliance with the applicable laws. Compliance checks are the responsibility of the internal audit teams. Disputes and litigations are monitored by each legal unit assisted by external experts and/or the Legal Risks department, if necessary. The French business units send monthly reports on developments in disputes and litigations to the Group Legal department.

Compliance with Senior Management instructions and guidance

CIRCULATION OF SENIOR MANAGEMENT INSTRUCTIONS AND GUIDANCE

In France, the Chief Executives of the business units are responsible for deploying the Group's strategy, whilst in the International business units, responsibility for implementation lies with the Country Managers, supported by the International Coordination department. This department is responsible for monitoring their monthly results, preparing the top management succession plans, implementing synergies and sharing best practices between business units, supported by the Development and Holdings department for external expansion issues.

MONITORING COMPLIANCE WITH MANAGEMENT INSTRUCTIONS AND GUIDANCE

A number of key performance indicators are used to monitor compliance with Senior Management instructions and guidance, and to measure any deviations from its objectives. The frequency of indicator reporting depends on the type of information. The financial reporting systems are used to monitor performance on a consolidated and business unit basis.

Senior Management receives a monthly management report prepared by Group Budget Control, presenting the key performance and management indicators, together with consolidated financial statements and financial statements for each business unit. It also includes comments on performance compared to objectives and a report on the main actions in progress.

The business units' management reporting packages are all prepared according to a standard format based on IFRS so that they can easily be consolidated by Group Budget Control. The consolidated reports are used to manage the business, and also to analyse actual-to-budget and actual-to-prior year variances.

Oversight of the business units' performance is strengthened by formal reviews of the monthly reports conducted between the business units' chief executives and Group Senior Management. Group Budget Control also submits regular reports to Senior Management on its analysis work.

Monthly working capital reviews are organised between each business unit's Finance department and Group Budget Control.

The comprehensive management information reported to Senior Management is used to track actual performance against annual objectives and ensure that corrective action is taken whenever necessary.

Group Budget Control may also provide support and assistance to the business units by analysing their position and making recommendations.

Business units' budgets are reviewed from time to time during each year and full-year targets may be adjusted to take account of any developments specifically affecting the business unit.

The business units' investment and capital spending projects in excess of a certain amount are submitted for approval during weekly meetings between the Strategic Planning department and Senior Management. The Group Investment Committee is then notified of the approved projects.

Internal processes notably supporting the safeguarding of assets

The control activities described below are designed to mitigate the operational risks described in section 7.1.

PROCESSES DESIGNED TO PROTECT PEOPLE AND PROPERTY

The system of permanent controls to protect people and property is the responsibility of the business units' Technical and Operations departments and various other departments as appropriate. Where necessary, these departments are supported by outside service providers.

FIXED-ASSET MANAGEMENT

The Group's new construction projects are based on specifications drawn up jointly with experts. They comply with all applicable regulations and are designed to meet the functional and operational objectives of the building.

The entire construction process is overseen by a project manager, who ensures that the contractual terms – particularly in terms of delivery dates and construction quality – are fulfilled and the project is brought in within budget.

The Group's property portfolio is monitored from both a technical and an administrative standpoint. Regular maintenance operations are carried out to keep the properties in an optimal state of repair for their purpose.

SAP Immo fixed-asset management software is used to manage asset values based on French GAAP for the separate company accounts, on IFRS for the consolidated accounts, and on tax rules for the tax accounts. SAP Immo is interfaced with the property management system and the reporting system in order to facilitate the fixed-asset management process and ensure that accounting information is reliable.

BANNER PROTECTION

The commercial leases signed by business units are drawn up in accordance with the Group's requirements to ensure that they offer adequate protection against the risk of eviction. They are monitored by the property management teams, who are responsible for renewing them on expiry.

The Group has a large number of affiliated stores and franchisees. The Group Legal department ensures that the contracts are watertight and the operations teams oversee franchisees' activities.

To effectively manage the legal and other risks inherent in the business, the development teams implement robust controls during the contract drafting and implementation phases, and make every effort to resolve problems before they go to litigation.

INTELLECTUAL PROPERTY PROTECTION

All trademarks used by the Group are registered with the appropriate organisations in France and in all countries where the Group operates or is likely to operate in the future.

The Group Legal department is responsible for the preventive and defensive protection policy and uses outside firms to make sure that no identical or similar trademarks are registered by other parties and to take appropriate action in the event of infringement.

IMAGE PROTECTION

Corporate communications are the responsibility of Senior Management, which approves all information to be released by Group Communications prior to its publication. Group Communications also has authority over and responsibility for all releases by the business units – even those that have their own Communications department – that could potentially affect the Group's image.

The Group Communications department is also responsible for managing risks to Casino's image and that of its employees. It checks any information published about the Group on all types of media (newspapers, social networks, etc.) and responds in a manner tailored to the situation concerned.

MERCHANDISE MANAGEMENT

The purchasing strategy, in terms of both assortment and suppliers, is based on market research and reflects the business unit's main strategic goals. Action plans are drawn up on the basis of internal or external research to ensure that the product offering is consistently aligned with market expectations and the banner's positioning.

Buyers conduct regular verifications during calls for tenders, and supplier selection and deselection processes, to identify and minimise supplier dependence risk.

Lastly, performance indicators are tracked in order to monitor the effectiveness of the Group's purchasing processes.

The quality policy for Casino's private label and similar products is determined by the Group Quality Control department which communicates and/or provides training in product quality and safety best practices at the request of other business units in order to involve them in the Group's quality strategy.

Since 2011, exchanges of best practices between all the Group's host countries have laid the foundations for an international quality policy, including the definition of common performance indicators and preparation of a Quality Charter, which was circulated to all business units in 2012.

The Group Quality department defines and implements product and supplier control processes for Casino private label and similar products, value lines bearing the Casino seal of approval and direct imports.

Quality audits are carried out at all supplier plants, particularly those that manufacture Casino private label products.

Measures taken by Group business units to safeguard inventories include ensuring the security of warehouses, equipment and merchandise, goods reception and shipping processes, and monitoring compliance with standards applicable to hazardous or regulated products.

Physical inventories are performed during the accounts closing process and at regular intervals during the year to monitor performance indicators and detect any anomalies in goods flows.

MANAGEMENT OF FINANCIAL ASSETS AND FINANCIAL FLOWS

The control activities described below are designed to mitigate the market risks described in section 7.1.

Financial flows are managed by procedures designed to promote secure cash receipts and disbursements. Disbursements must be approved by an authorised signatory with two signatures required for external payments. Financial inflows and outflows are controlled through reconciliations between bank statements and the accounting records.

Financing, short-term investment and financial risk management policies are overseen by the Corporate Finance department in coordination with the subsidiaries' Finance departments, using a conservative and pro-active approach particularly with respect to counterparty and liquidity risk management. Major transactions are monitored individually.

The Corporate Finance department has issued a guide to financing, investment and hedging best practices which is distributed to subsidiaries' Finance departments. The guide sets out financing methods, selection criteria of banking partners, appropriate hedging products and required authorisation levels.

The French and international business units' cash positions and forecasts are reported weekly and continuously monitored. The Group's other financial risk exposures, such as interest rate risk, currency risk on financial transactions and banking counterparty risk, are measured and analysed in monthly reports to Senior Management that also include action plans for managing material identified risks as the case may be.

7.2.3.5. Monitoring of internal control

Continuous monitoring

The risk management system is regularly monitored and reviewed by the managers of the business units who ensure the day-to-day supervision of its effective implementation. The managers are specifically responsible for implementing corrective action plans and reporting any significant deficiencies to the Group's Senior Management. This allows Senior Management to check that the system matches business requirements and to take any required remedial action.

Monitoring by Internal Audit

Group Internal Audit and the business units' internal audit departments regularly review the effectiveness of the risk management and internal control system during their internal control assessments.

Group Internal Audit assists Senior Management and the various French and international business units in fulfilling their responsibility for monitoring the risk management and internal control systems. It also responds to all questions and requests from the Audit Committee of the Casino Board of Directors.

The Group Internal Audit and Internal Control department helps the business units to stay abreast of internal control best practices developed within or outside the Group.

The central internal audit team is supported by local teams in France and in international business units, which report to Group Internal Audit on a dotted-line basis. These central and local teams represent around 100 auditors.

The central team's annual audit programme is prepared by Group Internal Audit based on the Group's risk analysis, the principle of audit cycles for the key business processes and any major issues identified by the management of business units or departments falling within the central team's audit scope.

The business units' internal audit departments draw up their own annual audit programmes which are approved by their Senior Management and, where applicable, reviewed by their own Audit Committee. The programmes are also sent to the Group Internal Audit and Internal Control department.

The annual audit programme presented to the Group Audit Committee for the coming year includes three types of audit assignments:

- Category A: audits performed directly by Group Internal Audit;
- Category B: audits performed by the local internal audit teams or external firms with Group Internal Audit oversight and presentation of the audit report to the Audit Committee of Casino's Board of Directors;
- Category C: operational or cross-functional audits focused on local issues only, for which the reports will not be presented to Casino's Audit Committee.

The Group Internal Audit charter, approved by the Audit Committee of Casino's Board of Directors, describes the Group's internal audit function and how it operates. The charter has been rolled down to the business units' internal audit teams with some adjustments. Internal audit guidelines have also been prepared for use by the central internal audit team as a support tool for their audit assignments, based on the professional standards of the Institute of Internal Auditors (IIA).

All Group Internal Audit reports are sent to Group Senior Management and the Audit Committee of Casino's Board of Directors, as specified in the Internal Audit charter.

Monitoring by external auditors

The Statutory Auditors are required to obtain an understanding of the organisation and operation of the Group's internal control procedures and to present their observations, as explained at the beginning of the Chairman's report. In addition, the Statutory Auditors are required to have regular discussions with Group Internal Audit and Internal Control and with the Audit Committee of the Casino Board of Directors.

7.2.4. INTERNAL CONTROL OVER ACCOUNTING AND FINANCIAL INFORMATION

7.2.4.1. Objectives

Internal control over accounting and financial information aims to provide reasonable assurance regarding:

- the compliance of published accounting and financial information with the applicable standards;
- compliance with Senior Management instructions and guidelines concerning accounting and financial information;
- the reliability of information circulated and used internally for management or control purposes that contributes to the preparation of published accounting and financial information;
- the reliability of the published financial statements and the other information disclosed to the markets;
- the protection of assets;
- the prevention and detection of fraud and accounting and financial irregularities to the extent possible.

The scope of internal control over accounting and financial information described below covers the parent company and all companies included in its consolidated financial statements.

7.2.4.2. Monitoring the financial reporting process

General organisation

Each business unit has its own accounting and finance department to ensure that local requirements and obligations are fully taken into account. However, some business units outsource some of these activities to shared services centres. The Group encourages business units to organise their accounting and finance function by process, which helps ensure more consistent accounting treatments, better segregation of duties, implementation of controls and compliance with procedures.

The Group-level Accounting, Budget Control and Corporate Finance departments monitor and oversee the local departments. They also consolidate data reported by the business units and produce the accounting and financial information published by the Group.

Each year, the subsidiaries' Chief Executive Officers and Chief Financial Officers jointly sign representation letters attesting to the accuracy of their company's accounting and financial information and the existence of an appropriate system of internal control.

The Audit Committee reviews the annual and interim financial statements and the Statutory Auditors' conclusions in order to form an opinion as to whether the financial statements should be approved for publication by the Board of Directors.

For this purpose, it makes enquiries about the process for preparing accounting and financial information and obtains assurance that:

- appropriate control procedures have been applied through its review of the internal auditors' work;
- the account closing process went smoothly;
- the main accounting options selected for the preparation of accounting and financial information are appropriate;
- the Statutory Auditors have completed their work.

Application and control of accounting and tax policies

The system aims to ensure that local accounting standards comply with regulations and that they are available to everyone involved in the preparation of accounting and financial information.

As part of the consolidation process, each Group entity transmits to the Group Accounting and Budget Control departments its consolidation package prepared in accordance with IFRS, including an income statement, statement of financial position, statement of cash flows, statement of changes in equity and key performance indicators.

The Group Accounting and Budget Control departments have prepared and distributed a Financial Reporting Guide designed to ensure that reported information is reliable and consistent throughout the Group. The guide describes Group accounting policies and consolidation principles, adjustments and entries, as well as management accounting principles and the accounting treatment of complex transactions. It is updated regularly and is sent to and discussed with all users of the Group's financial reporting system.

A system to monitor developments in accounting regulations and standards helps to ensure early identification of changes that may affect the Group's IFRS-based accounting policies. Any regulatory developments that have an impact on the Group's accounting procedures are explained in memos.

As regards taxation, validation audits are performed on the Group's taxable results and major transactions carried out during the year are analysed from a tax perspective. Lastly, information meetings are organised and procedure memos are issued by the Group Tax department to communicate details of any new tax laws, regulations or jurisprudence.

Tools

Each business unit uses the tools required to process and prepare accounting and financial information in compliance with the segregation of tasks principle.

Accounting and financial information prepared in accordance with IFRS and restated based on Group consolidation policies is reported by the business units to the Group using a single consolidation and financial reporting system. Enhancements to the system include a user identification feature, better remote access authentication, improved security and evolvability.

The reporting system is administered by a dedicated unit.

7.2.4.3. Process for the preparation of accounting and financial information

Identification of risks affecting the preparation of published accounting and financial information

The management of each business unit is responsible for identifying risks affecting the preparation of published accounting and financial information. Upstream tasks and tasks associated with the production and closing of the accounts are segregated to prevent fraud and accounting and financial irregularities. Controls are performed at the appropriate level taking into account the degree of risk.

In 2015, irregularities were identified at Cnova NV's Brazilian subsidiary concerning inventory management, product returns and the tracking of damaged goods in its distribution centres. Investigations carried out by forensic consultants called in by Cnova NV's Board of Directors in December 2015 revealed certain overstatements of inventories and receivables related to damaged and returned goods and goods in transit.

The Brazilian subsidiary's management also discovered incorrect accounts payable entries recorded over several years up to the end of 2014. Due to the combined effect of the financial adjustments and the accounting irregularities in prior years, Cnova NV will be required to restate its prior years' financial statements in application of SEC rules.

See also Note 2 to the consolidated financial statements at 31 December 2015.

The Finance department has identified the necessary corrections, which mainly concern accounts payable. Action plans are being developed to strengthen the subsidiary's internal controls in connection with the deployment of a control environment that complies with the US Sarbanes-Oxley Act.

The procedure for managing inventories and returned goods has been reviewed and strengthened, the employees responsible for the irregularities have been dismissed and a dedicated team has been set up to track returned goods.

The internal review is continuing and additional controls are also being developed and deployed.

Control activities to ensure the reliability of published accounting and financial information

PREPARATION AND CONSOLIDATION OF ACCOUNTING AND FINANCIAL INFORMATION

The processes for preparing and closing the accounts are organised with the aim of ensuring that published accounting and financial information is of a high quality. A hard close is performed, based on estimates. This process allows the accounting treatment of complex transactions to be determined in advance and also reduces the year-end workload so that financial information can be published within a short timeframe without sacrificing data quality or reliability.

Most of the consolidation adjustments are recorded by the business units based on consolidation instructions issued by the Group Accounting Standards department. The Group Accounting department, which is responsible for keeping track of accounting developments, has set up training programmes to assist business units in using the reporting system and the Financial Reporting Guide, so as to guarantee the quality of reported data and the reliability of financial and accounting information.

Data consistency is assured through programmed controls covering both local and consolidated data.

Group Accounting continuously monitors changes in the Group's percentage interest in the capital and voting rights of subsidiaries and associates. It is responsible for ensuring that changes in the scope of consolidation or in consolidation methods are duly applied.

As required by law, the Group has two Statutory Auditors. The current auditors were appointed for the first time in 2010. Their network of local accounting firms may also be involved in auditing the accounting information reported by the Group's subsidiaries, including consolidation adjustments. Their procedures include verifying that the annual financial statements are prepared in accordance with generally accepted accounting principles and give a true and fair view of the results of operations for the year and the financial position and net assets at the year-end.

The Group Accounting department acts as the interface with the external auditors of the Group's business units. The Statutory Auditors are appointed according to a process initiated and overseen by the Audit Committee, in accordance with Afep-Medef Code recommendations and the new European regulations (Regulation (EU) no. 537/2014 and Directive 2014/56/EU) applicable from June 2016, which will have to be transposed into French law by that date.

MANAGEMENT OF EXTERNAL FINANCIAL REPORTING

The Investor Relations department's role is to provide the financial community with accurate, specific and fair information about the Group's strategy, business model and performance.

Financial information is prepared and validated by the accounting and budget control units prior to publication.

The legal and accounting units also contribute to producing the Registration Document and the management report.

The Board of Directors reviews all information and news releases about the Group's results or financial and strategic transactions, and may make comments and proposals. The Audit Committee reviews information on the annual and interim financial statements prior to release. Revenue and earnings news releases are submitted to the Statutory Auditors for review and comment.

Financial information is disclosed to the markets through the following communication channels:

- media releases;
- conference calls for quarterly revenue announcements;
- annual and interim results presentations;
- roadshows, conferences, meetings and conference calls with buyside analysts and investors, in France and abroad;
- Annual General Meetings;
- Registration Documents, Annual and Corporate Social Responsibility Reports;
- the Group's corporate website.

Group Investor Relations is also involved in checking and setting the publication dates for the financial information prepared by listed subsidiaries and ensures consistency between the various media used by the Group.

7.2.5. CONCLUSION

Internal control is implemented using a continuous improvement approach aimed at ensuring that risk management and internal control best practices are shared throughout the Group.

Risk management and internal control systems are regularly reviewed due to the diversity of the Group's operations, business lines and locations and changes in its scope of activity.

The Group's objective is to continue to optimise the current systems. In 2015, it pursued its efforts to improve their quality.

7.3. INSURANCE – RISK COVERAGE

OVERVIEW OF THE INSURANCE POLICY

The Group further strengthened its insurance policy in 2015 with the constant aim of maintaining or improving the protection of its assets, customers and employees while keeping costs under control. Risks are insured under master policies – whenever this is allowed under local regulations and does not pose any operational problems – in order to ensure consistent levels of cover and benefit from economies of scale by pooling risks.

The Insurance department, which reports to Group Finance, is notably responsible for:

- helping to identify, analyse and quantify insurable risks;
- contributing to the technical risks prevention policy, overseeing implementation of preventive measures recommended by the insurers, especially in establishments open to the public;
- negotiating and managing the Group's insurance programmes;
- negotiating and coordinating insurance programmes purchased by subsidiaries when the insured risks cannot be included in the Group's centralised master programmes;
- managing and overseeing claim processes;
- contributing to the crisis management process.

Insurance programmes are purchased through international brokers from leading insurance companies specialised in insuring major risks.

ASSESSMENT OF INSURANCE COVER AND RELATED COSTS

Self-insurance

To manage and control its insurance costs, in 2015 the Group continued its policy of self-insuring high-frequency claims, corresponding mainly to civil liability and property damage claims.

In addition to the partial self-insurance represented by deductibles, since 2006, the Group has reinsured part of its property damage risks through its captive reinsurance company in Luxembourg. In 2015, the reinsurance captive's commitments continued to be capped at €10 million per year (net of reinsurance).

This strategy helps to strengthen the Group's control over risks and the management of claims while also keeping premiums as low as possible.

For 2015, the Group's total insurance budget for premiums and self-insurance (excluding Group health plans and death and disability plans) represented an estimated €63 million, corresponding to 0.14% of consolidated net sales for the year.

Summary of insurance cover

The insurance programmes described below are those for 2015, which were still in force as of the date of this report. They may be changed at any time to take account of changing risks and developments in the activities to be insured, changes in claims experience, or changes in insurance provider decided by the Group to take account of insurance market capacity, available cover and rates.

Property damage and business interruption insurance programme (including natural disaster and political violence cover)

The aim of this programme is to protect the Group's assets.

It covers traditional risks such as fire, flood, explosion, natural disaster, subsidence, electrical damage, business interruption and tenant risks. The programme has been extended to include coverage of natural disasters and political violence in the Group's host countries.

In 2015, the Group decided to structure the programme differently while also increasing the insured amount from €250 million to €400 million per claim and per year. The restructuring has led to a reduction in premiums. The limits and/or sub-limits applicable to certain named perils and/or regions are unchanged or have been improved.

Monoprix and GPA have been included in the Group programme based on these revised guarantees and levels of cover, which benefit all Group subsidiaries in compliance with the regulations in force in each country.

No major and/or significant claims occurred in 2015 that could have led to a change in the terms and conditions of existing insurance policies or the total insurance premiums and/or deductibles currently applied.

Civil liability insurance programme

This programme covers the Group for all losses that might be incurred due to bodily injury, damage to property or consequential loss suffered by third parties that may be caused by the Group's fault, error, omission or negligence in the performance of a service and/or its business operations.

In 2015, Monoprix was included in the programme, which also covers the difference compared to the insured amount and/or cover conditions provided under civil liability policies purchased by the international subsidiaries.

General liability cover is capped at €75 million per claim and per year, with the same limits applicable to professional liability cover.

Other insurance programmes (mandatory and discretionary)

Additional or separate insurance programmes may be purchased at country level due to the specific nature of certain activities or risks. These programmes are generally purchased locally by the subsidiaries either because they need to be managed locally or for regulatory reasons or sometimes for reasons of cost.

These insurance programmes mainly concern the following policies:

- fleet insurance;
- construction insurance: structural damage/non-builder developer/comprehensive site insurance, etc.;
- environmental liability insurance;
- building manager, property portfolio manager, travel agent professional liability insurance;
- transported goods insurance, liability insurance covering all goods transportation operations;
- directors' liability insurance.

The Group believes that the guarantees and insured amounts under these master insurance policies correspond to those generally purchased by companies of a similar size operating in the same business. When allowed by law, the Group will pursue its policy of purchasing worldwide master insurance policies in order to improve and/or increase the levels of cover or the management of risks in areas where this is necessary, while controlling the associated costs.

RISK PREVENTION AND CRISIS MANAGEMENT

The operational, technical and shared services departments implement measures to prevent and manage property damage risks. They are assisted by the technical departments of insurance companies through:

- regular audits of high value facilities by the insurers' technical departments, mainly covering hypermarkets, shopping malls and warehouses;
- joint monitoring of facility inspection and risk prevention reports by the technical departments of both the Group and the insurers;
- monitoring of the protection systems in place at each facility depending on needs and priorities (*e.g.* sprinklers, security installations, intruder detection systems, etc.);
- monitoring of property damage risk maps including natural events, SRCC (strike, riot, civil commotion) and political violence risks in France and in the Group's other host countries.

In 2015, the Group stepped up its fire prevention policy by increasing the number of visits by the insurers' technical departments in order to cover all of its main host countries.

Concerning product liability risk, the Group has maintained and pursued the quality and prevention initiative launched several years ago, upstream of the stores, for both private label and other products (see CSR report).

Similarly, in the case of a crisis and/or a major incident, the Group has the technical, human and advisory resources enabling it, depending on the circumstances, to rapidly intervene to protect people and property and to maintain business and service continuity.

Chapter 8

Corporate social responsibility (CSR)

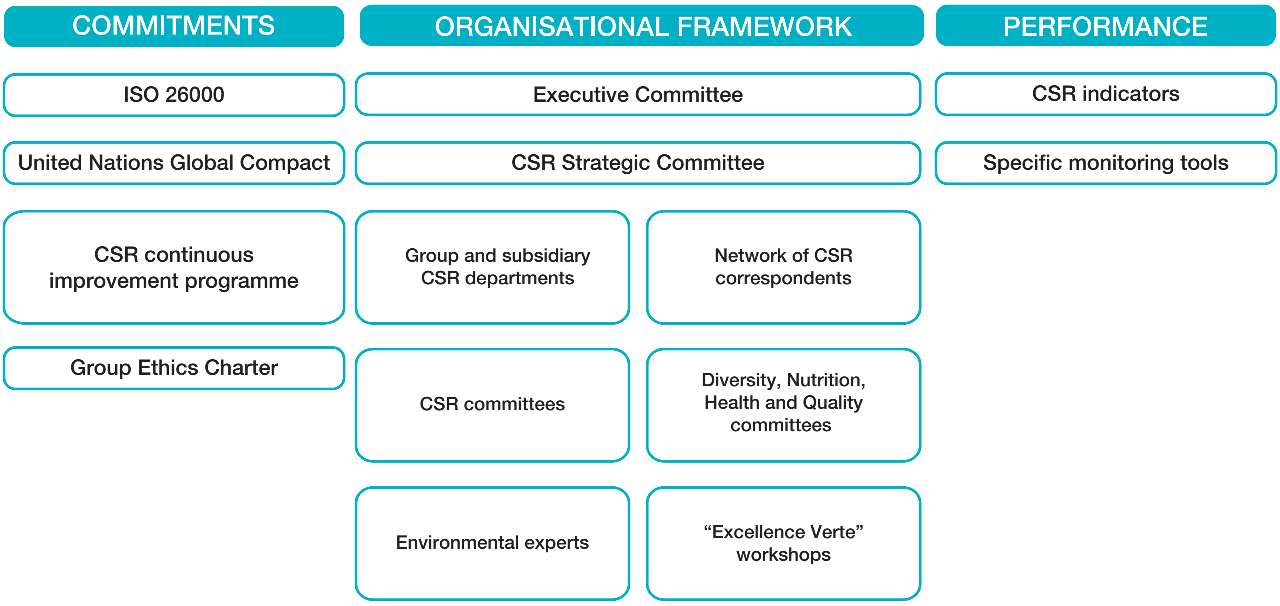
8.1. PRESENTATION OF THE CASINO GROUP'S CSR POLICY

8.1.1. THE GROUP'S VISION OF CSR

The Casino Group's CSR policy helps to create and strengthen sustainable, trustworthy relationships with employees, customers, suppliers and all other stakeholders, while respecting each host country's culture and local practices. Embedded in all Group activities, CSR priorities act as a driver for employee motivation, improve the Group's social and environmental impact and allow for a more responsible shopping experience. In doing so, they support the sustainability of the Casino Group's business model by fostering stakeholder confidence.

8.1.2. ORGANISATION

In 2002, the Casino Group's commitment to sustainable development prompted it to set up a dedicated organisational framework. In 2009, with the growing internationalisation of its business, the Group signed up to the United Nations Global Compact, giving fresh impetus to its historical approach. Then in 2010, a corporate CSR department was created and tasked in 2011 with disseminating a continuous improvement programme in France and abroad in coordination with subsidiary CSR departments.



COMMITMENTS	ORGANISATIONAL FRAMEWORK		PERFORMANCE
ISO 26000	Executive Committee		CSR indicators
United Nations Global Compact	CSR Strategic Committee		Specific monitoring tools
CSR continuous improvement programme	Group and subsidiary CSR departments	Network of CSR correspondents	
Group Ethics Charter	CSR committees	Diversity, Nutrition, Health and Quality committees	
	Environmental experts	"Excellence Verte" workshops	

The CSR Strategy Committee comprised 12 members in 2015, eight of whom also sat on the Executive Committee. It is tasked with validating CSR policy aims, in alignment with the principles of the Global Compact and the scope of the ISO 26000 standard, and tracking compliance by the various entities. The Committee met three times in 2015. A network of CSR correspondents, led by the corporate CSR department, is in place in subsidiaries around the world. In France, this network is supported by environmental experts and Diversity Outreach Correspondents.

The following committees assist in deploying the CSR policy:

- Human Resources Steering Committee;
- Scientific Committee on Nutrition and Health;
- Quality Committee for France;
- CSR coordination and monitoring committees within Casino and Monoprix in France but also internationally within GPA, Libertad and Big C Thailand.

8.1.3. IDENTIFICATION, ANALYSIS AND MANAGEMENT OF CSR-RELATED RISKS

The risk management system, described in section 7.2, includes a risk catalogue listing all major risks for the Group, and a risk assessment method designed by the Group's Internal Control and Insurance departments. The catalogue divides the Group's main risks into three categories: operational risks, strategic risks and external risks. CSR challenges are primarily addressed in the sections on social and psychosocial risks and product-, ethics- and climate-related risks.

The risk map is reviewed annually, with all Group entities asked to identify and assess the ten risks from the catalogue that most require management and monitoring within their organisation. Risks are assessed based on their impact (severity) and likelihood (probability). Risk management includes all measures taken to contain the risk or reduce it to the target residual level. A similar system has been introduced for major risks to the parent company.

8.1.4. CONTINUOUS IMPROVEMENT PROGRAMME

A core pillar of its CSR policy, the Group's "CSR Spirit" continuous improvement programme covers 15 priorities focusing on five areas of responsibility.

Committed employer
- Promote diversity
- Help young people enter the workforce
- Provide growth opportunities for employees

Responsible retailer
- Take action to protect consumer health
- Encourage environmentally responsible consumption

Trusted partner
- Strengthen ethical social compliance
- Support local production channels
- Promote the CSR initiatives of SMEs

Local corporate citizen
- Develop foundation programmes
- Develop solidarity partnerships
- Increase local solidarity actions

Environmentally proactive Group
- Reduce greenhouse gas emissions
- Increase energy efficiency
- Reduce and recover waste
- Promote biodiversity

The programme dovetails perfectly with the commitments of the Group's Ethics Charter. Communicated to all entities in 2011, this charter highlights the Group's attachment to the principles enshrined in the Universal Declaration of Human Rights and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. Under the charter's nine commitments, the Casino Group undertakes (i) to abide by national and international laws, principles, standards and regulations, (ii) to implement fair practices in its commercial relations, (iii) to encourage the development of quality employee relations, based on respect for employee representative bodies and constructive dialogue, (iv) to promote equal opportunity in access to employment, training and career growth, and (v) to take account of the diversity of expectations, needs and lifestyles of the stakeholders with whom the Group interacts. The Ethics Charter and endorsement of the United Nations Global Compact has reaffirmed the Group's commitment to respecting and promoting human rights among all its international subsidiaries and suppliers.

8.1.5. MATERIALITY ANALYSIS

In the fourth quarter of 2015, the Group carried out a new study of the most strategic challenges that it faces at Group level in order to assess and update the CSR continuous improvement programme. As part of this process, known as a materiality analysis, CSR challenges were ranked in order of priority based on (i) their potential medium-term impact on the Group's development, and (ii) their potential to create value for society and their importance for stakeholders.

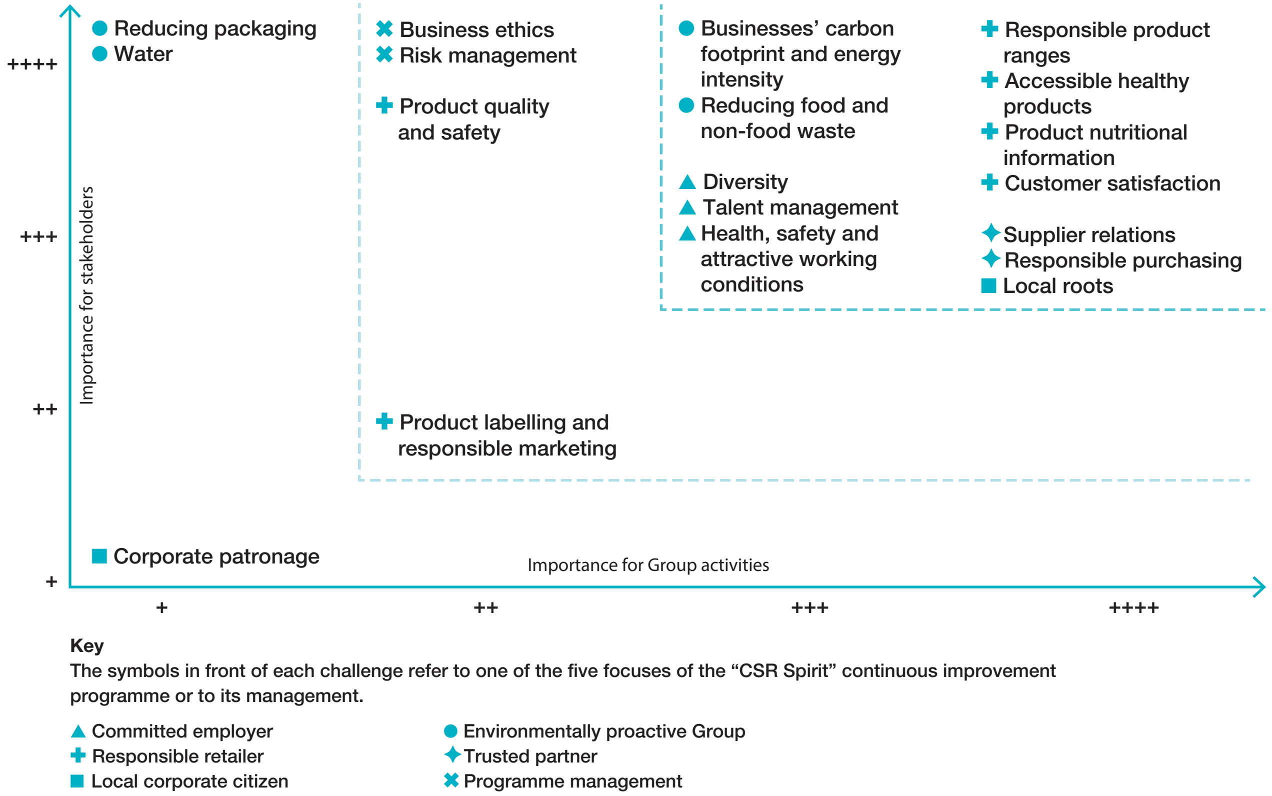
The purpose of this analysis was to:

1. ensure that the 15 priorities that had previously underpinned the "CSR Spirit" programme were still relevant, particularly with regard to stakeholder expectations, industry practices, risk factors and opportunities liable to impact the Group's development;
2. reassess the Group's priorities with regard to new trends and emerging challenges, where necessary;
3. ensure that initiatives implemented by Group subsidiaries were in line with the corporate programme;
4. give due consideration to any subsidiary-level materiality analyses and local challenges when drawing up the corporate programme;
5. secure the approval and support of the Group's management to ensure consistent implementation of the CSR programme.

This work was performed by a third party in the following four phases:

- a literature review was carried out on material challenges in the retailing sector, as was an analysis of publications by the Group and its main subsidiaries; a benchmarking analysis was performed on CSR challenges in the mass retailing sector as identified from other industry players' non-financial reporting; and consideration was given to criteria used by certain socially responsible investing (SRI) rating agencies, such as DJSI and Vigeo, and in certain reporting standards, including GRI G4 and SASB;
- input was sought from a panel of five Group experts with a strategic view of various challenges, such as customer relationship management, store design, product innovation, nutrition, quality and CSR;
- external stakeholders were asked to share their expectations based on the preliminary findings:
  - at Group level, through a specially formed panel of 12 experts recognised for their expertise in human resources and purchasing, the energy sector and consumer relations,
  - at subsidiary level, through initiatives such as that carried out by GPA, which consulted customers, employees and suppliers in order to perform its own materiality analysis;
- some 40 issues were ranked according to their potential medium-term impact on the Group's development and their ability to strengthen stakeholder trust, with examples including customer satisfaction, reputation, investor loyalty and employee satisfaction.

The results are shown in the matrix below:



The symbols in front of each challenge refer to one of the five focuses of the "CSR Spirit" continuous improvement programme or to its management.

The main conclusions that can be drawn from the materiality analysis are as follows:

- twelve challenges are considered the most material, including offering responsible product ranges, ensuring healthy products are accessible and complete with nutritional information, reducing the Group's carbon footprint and promoting diversity;
- most priority challenges are already addressed in the Casino Group's current improvement programme;
- the analysis highlighted the importance stakeholders place on such challenges as health and safety, working conditions, product accessibility for all segments of society, customer satisfaction, food waste, and product ranges that respect biodiversity.

Proposals were then made to build consumer trust and improve the programme's credibility, such as by more effectively publicising responsible purchasing and supplier relations policies, and promoting banners' community outreach programmes from a socio-economic perspective in their various host countries.

To continue shaping the Casino Group's CSR policy in 2016, action plans have been put forward advocating, for example, the introduction of quantified targets for 2020 covering the main priorities, and the inclusion of CSR criteria when calculating executive bonuses.

8.1.6. CSR AWARENESS AND TRAINING

To raise employees' awareness of the CSR policy and any related challenges in their activities, the Group publicises its CSR commitments and initiatives in all communications materials, including in-house newsletters and intranets. A newsletter entitled *The Essence of CSR* featuring CSR highlights for the Group and its banners is circulated by the CSR department. The "Casino World Community" intranet includes an online training module on the Group's CSR commitments and also enables employees to support outreach projects by Casino Group partner foundations and associations. A "Best of Us" challenge has been introduced to promote and reward outstanding initiatives by banners, particularly in the area of CSR. And in France, the "Discover In-Store CSR" training module and the CSR Initiative Awards help to raise managers' awareness.

In 2015, internal conferences and a booklet entitled *The Casino Group's 12 Solutions for COP21* raised employees' awareness of climate change issues.

The Casino Campus in-house training centre provides an e-learning module for CSR correspondents and managers entitled "CSR passport", outlining the Group's CSR issues and the main steps it has taken to address them. Awareness training on responsible consumption practices, diversity ("diversity passport") and hearing impairments ("Audicap") are also available. And Campus highlights CSR training in its catalogue and integrates CSR challenges into its business-specific modules when updating them. For example, training for seafood chefs now includes information on sustainable fishing.

International subsidiaries also deploy CSR training and awareness modules for their employees. GPA, for example, offers CSR training for new employees (focusing particularly on the banner's ethical principles, diversity and the environment), and all executives are invited to attend a special presentation as part of the "GPA Executive Academy" programme. In 2015, GPA organised two seminars (one on climate change and one on disability) and stepped up its awareness raising initiatives to combat waste with the "Pq jogar fora?" campaign.

8.1.7. DIALOGUE WITH STAKEHOLDERS

For many years now, the Group has maintained regular, constructive dialogue with local and national stakeholders in all its host countries. The focus is on open, productive dialogue, with a view to developing or jointly establishing innovative projects and partnerships. Dialogue takes place through various means, depending on the type of stakeholders, both at entity and Group level.

At Group level, stakeholders are invited to participate in CSR Strategy Committee meetings on key issues in an effort to create a more structured dialogue and better understand their expectations. In the past three years, meetings focused on an analysis of the Group's CSR challenges, SRI ratings, the carbon impact of operations, the impact of raw materials on deforestation, the social ethics policy, refrigerant gases, and the CSR materiality analysis.

After holding talks on diversity with stakeholders in 2013, the corporate CSR department analysed their expectations in 2014 with the support of an external consultant. The findings were presented in the presence of stakeholders and members of the Group's management team. Employee representatives and management signed a Casino CSR Agreement in April 2014 (see page 232) to more effectively take into account the expectations of representative labour unions. An assessment of the resulting actions was presented to the monitoring committee in June 2015, and to employee representatives. To gain a better understanding of stakeholder expectations in Brazil, GPA carried out a materiality assessment with the support of a consulting firm specialised in sustainable development. It involved a documentary analysis, individual interviews with directors and external partners and an online survey sent to more than 23,000 GPA contacts, employees, suppliers and customers. The resulting materiality matrix was presented to GPA's executive committee so it could approve the 2015-2017 strategic priorities, in line with the Casino Group's five CSR pillars. The assessment confirmed employee expectations with respect to GPA's social and solidarity commitments and quality of life. But it also underlined the importance that external stakeholders place on responsible consumption practices and management of customer-related operational waste, and that suppliers place on SME development and local jobs.

The Casino Group takes part in the work of the ILO Global Business and Disability Network, of which it is a founding member, France's Initiative Clause Sociale (ICS – Social Clause Initiative) and Entreprises pour les Droits de l'Homme (Companies for Human Rights), and the Consumer Goods Forum, whose Global Social Compliance Program (GSCP) the Group supports.

In France, the Group is a member of various specialist associations such as Observatoire de la Responsabilité Sociétale des Entreprises (ORSE – Observatory for Corporate Social Responsibility), Association Française pour l'Organisation Internationale du Travail (AFOIT – the French Association for the ILO), Observatoire de la Parentalité (the Parenthood Observatory), and Réseau national des entreprises au service de l'égalité des chances dans l'éducation (the National Network of Enterprises for Equality of Opportunity in Education). For environmental challenges, the Group also works with Pôle Éco-Conception et Management du Cycle de Vie (Eco-design and Life-Cycle Management), retail industry association Perifem, and environmental bodies such as Éco-Systèmes, Éco-Emballage, Corepile, and Recylum.

The international subsidiaries also build constructive dialogue with stakeholders. In Brazil, GPA is a member of the Ethos Institute, an industry CSR association, and supports the work of the Akatu Institute, which conducts information and engagement initiatives on responsible consumption. GPA also works with Compromisso Empresarial para reciclagem (CEMPRE – Corporative Commitment for Recycling), an industry association that seeks to encourage waste reduction, reuse and recycling, and is a member of Grupo de Trabalho para Pecuaria Sustentavel (GTPS), a sustainable livestock working group. In Argentina, Libertad supports the national CSR institute IARSE. And in Colombia, Éxito works with various national stakeholders including the regulatory authority, Superintendencia de Industria y Comercio (SIC), and the national apprenticeship service, SENA.

The Group maintains regular dialogue with socially responsible investing players, including rating agencies and investment funds, by agreeing to interviews and providing information when requested.

Lastly, in 2015, the Group responded to the requests of several associations and non-governmental organisations.

Examples of identified stakeholders:

Stakeholders	Key dialogue methods
Employees	• Internal newsletters, intranets • Alert, counselling and mediation unit • In-house engagement surveys
Employee representatives	• Regular dialogue with the staff representative organisations • Company agreements
Shareholders, investors and rating agencies	• Corporate websites • Annual reports, Registration Documents, Communication on Progress • Letters to shareholders, roadshows • Annual General Meetings
Customers	• Banner and product websites • Social media • Consumer service • Consumer surveys
Students and young graduates	• Websites • Partnerships with schools • Participation in job fairs
Suppliers	• SME Relations Officer in the central purchasing organisation (since 2000) • SME forums
Public and local authorities	• Partnerships with public authorities (ministries and national government agencies)
NGOs and associations	• Ongoing dialogue with local, national and international associations (responding to requests and surveys, meeting with NGOs, etc.) • Participation in roundtables

8.1.8. SOCIALLY RESPONSIBLE INVESTING INDICES AND AWARDS

Casino is included in the following socially responsible investing (SRI) indices: FTSE4GOOD, Vigeo Eurozone 120, Ethibel Sustainability Index Excellence Europe, MSCI Global Sustainability Index, and STOXX® Global ESG Leaders Indices. Éxito is included in the Dow Jones Sustainability Emerging Markets Index. These indices cover companies with the highest ratings based on environmental, social and governance criteria.

The Casino Group has reported to the CDP (previously known as the Carbon Disclosure Project) since 2013.

The Group often receives awards in recognition of its initiatives. In 2015, Casino was awarded the jury's choice at *LSA* magazine's diversity and CSR awards for its commitment to combating discrimination due to physical appearance, and came first in the "Woman Manager" category at the "Trophées des Femmes de l'Année dans la Distribution" awards for women in retail. And the Casino Group's responsible retailing efforts were acknowledged with the "Grand Prix ESSEC de la Distribution Responsable" award handed out by France's prestigious ESSEC business school in 2012 and 2014. The Group's international subsidiaries have also been rewarded for their CSR initiatives. In Uruguay, Disco earned three awards for its environmental strategy and initiatives and responsible use of natural resources, and for its support for local communities. Big C Thailand won a special award for its disability policy for the fourth consecutive year. And Grupo Éxito received the retailing industry Human Capital award from *Monitor Empresarial de Reputación Corporativa* (MERCO) based on a questionnaire verified by KPMG (ISAE 3000).

8.1.9. NON-FINANCIAL REPORTING

In addition to this report, the Casino Group publishes an annual and corporate social responsibility performance report which presents the subsidiaries' key CSR indicators, initiatives and objectives. It is available on the Group's website at www.groupe-casino.fr.

In France, Monoprix, Cdiscount and Vindémia also publish CSR information in their management reports. Outside France, Global Compact participants GPA, Grupo Éxito, and Libertad publish annual CSR reports, which are available on their respective websites at www.gpari.com.br, www.grupoexito.com.co, and www.libertadsa.com.ar. Big C Thailand reports on its CSR initiatives in its annual report, available at www.bigc.co.th.

8.2. COMMITTED EMPLOYER

In all its host countries, the Casino Group develops and implements innovative human resources and management policies that are sensitive to local cultures.

These policies aim to promote employees' professional development and enhance individual talents, combat discrimination and strengthen equal opportunity, foster constructive and innovative social dialogue, protect employees' health, safety and well-being at work, and implement a fair and progressive compensation and benefits policy.

Each entity's Human Resources department is responsible for drawing up its policy in line with the common core defined by the corporate Human Resources department. This is based on developing a shared economic, social and environmental performance culture, creating synergies and tools to improve people management and respecting the subsidiaries' identity and culture.

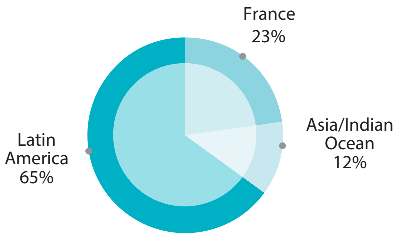
8.2.1. GENERAL PRINCIPLES AND DATA

The Casino Group is a major employer in France and in most of the countries where it operates, notably in Brazil and in Colombia. Women represent 52% of the workforce, and 40% of all employees are under 30. In all, 23% of employees live in France, 65% in South America and 12% in the Asia/Indian Ocean region.

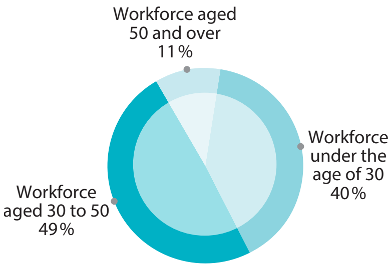
Employees and organisation of working time

Group employees on payroll under permanent or fixed-term contracts at 31 December	2013	2014	**2015**	2014/2015 change
TOTAL INCLUDING:	**328,995**	**335,436**	**325,820**	**-3%**
Women	170,783	175,111	169,242	-3%
Men	158,212	160,325	156,578	-2%
Under 30 years old	133,299	137,374	130,621	-5%
30 to 50 years old	162,818	162,716	159,409	-2%
50 years old and over	32,878	35,346	35,790	+1%

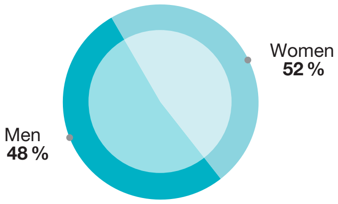
Workforce by region



Workforce by age



Workforce by gender



	2013	2014	**2015**	2014/2015 change
New hires on permanent contracts	90,482	93,139	81,103	-13%

Working hours comply with the laws applicable to each entity and with local regulations in each host country.

The vast majority of the Casino Group's employees (91%) are on permanent contracts, with fixed-term contracts used primarily to replace employees on leave or to back up permanent teams during peak periods.

Full-time employees account for 87% of Group employees. In France, Casino has introduced a system that enables part-time employees to switch to full-time work if they wish. A total of 1,786 employees have benefited from this system since 2012. In addition, a telecommuting agreement covering the 2014-2017 period has been deployed for the Casino IT teams.

This year in France, the Group recorded 39 terminations for economic reasons, and 4,179 terminations for other reasons, which covers all terminations due to the employee's behaviour, such as walking out, repeated absence, professional misconduct, incompatibility with superiors, theft and unfitness for the job. Departures due to corporate restructuring are the subject of extensive negotiations with employee representatives and accompanied by a set of redeployment and support measures.

Promoting social dialogue

Human resources policies are built on the basis of regular dialogue with employee representatives:

- in France, Casino maintains ongoing dialogue with the four representative labour unions, 1,000 staff representative bodies and 5,500 elected representatives. An agreement signed in 2009, and renewed for 2012-2016, sets out the terms and conditions governing social dialogue and the professional development of staff representatives. Some ten other agreements and action plans are also in place, covering disability employment (Monoprix, Casino, Cdiscount), gender equality (Casino, Monoprix, Franprix, Leader Price, Cdiscount) and health and safety in the workplace.

  The outcomes of these agreements are monitored and the results are presented annually to the representative labour unions. In 2014, a CSR agreement was signed at Casino by the four representative labour unions. Attesting to the commitment of all the parties to incorporating CSR into Casino's business and employee relations model, the agreement covers all of the social responsibility and environmental issues identified in the Group's CSR continuous improvement programme. The initiatives deployed were presented to union representatives at the CSR agreement monitoring commission meeting of June 2015. In line with its commitments under the CSR agreement, a Union Career Charter was created in 2015 to promote union involvement and the career development of employee representatives;
- outside France, social dialogue is led by the various Human Resources departments, in compliance with Group principles and in line with local practices. In Colombia and Brazil, Éxito and GPA have implemented collective bargaining agreements with the representative labour unions covering issues that include working practices and compensation. Via Varejo, a subsidiary of GPA, has reasserted its commitment to freedom of association and staff representative bodies in its new Code of Ethics.

To assess the workplace atmosphere, the Casino Group, through its various Human Resources departments, conducts employee surveys on specific topics and internal and external opinion polls. Systems are also in place to enable employees to express their opinions and make suggestions.

- in France, Casino implemented action plans based on the findings of surveys conducted in 2013 and 2014 to gauge checkout employees' perception of their working conditions. Monoprix carried out the "Monop'sondage" survey to find out employees' opinions on the company, working conditions and management practices;
- outside France, Éxito conducts a study to measure employee engagement on a regular basis. The most recent study was carried out in 2014 among 24,700 employees (*i.e.*, 94.5% of those targeted by the survey), with ratings corresponding to "very satisfied". Various other programmes for gathering employee suggestions and opinions continued apace, including the "360° contigo exprésate" programme for office employees. Libertad conducted an internal survey entitled "Temperatura de Clima" in which 73% of its employees took part. Previous surveys led to the creation and development of the "yo soy Libertad" programme, whose aim is to adopt practical measures to improve workplace well-being and employee engagement with the support of committees set up in each store and coordinated by Libertad's head of employee relations. In Brazil, on the basis of the survey conducted in 2014, GPA implemented a number of action plans with the aim of increasing employee satisfaction. Lastly, GPA and Éxito conducted a study in 2015 to better understand the expectations of women managers in terms of career development and parenthood.

Managing change in the Company

The Human Resources departments provide assistance for coping with organisational changes in the Company in line with legal provisions. Specific measures are rolled out before any changes are made. For example, in 2015, when teams from several entities located chiefly in eastern Paris were grouped together at a new site in the Paris suburb of Vitry-sur-Seine, working groups were formed as early as 2012 on topics such as work-life balance and quality of life at the new site, offering practical solutions to issues such as transport, housing and childcare.

The Casino agreement on strategic workforce planning (SWP) represents another dialogue tool for anticipating organisational changes in business operations.

8.2.2. PROMOTING DIVERSITY IN ALL ITS FORMS

The Casino Group has been committed to combating all forms of discrimination since 1993. The Group believes that diversity drives financial performance and therefore pursues an assertive policy of recruiting a wide variety of profiles, promoting professional equality at all levels and in all corporate processes, and fostering a sense of community.

Combating discrimination and stereotypes

This policy is based on several principles, including fighting the stereotypes that lead to discrimination, building policies jointly with representative labour unions, addressing all areas of discrimination and measuring the effectiveness of initiatives.

The Group's actions focus on such key areas as social background, gender, disability, age, sexual orientation, religious diversity, union membership and, since 2014, physical appearance.

- In France, the Group combats discrimination and promotes diversity by drawing on tangible commitments and a network of more than 70 Diversity Outreach Correspondents and experts, who are in charge of implementing the policy.

  The main banners – Casino, Monoprix, Cdiscount, Franprix and Leader Price – have all signed France's Diversity Charter. The Group has also signed the LGBT Commitment Charter, pledging to ensure equal rights and treatment for all employees regardless of their sexual orientation.

  In 2009, Casino was the first retailer group to obtain the "Diversity Label" awarded by Afnor Certification to companies pursuing an exemplary policy. The label was renewed in May 2012 for a period of four years. Casino also earned France's "Workplace Equality Label" in 2013.

  In order to combat stereotypes and prejudices, the Casino Group has drawn up a number of guides and distributed them to managers to clarify what constitutes appropriate managerial behaviour. Guides include:

  - "Managing Religious Diversity in the Workplace";
  - "Do You Look at Young People in the Right Way?";
  - "Physical Appearance: Deconstructing Stereotypes, Overcoming Prejudice";
  - "Sexual Orientation and Gender Identity: Best Practices in the Workplace".

  A diversity e-learning module has also been made available to employees. In addition, Leader Price has rolled out its "Together" anti-discrimination training programme across all its stores, warehouses and offices.

- Outside France, the Group's subsidiaries have rolled out policies to promote diversity while taking local challenges into account.

  - in Brazil, GPA's diversity policy was reaffirmed with the distribution of the Diversity Charter, which underlines its commitment to combating discrimination, stepping up action to support the disabled and young people, fostering gender equality and promoting LGBT rights. The policy is based on quantitative objectives and awareness raising programmes;
  - in Colombia, Éxito has rolled out its "Población vulnerable" programme aimed at people with disabilities, victims of armed conflict and their families, severely disadvantaged young people, and veterans returning to civilian life;
  - in Thailand, Big C gives priority to policies that help young people and people with disabilities find employment.

To combat discrimination, Casino and GPA have introduced whistle-blowing systems (see section 8.7) allowing employees to report discrimination in full confidentiality, as has Libertad through its "Libertad transparente" programme.

Main initiatives in support of disability integration

In October 2015, the Group signed the International Labour Organization's Global Business and Disability Network Charter in order to reaffirm its commitment to helping disabled people find and maintain employment. In 2015, the Group had 9,345 employees with reported disabilities (under permanent or fixed-term contracts), representing an increase of 27% compared to 2014.

The various Human Resources departments are in charge of setting objectives and implementing action plans.

In France, the Group's actions form part of its equal opportunities and anti-discrimination policy.

- Casino, which has the equivalent of 13% of jobs filled by people with disabilities, has been implementing an assertive disability policy since 1995. In 2015, Casino celebrated the 20th anniversary of its disability policy by organising events, conferences, talks and games in its stores to highlight the initiatives deployed in a way that involved employees, customers and partners. Casino signed a sixth agreement on the employment of disabled workers covering the 2014-2016 period, which provides for the hiring of 100 disabled employees, at least 10% of whom will be under the age of 30, as well as the development of work/study contracts and a programme to take on 160 interns. The policy to provide support for employees who are family caregivers was enhanced. Introduced in 2011, the policy is designed to assist and support employees who act as family caregivers by offering access to a platform of free, confidential advice and by organising annual conferences. It led to the signature of a collective agreement on leave for family caregivers in 2013. More than 1,080 days' leave have been donated for family caregivers since the start of the programme, benefiting 118 employees. A booklet entitled *I'm a Caregiver, Let's Talk* was also issued for employees.
- Monoprix signed a fourth agreement for the 2014-2016 period, undertaking to hire 180 employees with disabilities, including 20 on work/study programmes. 2015 saw the roll-out of various initiatives carried out in collaboration with disability organisations such as "Handicap.fr" and "HandiLive" in order to present Monoprix's recruitment policy and enable discussions with web users. A film entitled "Smiles" helped to further raise awareness of disability-related issues among employees.

	2013	2014	**2015**	2014/2015 change
Number of disabled employees at 31 December (under permanent and fixed-term contracts)	6,921	7,370	9,345	+27%

For more information on calculation methods, see section 8.9 Reporting methodology for CSR indicators.

Outside France, all the Group's subsidiaries implement programmes to promote the hiring of people with disabilities.

- In Brazil, GPA remains as committed as ever to hiring and integrating people with disabilities. As a result, the number of disabled employees was up by 34% in 2015 compared with 2014. Extra and Pão de Açúcar ran apprenticeship programmes employing 130 young people with mental health disorders in 2015, while 830 disabled workers at Assaí took part in a programme that provided training, support and workstation adjustment.

  GPA organised a one-day seminar on disability employment with the ILO Global Business and Disability Network during the year in order to present integration initiatives and promote best practices with regard to hiring disabled workers. GPA and Sincovaga entered into a ground-breaking agreement providing for the hiring of disabled people. To increase the proportion of disabled workers in its stores, Assaí stepped up its strategy by circulating a guide on disability employment and using in-house media to raise employee awareness and promote vacant positions.
- In Colombia, Éxito continued to develop its "Población vulnerable" programme, launched in 2006, and offered support to victims of armed conflict. The entity increased its proportion of disabled employees by 53% between 2014 and 2015.
- Big C Thailand, which was honoured for the fourth straight year with an award from the National Office for Empowerment of Persons with Disabilities, employs 550 disabled people, representing 50% more than in 2014 and twice the legal quota.

Main initiatives in support of young people, particularly from disadvantaged backgrounds, and older employees

Employees aged under 30 accounted for 40% of the Group's workforce at 31 December 2015, while those aged 50 and over represented 11%.

To combat stereotypes, the Group provided managers with a guide entitled "Do You Look at Young People in the Right Way?" to challenge preconceived ideas about young people and encourage intergenerational dialogue.

The Group undertakes initiatives to help young people find jobs, particularly those who are poorly qualified or from underprivileged backgrounds. The department in charge of promoting diversity and community outreach continued its actions in line with the priorities established in the 1993 national partnership agreement with the French Ministry for Urban Development, which was renewed in 2013. The main aim of the agreement is to provide jobs to poorly qualified people and to help young graduates from underprivileged backgrounds gain access to management positions. As a result, the Casino Group has signed an agreement with France's local employment offices, pledging to recruit within a store's immediate employment area whenever possible and to promote local employment. This commitment was strengthened in 2013, when Casino undertook to hire 850 employees, 150 young work/study programme participants and 500 interns as part of the Ministry for Urban Development's "Businesses and Disadvantaged Neighbourhoods" Charter. In 2015, the Group hired 1,178 employees under permanent or fixed-term contracts, 490 interns and 75 work/study programme participants.

The Group has forged several partnerships to support young people including with the Civic Service Agency, the Civic Service Institute, the Business Network for Equal Opportunity in Education, the Nos Quartiers ont du Talent association and the Talents des Cités competition.

In France, the Group's main subsidiaries – Casino, Franprix, Leader Price, Vindémia, Cdiscount and Monoprix – have signed "Intergenerational Contract" agreements or implemented action plans to foster the sustainable integration of young people while keeping older employees in their jobs by enabling them to transfer their skills and know-how to the next generation. Casino undertakes (i) to ensure that 60% of hires on permanent contracts are young people, (ii) to ensure that more than 11% of its workforce is aged under 26 years, (iii) to offer a dedicated orientation programme called "C Duo Génération", which assigns a mentor to facilitate the onboarding of young employees, and (iv) to provide housing assistance for work/study trainees.

The Group's commitment to young people is also reflected in its active involvement in work/study programmes. All the French entities – Casino, Franprix, Leader Price, Monoprix and Cdiscount – have programmes to facilitate the hiring and integration of work/study trainees. As a way to promote work/study schemes, particularly for disabled students, the Casino Group organised its inaugural ''Employment and Schools Partnership Day" in December 2015, during which round table discussions were held on various issues including diversity, disability and partnerships with schools. The website dedicated to youth employment (www.alternance-stages-casino.fr) was redesigned in 2015 and for the fourth straight year Casino organised a day centred around raising the profile of apprentices, tutors and apprenticeship programmes, in which nearly 600 young people took part. Outside France, GPA employs more than 3,950 apprentices, an increase of 9% compared with 2014. Grupo Éxito committed to breaking down the barriers to youth employment in 2015 by pledging its support to the Colombian Labour Ministry's ''40,000 first jobs" programme. Its purpose is to enable young people aged 18 to 28 to gain their first work experience within private businesses. In Argentina, Libertad organised work/study and vocational training programmes in collaboration with schools and universities, including establishments that specialise in providing training for disabled people.

8.2.3. PROMOTING GENDER EQUALITY IN THE WORKPLACE

The Group aims to enhance the gender diversity of its teams at every level of the organisation through an assertive policy on gender equality issues covering gender diversity across job categories, career management, human resources processes (compensation, access to training, hiring and promotions) and parenthood. To monitor the proportion of women in managerial positions, each subsidiary's Human Resources department tracks eight strategic indicators, which are presented to the Executive Committee each year.

The Casino Group has signed a framework agreement for the 2013-2015 period with the French Ministry of Women's Rights. In 2008, it signed the Working Parents' Rights Charter created by the "Observatoire de l'équilibre des temps et de la Parentalité en Entreprise", a French monitoring agency that supports working parents in companies. The Group also works closely with "C'avec elles", a women's advocacy network set up in 2011, which has 500 members. In 2015 it launched a pilot mentoring programme for women managers in partnership with this network.

A campaign aimed at raising awareness about sexism in the workplace was launched in 2015: 800 employees – 60% of whom were women – from all of the French entities replied to the questionnaire designed to gather their views on everyday attitudes and behaviour within Casino. A management guide and awareness campaign are being deployed in the first quarter of 2016.

	2014	**2015**			
	Group	Group	France	Latin America	Asia/Indian Ocean
% of women managers	38%	38%	39%	22%	52%

- In France, the number of women in managerial positions has increased significantly since the first agreement with employee representatives in 2005, thanks to more than ten years of initiatives.
  - Casino received the "Workplace Equality Label" in 2013, which is awarded by a joint committee led by the French Ministry of Women's Rights and Afnor Certification. Bestowed for a three-year period, the label attests to its commitment to gender equality in the workplace. Casino also conducted an audit on pay equity in 2010, which showed that, on average, the widest gap between men's and women's salaries was no greater than 5%. To close any unjustified pay gaps, a dedicated budget has been set aside as part of the mandatory annual collective bargaining rounds, benefiting more than 4,000 women since 2010.
  - Casino launched a number of innovative measures in 2015 to help employees to strike a better work-life balance. Pursuant to a collective agreement, Casino launched a gateway service in partnership with the French Ministry of Women's Rights that enables employees to exchange 50% of the benefits accumulated in their time savings account for universal service employment vouchers. Casino introduced the Yoopies.fr website to help its employees organise childcare arrangements. And it maintains the full salaries of fathers on parental leave and offered fathers an extra day of fully-paid parental leave in 2015 (12 rather than 11 days), which 400 fathers took advantage of during the year. Cdiscount signed a new Equal Opportunity Agreement in 2015 that covers career development, providing support for working parents and pay equity.
- Outside France, the subsidiaries also deploy targeted initiatives and strive to increase the proportion of women in their organisations. In 2015, GPA and Éxito conducted a study in collaboration with an external consultancy (with response rates of 77.4% and 90.2%, respectively), to better understand the expectations of women managers in order to help them to access positions of greater responsibility.
  - In Colombia, a gender equality action plan has been approved by Éxito's executive committee and is now being monitored by a gender equality committee. The audit carried out on male and female employees' salaries did not reveal any significant pay differentials at any level of the company.
  - In Brazil, six working groups comprising women managers were set up to identify the actions to be taken in a number of key areas including communication, work-life balance, mentoring and networking. With the support of the Human Resources department, these working groups meet every month to draw up action plans to enhance team gender diversity. The audit carried out this year on male and female senior managers' salaries did not reveal any significant pay differentials.
  - In Argentina, the female members of the Talent Pool (managers with high potential) participated in a national inter-company working group called "5 mujeres, 1 propósito". The purpose of this event was to promote discussions on leadership and women's ability to influence decisions in the workplace.
  - In Thailand, measures to promote gender equality mainly concerned human resources processes such as outside talent sourcing and the succession plan, with targets including identifying and proposing at least one female candidate for every position.

8.2.4. MONITORING HEALTH AND SAFETY IN THE WORKPLACE

The Group is actively committed to improving the physical and mental health and safety of its employees. The Human Resources department of each subsidiary is responsible for implementing action plans in this area.

- In France, this assertive policy is led by the corporate Health, Safety and Working Conditions department, which is tasked with defining and coordinating Group-wide action plans and developing relevant initiatives. Overseen by the various Human Resources departments, the management of each subsidiary is responsible for the operational implementation of the policy with support from a network of health, safety and working conditions correspondents.

  The Group's risk prevention policy is based on an agreement to implement a programme to prevent psychosocial risks, an agreement on health and safety in the workplace, and an agreement on arduous work. Negotiated with the labour unions, these three agreements lay down the Group's objectives, means of action and expected results in terms of risk prevention. They are supplemented by other specific agreements within Franprix, Leader Price, Cdiscount, Monoprix and Monop'. A national Occupational Health and Safety Charter to protect temporary employees was signed in January 2015 by Casino's logistics subsidiary.

  The Group set up an employee feedback programme several years ago to prevent occupational risks by allowing workers to voice their concerns about working conditions. This initiative has been deployed in hypermarkets, supermarkets, warehouses and Casino and Cdiscount cafeterias to enable the Group to take into account the comments and needs expressed by employees on the ground.

  In 2015, more than 18,000 Casino and Monoprix employees in France received occupational health and safety training.

  In 2014, the Human Resources department initiated an awareness and training programme on caring management practices, with the support of the Executive Committee and the assistance of a workplace well-being expert. The programme is designed to increase employee motivation by limiting workplace stress in a demanding business environment. These initiatives helped to raise the awareness of 1,800 managers (on the Executive Committee, entity executive committees, etc.) through presentations by outside consultants, and the roll-out of an e-learning platform where any manager can extend the learning experience and access practical, useful content (videos, quizzes, etc.). A network of workplace well-being experts was put in place in 2015 to identify employees who might be experiencing difficulties, build relationships and direct them to the people who are best placed to help them, whether it be the occupational physician, management, the HR department, a help and assistance service, etc. Finally, a "Caring Management Practices" module was included as part of the "Trade and Retail" Masters programme at Jean Monnet University in Saint-Étienne.

	Casino	Monoprix	Cdiscount
Lost-time accident frequency rate	40	38.7	37
Lost-time accident severity rate	2.3	2.4	1.8

In 2015, the Group recorded 236 occupational illnesses in France, an 8% decline compared with 2014.

- Outside France, the deployment of employee health and safety programmes is also a priority. Several entities, including GPA, Big C Thailand and Éxito, have implemented workplace accident prevention plans designed to identify major risks in the workplace as early as possible. To address the risks identified, special safety equipment has been installed in stores and warehouses and dedicated training programmes rolled out. Big C Thailand organised more than 150 training sessions during the year.

  Éxito's six safety committees, known as COPASSTs (Comites Paritario de Salud y Prevención en el Trabajo), talk with employees to determine the main risks in the workplace. The committees meet once a month. In 2015, a psychosocial risk assessment was conducted involving 50% of Éxito's employees.

Concerned about the health of its employees outside the workplace, Group entities implemented initiatives to encourage employees to adopt healthier lifestyles, particularly by encouraging regular exercise, providing access to advice from nutritionists and helping them to quit smoking.

In France, several days of prevention training were organised to raise employee awareness about the following health-related topics: smoking, nutrition, blood tests and diabetes. Outside France, GPA has continued its employee health and nutrition awareness campaign in its warehouses and headquarters, with 3,360 people benefiting from healthcare services provided in the workplace under the "Viva Saúde" programme. Seven warehouses are fitted with on-site healthcare clinics. More than 1,000 of GPA's employees are members of the "GPA Clube", which organises sporting activities and events for employees, and more than 4,000 employees enjoy the use of one of the 21 GPA Academia gymnasiums. Big C Thailand organises yoga and meditation workshops for its employees at its headquarters. Éxito also organises Health days, with more than 4,900 employees receiving a "nutritional assessment", and information on cardiovascular disease.

	Group 2015
Lost-time accident frequency rate	13
Lost-time accident severity rate[1]	0.40
Absenteeism rate due to accidents and illness (including occupational illness)[1]	1.62%

For more information on calculation methods, see section 8.9 Reporting methodology for CSR indicators.

[1] Excluding GPA.

8.2.5. PROVIDING CAREER GROWTH OPPORTUNITIES

Since its very beginnings, Casino has been committed to providing career growth opportunities for its employees, which contributes to its operating performance. To nurture a management culture that embodies the Group's values and therefore helps to achieve this objective, a purpose-designed model has been introduced to assess managerial behaviour and attitudes.

Known as L.I.D.E.R.S, an acronym for leadership, innovation, decision, engagement, responsibility and synergies, the model has already been deployed in France and certain other host countries and is used during managers' annual skills appraisals.

Training for Group employees

Training is one of the key pillars of employee development and employability. In line with Group targets, the Human Resources departments of each subsidiary offer training tools to enable and encourage professional development and define training plans both when the employees join the Group and during job appraisal meetings.

Group	2013	2014	**2015**	2014/2015 change
Total number of training hours	4,563,405	5,217,496	5,998,179	+15%
Total hours of training per person	14	16	19	+19%

- In France, more than 35,470 (Casino, Monoprix, Franprix, Leader Price and Cdiscount) employees received some form of training in 2015. The Group offers a wide range of training programmes through its Casino Campus in-house training centre, both in the form of classroom sessions and e-learning modules (available on the 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 and personal development. The centre has deployed various programmes, in particular for employees with literacy challenges – by offering basic courses in French and mathematics – and to promote the Validation of Acquired Experience. Training is essential for supporting the banners' projects and enhancing the skills of employees. At Monoprix, for example, 47% of employees received training in 2015 and under its fourth Validation of Acquired Experience (VAE) programme, 68 people earned diplomas and 23 are waiting for their experience to be validated.

  In line with reforms to professional training, the French entities endeavoured to ensure that all employees attended at least one skills training course and a job appraisal meeting every six years.
- In international subsidiaries, dedicated training departments provide induction training for new hires and continuous training for career development purposes. A number of banners have their own in-house training centres. For example, Assaí in Brazil has a corporate university that offers courses focusing on the cash & carry segment. The centre has delivered training to 36,000 people over the past two years. In 2015, Via Varejo, another GPA entity, launched the Varejo/Retail University and provided training to employees on the banner's ethical principles (10,000 people received training in 2015) and on the new "Via Varejo REVIVA" in-store recycling programme. In Thailand, the E-Academy offers e-learning modules on the company's different businesses. The Big C Academy in Vietnam offers both operational training courses – particularly relating to foodservices – as well as finance, management and language courses for employees at headquarters and in stores. Éxito has deployed more than a hundred training programmes for all employee categories both at its headquarters and in individual stores. In 2014, it set up two teaching centres to offer training in specific areas: the Textile centre trained more than 1,160 people in 2014 and 2015 while the Surtimax centre trained 4,155 people during the same period. In addition, the bakery training centre that opened its doors in 2015 has already welcomed 280 people.

Compensation, employee profit-sharing and incentive plans

Compensation policy

The Group's compensation 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 in line with market practices observed for similar jobs and tailored to the specific local characteristics of the Group's host country.

Compensation surveys are carried out regularly in France and abroad to assess the competitiveness of the compensation 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 model has been deployed throughout subsidiaries in France and abroad and adapted to match specific local situations whenever necessary (Libertad, Éxito and GPA). The reference model guarantees that set objectives are achieved in accordance with the defined managerial principles, while ensuring the existence of a single, strong human resources culture shared by all employees. In Brazil, GPA has introduced CSR-related compensation indicators for top management, including the number of disabled employees and the amount of energy and/or water used. In Colombia, the performance appraisal process was reviewed and concerned around 7,500 employees in 2015.

In addition to basic compensation, 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) as well as financial assistance (meal, transport allowances, etc.).

The principles of Group executive compensation are presented in section 5 of this document.

Employee benefits

Casino Group proposes employee benefits, which may include medical cover, death and disability insurance and other benefits compliant with the legislation and practices of each country and which top up the compulsory plans. This cover is partially financed by the employer.

Employee savings schemes

PROFIT-SHARING PLAN

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.

For example in France in 2015, the Group's employees were covered by a health, death and disability benefits plan co-financed by the employer. In Colombia and Brazil, employees are covered by a death and disability insurance and have access to health insurance, co-financed by the employer.

INCENTIVE PLANS

The Group's first incentive plan was signed in 1986 in France for employees of the Casino banner. For a number of years, this incentive plan has comprised a group incentive, based on Casino's performance, and a local incentive, based on the results of each entity.

Eighty percent of the group incentive is allocated in proportion to annual salary and 20% in proportion to length of service.

The local components are allocated entirely in proportion to annual salary and may be paid on an annual or half-yearly basis, depending on the entity.

Other Group companies, such as Monoprix and Cdiscount, have also set up incentive plans for their employees.

In 2015, more than 68,000 employees in France benefited from an incentive plan or a profit-sharing agreement representing a total amount of almost €24.5 million in respect of the Group's 2014 results (€6.6 million in respect of incentive plans and €17.9 million in respect of profit-sharing agreements).

SAVINGS PLAN

In France, Casino Group employees are offered the opportunity of joining a Savings Plan to build employee savings. Employees may arrange for their incentive and profit-share payments to be paid into the Savings Plan and may also make monthly or occasional voluntary payments. Certain Group companies contribute to these savings by matching the payments made by their employees. The specific terms and conditions for paying this matching contribution vary depending on the company.

At 31 December 2015, 45,979 employees and 41,795 former employees of the Casino Group in France were members of a Savings Plan (PEE, PEG or PERCO), for total assets of €206.2 million representing approximately €2,350 per employee. In 2015, the Group's French companies paid almost €2.5 million in matching contributions into employee savings plans.

8.3. RESPONSIBLE RETAILER

As expressed in its corporate by-line, Casino aims to "nourish a world of diversity" by providing quality products that are affordable for everyone whilst enabling its customers to be more responsible consumers. It has set out two priorities as part of the CSR continuous improvement programme: take action to protect consumer health through a more balanced diet and encourage environmentally responsible consumption.

Food is a key health issue in today's society and a major concern for the Group, which addresses it through a product policy combining safety, nutritional balance, health, pleasure and respect for the environment.

8.3.1. TAKING ACTION TO PROTECT CONSUMER HEALTH

Ensuring product quality

Product quality and safety are top priorities for the Group across all its private label ranges. From product specifications to store operations, an end-to-end system ensures that the Group sells safe, healthy products of the highest quality.

The Group Quality department coordinates ongoing discussions with the subsidiaries' quality departments, which are responsible for guaranteeing the quality standards of private label products and for ensuring that all products sold are safe for the consumer. These discussions relate primarily to best practices and procedures in such areas as product safety and quality policies, traceability procedures, supplier audits, crisis management, and product withdrawals and recalls. They have led to the implementation of a Group Quality Charter, which has been circulated to all entities.

Both inside and outside France, checks are performed throughout the year on private label items. Product recall and crisis management procedures are defined, set up and applied whenever necessary.

The Group Quality department uses International Featured Standards (IFS) to audit food suppliers in France and supports the international subsidiaries in their implementation. Private label suppliers are audited regularly to ensure that all manufacturers meet the regulatory requirements in terms of product safety, as well as the Group's internal requirements. Audits are also regularly conducted in the Group's warehouses to ensure that procedures are in place and good practice guides are followed: all Casino warehouses are now "IFS-Logistics"-certified. Shared management tools are developed with food manufacturers to ensure compliance with specifications and effective product tracking.

Outside France, for the past few years, GPA has been developing its "Quality from the Source" programme to trace and improve the quality of fruit, vegetables and eggs in order to monitor the use of pesticides, transport conditions and product storage upstream. It also implements the PEQ ("Programa evolutivo de qualidade") quality certification programme to assess suppliers of manufactured fruit and vegetable products and, since 2015, suppliers of manufactured personal care and cleaning products, and encourage them to obtain internationally recognised certification from an outside organisation. This programme helps improve overall product quality while ensuring that social and environmental criteria are met. In 2014, Éxito launched a programme in collaboration with IFS Latam to support suppliers of private label food products in obtaining IFS Food Standard certification by 2016. The programme includes an initial audit as well as training plans in the areas of traceability, risk analysis and product recall systems. Libertad launched a similar programme designed to encourage their suppliers to obtain certification in Global Food Safety Initiative (GFSI) standards by 2016.

The Casino Group is a member of the Consumer Goods Forum's GFSI, and its subsidiary Libertad is a member of the GFSI South Latam Group.

Improving products' nutritional balance

The Group pioneered the private label concept with the launch of Casino-brand products in 1901. The Group's subsidiaries draw on this expertise to develop their own private labels.

The Group's health and nutrition approach was initiated in 2005 and consolidated in 2008 with the signature of a charter of voluntary commitments to nutritional progress with the French Health Ministry as part of the National Health and Nutrition Plan.

In 2010, the Group set up a Health Committee, which meets four times a year to analyse data, the latest scientific trends and consumer expectations in the field of health. The Committee issues recommendations on controversial ingredients such as aspartame, endocrine disruptors, bisphenol and pesticides and supports the Group in France in its development of special private label ranges such as poultry raised without antibiotics and frozen fruit and vegetables that are guaranteed to be free of quantified pesticide residues.

The Group's main initiatives involve:

- improving products' nutritional value by reducing their salt, fat or simple sugar content or substituting certain fats with more nutritional alternatives;
- introducing more legible nutrition labelling to better inform consumers;
- developing product ranges for specific dietary requirements including gluten intolerance, vitamin and mineral deficiencies, diabetes and weight problems;
- research into innovative products and production methods.

Among the product ranges developed:

- the "Casino Bien pour Vous!" (Casino is good for you!) private label offers five product ranges, including sugar-free and gluten-free ranges developed in collaboration with the French Diabetes Federation (FFD) and the French Association of Gluten Intolerance (AFDIAG);
- the "Casino Bio" and "Terre & Saveurs" brands offer poultry products from animals raised without antibiotics;
- the "Fine Ligne" range developed by Leader Price offers low-salt, low-sugar and low-fat products, and the "Leader Price Bébé" range's recipes are defined in association with paediatric nutrition experts;
- the "Bien vivre" range launched by Monoprix in 2015 offers gluten-free and dairy-free food products;
- the "Taeq" brand distributed in Colombia and Brazil is dedicated to products with health and well-being benefits.

Other initiatives include Monoprix's Sustainable Nutrition Charter, which recommends lowering salt content, eliminating hydrogenated fats, limiting the use of preservatives and banning azodyes. In 2014, Éxito defined and distributed a new Nutrition and Health policy to complement the Group's policy that was implemented on children's products under the "Troop X et Taeq" brand. Training was provided on this policy for the suppliers, purchasers and store employees.

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.

Casino, Leader Price and Monoprix private label food products feature nutritional labelling which states the energy value, quantity of protein, carbohydrates, sugar, lipids, saturated fats, dietary fibres and sodium, and any allergens in the list of ingredients, as well as the origin of meat in ready meals. Casino has decided to exceed this new regulation by applying it to exempted product families.

Outside France, Big C Thailand pledged to include nutritional information on new products along with information on allergens and additives. Éxito has voluntarily developed a nutritional labelling system for its products based on guideline daily amounts (GDAs). All Libertad private label food products also carry detailed nutritional labels. GPA further improved its nutritional labelling system on its Taeq private label products, indicating the levels of saturated fats, fibre, sodium and vitamins, and highlighting the presence of any allergens or additives in the list of ingredients.

8.3.2. ENCOURAGING ENVIRONMENTALLY RESPONSIBLE CONSUMPTION

To promote more environmentally responsible consumption among its customers, the Group has developed several initiatives to reduce the environmental impact of the products it sells. They include optimising and reducing packaging, developing more environmentally responsible product ranges, providing environmental information on food products, and carrying out communication campaigns that encourage consumers to return used items for recycling.

To help customers be more environmentally friendly in their consumption, Casino Group stores now offer more than 17,850 products that are certified environmentally responsible, an increase of 17% over 2014.

Group	2014	**2015**	Change
Number of organic products (private label and national-brand products – Excluding apparel)	13,241	14,498	+9.5%

Of which:

	Casino Bio	Naturalia Monoprix Bio	Leader Price Franprix Bio	Taeq Brazil and Colombia
Number of organic products (private label)	424	592	158	308

Organic farming and good agricultural practices

The Group offers a wide range of organic products to shoppers, with a total of more than 14,490 products on store shelves Group-wide.

In France, more than 12,000 AB-certified organic products (excluding apparel) are on offer, of which more than 1,170 under banner brands (Casino, Leader Price Bio, Monoprix Bio, Naturalia and, since 2015, Franprix bio).

In addition, our banners in other host countries sell more than 2,470 organic products, of which 65% at GPA.

These products are presented to customers in special display areas in the points of sale (Casino, Libertad, Pão de Açucar, Disco Devoto) and are featured in targeted publicity campaigns. For example, GPA organises in-store visits from organic producers and offers customers a 15% reduction every Thursday. In 2015, Casino's purchasing agency signed a partnership charter with a number of organic fruit and vegetable suppliers to strengthen cooperation and create a French organic produce sector.

The Group's banners offer a number of product ranges with Good Agricultural Practices (GAP) certification, with more than 2,410 products on store shelves Group-wide in 2015, representing an increase of 21% compared to 2014. In France, 120 "Terre & Saveurs"-labelled items (including fruit and vegetables, baked-goods, seafood, poultry products and meat) are sold in Casino Group stores. These items are produced using traditional outdoor farming methods in partnership with producers who adopt good agricultural or breeding practices (alternative cultivation methods, little or no post-harvest treatment, respect for the real requirements of crops, respect for the aquatic environment, etc.). More than 250 products marketed under the "Club des Sommeliers" brand also comply with a set of specifications for best production practices.

The Group encourages its suppliers in other countries to apply GAP. For this reason, Éxito put in place a GAP certification programme for its suppliers and 147 fresh products were certified in 2015. Big C Thailand began a process to obtain Green Label certification for a number of its products, which is awarded subject to an analysis of the products' environmental impact, and currently markets 319 fresh products that comply with GAP standards.

GMO policy

The Casino Group's policy on genetically modified organisms (GMOs) was formalised in 1997. The Group's private label products sold under banners in France (Casino, Monoprix, Leader Price and Franprix) are guaranteed GMO-free with respect to their ingredients and the additives and flavourings used. Outside France, private labels comply with applicable regulations and the rules of labelling, as in Brazil, where products are inspected and indicate the presence of GMOs if they exceed 1%.

Palm oil policy

In 2010, the Casino Group became one of the first retailers to adopt a policy on palm oil. In 2011, it joined the Roundtable on Sustainable Palm Oil (RSPO), responding to numerous stakeholder expectations. With the support of the association TFT, in 2015, the Casino Group committed to:

- ensuring a transparent supply chain for the palm oil used in its private label brands by first of all identifying the refiner or distributor in order to eventually have better visibility of the whole supply chain, all the way back to the mill stage;

- eventually using palm oil produced without causing any deforestation or exploitation, *i.e.*, palm oil from plantations that respect high conservation value forests[1], high carbon stock forests[2] and peatlands[3], and which also support the development of small producers and respect local communities and workers' rights;
- supporting responsible local producers in the producer countries in which the Group operates (Brazil, Thailand, Colombia);
- sharing progress reports and information regarding actions and next steps to be taken.

The policy with regard to palm oil was validated by the Casino Group's CSR Strategic Committee and the results of the action taken were presented at the December 2015 Committee meeting. The Casino Group considers that the only way to achieve the common objective of only using palm oil produced without causing any deforestation or exploitation is through collaboration among all stakeholders, including associations, refiners, plantations and manufacturers.

In 2015, the Group took several measures to involve private label suppliers in its palm oil commitment, sending out letters informing them of the Group's policy and organising awareness raising seminars in Brazil and Thailand. It also published a document entitled "Casino Group Palm Oil procurement" to promote its policy among employees and held several working meetings to engage the relevant teams at its different banners. Further efforts included calculating the palm oil footprint of its private label products as well as gathering information to trace the palm oil used back to the first importer (name and address) and/or refiners, and, where possible, back to the mill stage.

The palm oil footprint of the Casino Group's private label products – Casino, Monoprix, Leader Price, Big C Thailand, Taeq in Brazil and Colombia, and Qualitá in Brazil – is estimated at 32,000 tonnes[4]. In all, 72% of the palm oil used in the Group's food products can be considered traceable or partially traceable back to the first importer and 31% of the palm oil volumes used can be traced back to the mills where they originated, which have undergone a risk analysis. The Group is currently analysing the "zero deforestation" commitments made by first importers and initiatives undertaken by them to avoid deforestation or exploitation in order to prioritise its actions for 2016.

Responsible fishing

For many years now, the Group has been endeavouring to improve its seafood offering. Since 2007, Casino has taken a number of measures to protect fishery resources such as gradually stopping the sale of major endangered deep-sea species (emperor fish, blue ling, cutlass fish, grenadier and tusk). It has also stopped selling other endangered species such as North-East Atlantic dogfish, eel, elver and white grouper.

Casino continued to support small-scale fishing through the deployment of the "La Criée" concept by partnering with numerous Atlantic and Mediterranean ports. A daily distribution system was specifically put in place to offer customers seafood products direct from the ports every day, in cooperation with small fishing companies. Monoprix rolled out its "Monoprix coastal fishing" initiative which involves the sale of fish from environmentally responsible fishing practices that promote species renewal. Casino and Monoprix stores propose Marine Stewardship Council (MSC)-certified products, as a guarantee of sustainable fishing.

This policy is shared and supported by the Group's other banners. For example, Éxito has stopped selling endangered species and has committed to protecting saltwater and freshwater fish species in danger of extinction.

Promoting a responsible beef sector and preventing deforestation

Aware of the social and environmental challenges of beef production in Brazil, in 2009 GPA joined the Working Group on Sustainable Livestock (GTPS). It has also been a signatory of Brazil's national pact towards eradicating slave labour since 2005, and its supplier agreements contain clauses on the prevention of child labour. In 2014, GPA's risk management department, in collaboration with the CSR department, updated the social and environmental risk map in its supply chains. As beef was again identified as a high risk commodity with regard to deforestation, in 2015 GPA carried out a study with the support of TFT to prepare a risk map to track all of its beef suppliers and identify the origins, traceability, breeding conditions and potential risks of deforestation. More than 55% of the meat available in GPA's stores comes from suppliers that have made public commitments to adopting a "zero deforestation" policy with regard to cattle breeding by signing the "Cattle agreement", which provides for a ban on all trading with farms that are responsible for deforestation or which are located on land belonging to indigenous people, as well as implementing initiatives to check the origins of cattle before they are slaughtered. The risk map will be used to update the responsible purchasing policy for the beef sector in 2016.

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 has rolled out its "Le Meilleur d'ici" concept comprised of products from local suppliers located less than 80 km from the store. The concept concerns around 1,500 suppliers with fewer than 50 employees. In 2014, Vindémia rolled out the concept in Score hypermarkets and Jumbo Score supermarkets, promoting local produce under the "Nou la fé" (We did it) range. In 2015, Monoprix launched the "made in pas très loin" (made nearby) range of local products in 119 stores. The range will be extended in 2016.

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(1) High conservation value areas are areas of strong biological, social and cultural value that are important to conserve, and that contain rare species and habitats. For more information, visit https://www.hcvnetwork.org/

(2) High carbon stock areas, including primary forest, high, medium and low density forest, and young regenerating forest. For more information, visit: http://highcarbonstock.org/the-hcs-approach-toolkit/

(3) Peatlands, areas where the soil contains more than 65% organic matter.

(4) Scope: GPA, Casino, Monoprix, Franprix-Leader Price, Big C Thailand/private label brands.

Private label product packaging

The cardboard packaging of "Taeq" private label products and certain "Qualitá" products sold in Brazil by GPA use recycled material from packages collected from customers. Under the "Novo de Novo" programme launched in 2009, more than 100,000 tonnes of recyclable materials have been collected and reused in more than 7.4 million items of private label product packaging. Whenever a new product is created, GPA is careful to reduce the amount of packaging, which is consistently made from Forest Stewardship Council (FSC)-certified cardboard. In Colombia, Éxito is helping suppliers of "Taeq", "Carulla" and "Cautivia" products to cut down on packaging. In addition, it 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-certified paper, hallmarks of sustainable forest management.

8.3.3. EDUCATING CUSTOMERS ON RESPONSIBLE CONSUMPTION

Promoting responsible products

To educate its customers and suppliers, the Casino Group carries out information and awareness raising campaigns in its stores primarily on responsible consumption, the recycling of used items (bulbs, batteries, small electrical appliances) and food wastage.

As part of its partnership with the GoodPlanet Foundation, in 2015 the Group supported the "La Solution est dans l'assiette" (Solution is in the plate) programme to educate millions of French consumers on the solutions they can adopt for an enjoyable, healthy, environmentally friendly diet. The programme follows the major awareness campaigns on responsible consumption – "Choisir, c'est agir" (Choosing is acting) – rolled out in more than 400 Géant Casino hypermarkets and Casino supermarkets in 2014 and 2015 (www.choisircagir.com). In 2014, Monoprix rolled out its "bien fait pour vous !" (good for you!) campaign to promote its sustainable development commitments and encourage responsible consumption among its customers. The banner teamed up with one of its suppliers to distribute 73,000 flower seed packets as part of a campaign to raise awareness about protecting biodiversity.

Casino was the first retailer to introduce carbon labelling on its private label products to make its customers aware of the environmental impact of their consumption. Launched in 2008, this labelling was gradually replaced by the environmental index (EI), which features the impact of the full product life cycle on greenhouse gas emissions, water consumption and aquatic pollution. This index can be found on Casino and Monoprix private label products. This process provides the Group with more insight into the environmental impact of products as well as informing and educating customers and encouraging suppliers to implement improvement actions. An Environmental Index calculation tool is deployed among industrial food producers to step up its use.

The Group's banners also educate their customers on responsible consumption *via* their e-commerce websites.

For example, Pontofrio.com features a dedicated "#PontoVerde" web page, where customers can easily identify responsible or low-impact products, *i.e.*, energy efficient products and products that meet the criteria of labels such as Certified Origin, Procel (energy/electricity saving) and Conpet (Brazilian programme on the rational use of natural resources). The website also contains useful content on sustainable development, responsible consumption, labels and how to choose more energy efficient products for the home. During the COP21 climate change conference in Paris, Cdiscount promoted products that met the four following criteria: energy efficiency, noise reduction, made in France and waste reduction, and published an online buyer's guide.

Reducing the use of plastic bags

To encourage more sustainable consumption and reduce household waste, the Casino Group has undertaken to reduce the number of disposable bags provided in its stores. Within the framework of the COP21 conference, the Casino Group presented 12 solutions it is implementing to combat climate change, including offering reusable plastic bags in its stores.

- In France, since 2003, the number of free disposable check-out bags distributed by Casino has fallen by 95%. In Paris, the Casino supermarkets and Franprix stores decided to mark the opening day of the COP21 conference by permanently removing all disposable plastic bags as a sign of their commitment to protecting the environment. These banners made this choice more than six months before the bags were officially banned under the energy transition law.
- In other countries, subsidiaries are deploying an increasing variety of actions to encourage a preference for reusable bags (in-store displays, loyalty programme incentives, etc.) and reduce the use of disposable plastic bags. In Brazil, GPA has set up a rewards system for customers that do not use plastic bags and offers new stylish, reusable bags. In São Paulo, GPA and the other major retailers withdrew all free plastic bags from their stores in May 2015. These measures have enabled GPA to reduce the volume of bags distributed in São Paulo by 70%. As part of its "Juntos en Acción" CSR programme, Libertad has set up a "caja verde" (green checkout) in stores for customers that do not use plastic bags. Big C Thailand participated in a national campaign in August 2015 aimed at reducing the use of plastic bags and promoting the use of recycled or cloth bags.

Combating food waste

In order to combat food waste, the Group's banners and warehouses have long supported the donation of products with short expiry dates to food bank networks (see section 8.6.1).

In 2013, the Group signed the National Pact to Combat Food Waste set up by the French Ministry of Agriculture and in 2015 it signed the French Ministry of Ecology and Sustainable Development's agreement to combat food waste. Under this agreement, the Group commits to increasing the number of stores working in partnership with food banks and to remove "best before" dates from certain product groups.

The banners implement customer awareness initiatives in their stores by handing out brochures such as "Great Ways to Reduce Waste" and "Waste Prevention Tips" (Monoprix) and "Combating Food Waste" (Casino), and by organising anti-waste events. To mark World Food Day, on 16 October 2015, Monoprix invited its customers to prepare food using fruit and vegetables with surface blemishes on board its "Cook Truck". "Anti-waste" recipe sheets were also distributed to participants, and employees received "Eco-friendly Behaviour" training to help reduce spoilage, for example.

Internationally, GPA launched its "responsible food truck", which visited 20 Pão de Açúcar supermarkets and nine Extra hypermarkets in 2015. This environmentally friendly vehicle provides free cooking workshops to teach customers recipes created by nutritionists and based on ingredients that do not produce any waste. Participants are also educated about how to reduce waste and encouraged to use their food more efficiently, in particular as part of the "Pq jogar fora?" programme launched in 2014. Initiated with the support of the Akatu Institute, which is leading the way in Brazil in promoting responsible consumption, this programme is targeted at more than 100,000 employees and their families. It proposes measures to combat food wastage as well as the wastage of natural resources (mainly water) and offers financial advice (for example, to help families manage their budget).

8.3.4. LISTENING TO CUSTOMER EXPECTATIONS AND CONCERNS

The Group's banners have developed an accessible, free and permanent system for listening to and exchanging with their customers (call centre, e-mail address, booth in stores). They also use social media and have developed specific web pages to facilitate and promote dialogue.

- In France, all of the banners carry out customer surveys and organise store visits by specialised service providers. The questionnaires address a wide variety of issues that could affect customer satisfaction, from store cleanliness and service quality to the range of products on offer. The Group's banners propose a toll-free number for customers to call Customer Service. Casino is supported by an integrated call centre that manages customer requests. Reports are prepared monthly and sent to the relevant stores or departments, such as purchasing and marketing. 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, while 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, including sustainable development. The most popular ideas are then implemented in 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 and comments. In 2015, Extra and Pão de Açúcar had customer satisfaction rates of 88%. In Colombia, Éxito carries out about 100 customer surveys per store, in addition to online surveys, to define and track satisfaction levels, which in 2015 were more than 4.3 out of 5. Big C Thailand customers can submit complaints and make suggestions on a store-by-store basis *via* a dedicated page on the banner's website.

8.4. TRUSTED PARTNER

As a retailer, the Group's corporate social responsibility policy addresses the risks and challenges inherent in its supply chain.

CSR policies deployed to take into account social and environmental impacts aim to strengthen the Group's social ethics policy, which mainly concerns suppliers of the Group's private label goods based in countries considered as at risk, to support local production and to encourage CSR initiatives in SMEs.

8.4.1. STRENGTHENING ETHICAL SOCIAL COMPLIANCE

The Group supports the application of standardised and strict standards at national and international level. Involved since 2000 in France's Initiative Clause Sociale (ICS) comprising 20 retailing banners, the Group also contributes to 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 programme for its suppliers in an effort to monitor and improve the social conditions in which its private label products are manufactured. Managed by the Casino Group's CSR department in association with the Purchasing departments, the programme has been rolled out at the different entities and social ethics coordinators have been appointed to support its implementation. It includes:

- distribution and signature by suppliers of a 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, suppliers recognise the central importance of the principles set out in the Universal Declaration of Human Rights and in the fundamental conventions of the International Labour Organization, while also pledging to uphold the Supplier Ethics Charter's eight criteria for ethical conduct, notably 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: based on a risk analysis, every year, more than a hundred production sites are audited by independent firms to check compliance with the requirements set out by the Supplier Ethics Charter. Monitored by the Group CSR department and in collaboration with the entities concerned and the Group's purchasing organisations, the audits are implemented first in factories 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 scope includes suppliers who import products directly as well as those who import through agents. 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.

  In 2015, a total of 349 social audits were performed in accordance with ICS methodology, of which 270 were led directly by the Group and 79 by other ICS members at shared supplier plants. Of the 270 directly-led audits, 81% were initial audits and 19% were follow-ups. Of the audited manufacturers, 60% were based in China, 12% in India and 8% in Bangladesh. As an example, 43% of GPA's non-food import plants were audited in 2015. An analysis of the results of ICS audits is published in the ICS Activity Report (www.ics-asso.org). In all, more than 2,000 ICS audits have been performed by the Group since 2003;
- supporting suppliers: audits are followed up with reviews and, where necessary, a corrective action plan that non-compliant factories must agree to implement within a specific timeframe. The Group's local offices play an essential role in helping suppliers and their factories properly understand the Group's expectations and the implementation of any corrective actions. Internal and external follow-up audits are performed to ensure that the corrective action plan is properly implemented;
- awareness raising and training activities: the CSR department organises regular awareness programmes with the purchasing teams, local offices and suppliers to present the Ethics Charter.

  In 2015, the Group's Social Ethics Policy and campaign monitoring tools were presented to Cdiscount's purchasers *via* a "purchasing and CSR initiatives" training module, while 255 people were given training on the same issue at GPA. Training sessions are organised for suppliers and import agents, with more than 240 Big C Thailand suppliers receiving training on the Group's Ethics Charter in 2015;
- targeted actions: in light of the circumstances specific to Bangladesh, all of the local tier-1 garment factories supplying our private labels are audited, with stricter plant safety inspections and unannounced audits systematically performed prior to tender awards. Although Casino had no connections with the Rana Plaza workshops, Casino Global Sourcing (CGS) pledged to uphold the Bangladesh "Accord on Fire and Building Safety" in July 2013, to support the collective and collaborative process initiated and help to improve local plant safety conditions. 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, international subsidiaries are drawing up ethical charters and audit procedures for local suppliers: GPA is active in the local Brazilian initiative "Associação Brasileira do Varejo Têxtil" (ABVTEX). The purpose of ABVTEX is to inspect suppliers and subcontractors in the Brazilian textile industry based on 18 criteria for ethical conduct including child labour and forced labour. These audits covered 98% of GPA's national textile purchases. Éxito has drafted a Supplier Code of Conduct that includes ethical, transparency and good governance requirements. In 2015, Libertad rolled out an ethics charter to more than 800 suppliers, stating the human rights, labour rights and anti-corruption principles to be respected. Big C in Thailand is educating all local textile suppliers about the Group's ethics policy.

With a view to addressing the issue of human rights in its businesses more effectively, Casino has joined the Entreprises pour les Droits de l'Homme (EDH) association, enabling it to identify business-specific risks and to discuss them with other international groups. Casino has supported and taken part in drawing up a training module on human rights in the workplace and creating the Guide to Evaluating Risks Associated with Human Rights. The Group has also designed an e-learning module, aimed at raising awareness of the challenges and good practices in terms of business ethics and human rights, which will be available to managers in France from 2016.

8.4.2. PROMOTING THE CSR INITIATIVES OF SMEs AND SUPPORTING LOCAL PRODUCTION CHANNELS

The Casino Group has maintained close relationships with its suppliers (farmers, cooperatives, SMEs) since its creation (see "Responsible retailer").

- In order to improve its supplier relationships in France, the Casino Group, which is a signatory of the best practices guide for SMEs jointly drawn up by the French retail supplier association (FEEF) and France's Retail Trades Federation (FCD), developed a number of initiatives for SMEs. It appointed an SME representative to manage Group relations with the group purchasing agency and work with the FEEF and ANIA (Association Nationale des Industries Alimentaires) and with the Club d'Entreprise Agro-développement. In 2015, quarterly meetings were organised with these manufacturers to share information, as well as targeted market analyses and a process to identify and classify new products.

  The Quality department provides SMEs with a process for evaluating the environmental impact of products and identifying areas for improvement (see "Responsible retailer"). In France, Casino evaluates the policies and actions taken by subcontractors (service providers, etc.) to combat discrimination and promote diversity as required by its commitments under the Diversity Label. In 2015, the Group issued guidelines to service providers to promote its diversity commitments to SMEs.

- The Group has taken several steps to support producers, cooperatives and farmers. It helps local suppliers to make their production and logistics processes, manufacturing standards and administrative management more professional, enabling them to expand their business beyond their commercial relationship with Casino and increase their visibility with customers of the Group's banners (see page 241).

  In France, as part of its process to encourage local producers to adopt more responsible methods of production and farming, Casino signed a local supply agreement to protect local species and biodiversity on farmland (with heifer farmers in Massif Central, France) and a partnership agreement with environmentally responsible orchards (which account for 93% of the volumes of apples in Casino stores), guaranteeing the use of good agricultural practices. As part of its "Agricultural Partnerships" programme, Monoprix assembled 29 of its biggest fruit and vegetable suppliers for a day of collaboration on residues, food waste and the reasonable use of pesticides.

  As part of its partnership with NGO Humanité et Biodiversité, Casino published and distributed a guide on improving biodiversity on farms for its suppliers, which allows them to carry out a biodiversity audit and proposes action plans. Other initiatives have included showcasing the "Terre & 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. The "Terre & Saveurs" brand promotes the reduction of pesticides and the development of more environmentally responsible and animal friendly production and farming methods. In 2015, the Quality department communicated the Group's animal protection expectations to its suppliers and audits were carried out to spread awareness of the issue among farmers and to check how animals were being farmed and treated.

- Outside France, banners are also committing to supporting local producers. Éxito continued rolling out its training programme for small suppliers in partnership with EAFIT University: more than 500 suppliers have benefited from company management training as part of this programme. Éxito encourages the practice of purchasing directly from small producers by organising trade fairs where local producers and Éxito teams can meet. In 2015, the banner signed an agreement with the Clinton Foundation, under which it pledged to purchase produce directly from 200 fruit and vegetable producers supported by the foundation and promote it in stores. It continues to roll out its programme to obtain GAP certification for its fruit and vegetable suppliers, with 21 certified so far.
  - In Brazil, GPA continues to support the "Caras do Brasil" programme by giving craft cooperatives the opportunity to sell their products at Pão de Açúcar stores. Social and environmental criteria have been integrated into the producer selection process for this range, which is regularly promoted in stores. GPA also continues the rollout of its "Quality from the source" programme. The programme involves fruit, vegetable and egg suppliers in order to control pesticide use and product transport and storage conditions right across the supply chain.
  - In Thailand, Big C works with SMEs and fresh produce suppliers to help them improve the quality of their products and production practices by training them in Good Manufacturing Practices (GMP) and Good Agricultural Practices (GAP). In Vietnam, SMEs and local suppliers are also a major business development artery, particularly for store openings in rural areas. Every store has a local supplier representative who works closely with the quality teams to help local suppliers implement GAP.

8.5. ENVIRONMENTALLY COMMITTED GROUP

8.5.1. GENERAL ENVIRONMENTAL POLICY

In 2003, the Casino Group set out its commitments to combat climate change, reduce pollution, and preserve natural resources and biodiversity. It reaffirmed its commitments by signing the United Nations Global Compact in 2009 and by launching a CSR continuous improvement programme, which lays down the Group's environmental priorities.

In order to further this process, in 2012 the Group strengthened its organisational structure with the creation within the CSR department of an Environment department in charge of coordinating the Group's environmental priorities, sharing good practices and monitoring action plans.

Each Group entity is responsible for implementing the organisational structure and action plans necessary at local level to achieve the pre-defined objectives.

The Group's four environmental priorities are:

- reducing greenhouse gas (GHG) emissions;
- improving energy efficiency;
- reducing and recovering waste;
- preserving biodiversity.

8.5.2. RAISING AWARENESS

The Group educates its employees on environmental issues through best practice guides, seminars and conferences, and internal media including the intranet and internal newspapers such as Regards, which explain issues related to global warming, waste management, energy saving, biodiversity and food waste.

In 2015, a brochure presenting the Casino Group's 12 solutions for the COP21 conference was handed out to employees to promote the Group's best practices. Global warming conferences were organised for Casino, Franprix, Leader Price and Monoprix office employees and featured presentations by an expert in carbon reduction. GPA held a managerial seminar on issues relating to carbon emissions.

In order to educate its technical teams on reducing greenhouse gas emissions from commercial refrigeration, in association with the French Environment and Energy Management Agency (ADEME), the Environment department published a set of guidelines in four languages offering solutions for low-carbon commercial refrigeration. The guidelines follow the "Eco-friendly Gestures in Stores" guidebook published in early 2015 to encourage employees to limit energy consumption, sort waste and reduce food waste. In Brazil, Assaí continued its efforts to raise customer awareness, notably *via* its involvement in the "Coelce" programme launched in 2007, which offers families who sort their waste in dedicated recycling stations discounts on their electricity bills.

In 2015, the Group renewed a number of initiatives aimed at raising employee and customer awareness about food waste (see section 8.3.3).

In the area of biodiversity, Éxito backed the production of the film "Magia Salvaje", which promotes Colombia's incredibly rich flora and fauna. The film, which was shown at 200 cinemas and at the Time Warner Center in New York during the UN General Assembly, was seen by Éxito's employees and more than 2.5 million spectators. Employees in France had the opportunity to watch the film in Saint-Étienne and in Paris. In France, the Group put together the "Improving biodiversity in our operations – tools for farmers" guide in partnership with the association "Humanité et Biodiversité", to be issued in 2016.

8.5.3. SUSTAINABLE CONSTRUCTION

Several years ago, the Group's real estate partners launched programmes to obtain certification for their shopping centres. In France, 30% of Mercialys shopping centres are certified Outstanding under the BREEAM In-Use standard (Building Research Establishment Environmental Assessment Methodology), reflecting their environmental excellence.

Outside France, three Pão de Açúcar stores are LEED-certified (Leadership in Energy and Environmental Design), the North American green building rating system. In Vietnam, the Green Square shopping centre 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 EMISSIONS TO COMBAT GLOBAL WARMING

The Casino Group has pledged to reduce its greenhouse gas emissions (Scopes 1 and 2) per square metre of retail space by 20% by 2020 (base year: 2012).

Measuring greenhouse gas emissions

In 2012, the Group standardised its carbon reporting procedure in order to compare the inventories of its subsidiaries and identify best practices.

The main sources of emissions in the Group's operating scope are:

- refrigerants (linked to leaks from cooling systems), which accounts for more than 50% of Scope 1 and Scope 2 emissions;
- energy consumption at Group facilities;
- fuel combustion required for the transport of goods.

The Group's subsidiaries carry out a greenhouse gas emission inventory for Scopes 1 and 2 every year to check that their reduction plans are in line with the Group's emissions reduction objectives.

Absolute value of GHG emissions (Tonnes CO_2 equiv.)	Group 2014[1]	Group 2015[1]	France	Latin America	Asia/Indian Ocean
Scope 1 GHG					
= direct emissions from combustion (gas and fuel) and refrigerants	1,430,000[a]	1,470,000	620,000	800,000	50,000
Scope 2 GHG					
= indirect emissions from energy consumption (electricity, steam, heating, cooling)	880,000	900,000	90,000	260,000	550,000
TOTAL SCOPE 1 AND 2 GHG	**2,310,000**	**2,370,000**	**710,000**	**1,060,000**	**600,000**

N.B. the total coverage rate in retailing area was 96% for energy and 81% for refrigerant.

(1) For more information on calculation methods, see section 8.9 Reporting methodology for CSR indicators.

(a) Excluding Libertad.

Initiatives aimed at reducing greenhouse gas emissions

The Group's top priority is to reduce emissions resulting from refrigerant leaks, which contribute significantly to the global warming generated by commercial refrigeration units. In partnership with ADEME, in 2015 the Group published a guide to low-carbon commercial refrigeration for its technical teams. Measures introduced are designed to strengthen containment systems in existing facilities and increase the proportion of low-global-warming potential refrigerants (hydrocarbons, CO_2, NH_3) in new facilities. In France, six Casino supermarkets and 15 Monoprix stores use CO_2 as a refrigerant for frozen storage (subcritical facilities). In 2015, these banners tested facilities to be used for refrigerated and frozen storage using CO_2 (transcritical facilities). In Brazil, GPA has been experimenting with subcritical systems since 2015.

The Group's second priority is to reduce emissions from goods transport. In 2014, the Group's Transport departments in France and abroad adopted a common method for calculating their CO_2 performance by tonne-kilometre of activity when transporting goods between warehouses and stores.

Measures include reducing mileage, increasing delivery loads, developing non-road modes of transport that produce less greenhouse gas (rail and inland waterway transport), improving vehicle fleets (NGVs, hybrid vehicles) and offering training in eco-driving techniques.

In Paris, France, Franprix has increased the proportion of goods it delivers to stores located in the city centre *via* the River Seine. Monoprix uses rail transport to supply goods to its Paris-based logistics platform and a fleet of natural gas lorries for deliveries to its city centre stores. Ninety-eight percent of the vehicles delivering to Casino stores comply with Euro V, Euro VI or EEE standards and 900 stores receive their deliveries from Piek-compliant and nitrogen-cooled vehicles that produce less noise. Since 2013, Casino has been testing city centre delivery using hybrid lorries that complete the last leg in electric mode for less noise disturbance, and LNG vehicles that produce no particulates. Goods are delivered on stackable handling units, which enables the lorry to be loaded over two levels, avoiding the use of double-trailer lorries.

Outside France, GPA is increasingly using rail transport for deliveries to its warehouses. Thanks to its backhauling programme, the number of empty lorry journeys was reduced by more than 11,000 compared with 2014. The transport service providers of Multivarejo, a GPA subsidiary, were awarded the "Top Log" prize for their commitment to the programme. Éxito has reduced its mileage by increasing the load capacity of its vehicles and has centralised the coordination of import flows to optimise container fill rates. Big C Thailand has reduced its empty lorry journeys by 26% by improving collaboration with its transport service providers and its suppliers. Big C Vietnam is increasing its use of maritime transport by delivering to its stores *via* coastal ports.

The Group's third priority is to make its stores more energy efficient, thereby reducing the greenhouse gas impact of its electricity consumption (see "Responsible energy and water management" below).

Adapting to climate change

The main climate change risk identified as potentially impacting the Group's activities is the increase in extreme weather events such as the 100-year flood in France (particularly Paris), cyclones in Reunion Island, floods in Thailand and drought in Brazil and Argentina. Not only could an increase in the occurrence of such events have direct consequences for the Group's activity, it could also have an indirect impact such as an increase in raw material prices, fewer seasonal product sales and a rise in energy prices. For example, the drought recorded in Brazil in 2015, particularly in the state of São Paulo, led to a significant rise in the price of electricity, since most of it is produced at hydro power plants.

These risks can be managed by (i) complying with local regulations, which specify the equipment to use to manage rainwater and overflow (such as retention basins and green roofs); (ii) strategic stockpiling of basic commodities in partnership with suppliers; and (iii) improving the energy self-sufficiency of its stores using solar panels and generators to guarantee uninterrupted operations. Supplies and inventories of highly weather-sensitive products are managed using software that takes into account data relating to temperature, wind, rainfall and snowfall in each area.

Responsible energy and water management

Absolute value of energy consumption (MWh)	Group 2014	Group 2015	France	Latin America	Asia/Indian Ocean
Electricity (MWh)	4,603,474	4,730,113	1,659,519	1,994,568	1,076,026
Natural gas (MWh LHV)	193,543	201,742	135,522	66,220	-

N.B. the total coverage rate in retailing area was 96%.

Energy

Store lighting and commercial refrigeration units are the two main sources of Group energy consumption. The Casino Group has pledged to reduce its electricity consumption per square metre of retail space by 20% by 2020 (base year: 2012).

Reducing energy consumption is addressed through a continuous improvement process, which is based on monitoring consumption, carrying out energy audits for sites, and implementing an energy renovation programme (Energy Performance Contracts). To this end, the Group's subsidiaries define action plans each year. Energy management of Géant hypermarkets, Casino supermarkets and Monoprix stores is certified compliant with ISO 50001, which sets out the best practices to follow in this area.

In France, 93% of Géant hypermarkets, 80% of Casino supermarkets and 30% of Monoprix stores benefit from an Energy Performance Contract, which guarantees to reduce their reference consumption by at least 20%. Measures taken to meet this target include:

- fitting doors on refrigerators containing fresh produce: 93% of Géant hypermarkets, 90% of Casino supermarkets and 43% of Monoprix stores were equipped in 2015, along with 100% of Casino Shops and Franprix's Mandarine stores. The Group is a signatory of the agreement between the French State and the French Trade and Retail Federation (*Fédération du Commerce et de la Distribution* – FCD) to have doors fitted on 75% of refrigerators containing fresh produce by 2020;
- installing smart meters to monitor consumption and implementing low-consumption mechanisms.

The energy efficiency action plans in place since 2012 have enabled the Group to reduce its electricity consumption per square metre of retailing area by 16%.

Outside France, 102 of GPA's Extra hypermarkets have undergone energy renovation work to improve their lighting, cooling and commercial refrigeration systems, enabling the banner to reduce its energy intensity by almost 25%. The increasing use of LED lighting has also enabled supermarkets to reduce their energy consumption by between 5% and 10%. Éxito continued to roll out its energy renovation programme at 84 stores. New Big C Vietnam stores are compliant with Green Building recommended construction standards and feature low-consumption equipment (low-energy lighting, building insulation, doors on chilling units, etc.) and feature a building management system (BMS) that helps to optimise the use of lights and air conditioning.

The renewable energy development programme implemented by the Group since 2007 continues to be rolled out in all countries, particularly Colombia where solar panels have been installed on roofs and solar canopies have been erected over hypermarket car parks. In 2015, 65 units were connected, representing around 525,500 s.q.m. of solar panels.

Water

Absolute value of water consumption (c.u.m.)	Group 2014	Group 2015	France	Latin America	Asia/Indian Ocean
Water consumption	15,204,613	12,642,286	1,358,855	4,998,259	6,285,172

N.B. the total coverage rate in retailing area was 78% for water.

The Group's operating activities are situated in areas where the water stress risk is low to medium. The majority of the water used by its stores, mainly for sanitary purposes, is sourced from the public supply network.

The Group takes the necessary measures to reduce water consumption at its facilities by promoting initiatives in favour of reusing rainwater, fitting taps with pressure reducing valves and monitoring consumption in order to detect leaks in pipes or toilet facilities. Wastewater is managed in compliance with the relevant local regulations, which stipulate the appropriate pre-processing.

In France, the warehouses (Easydis) collect rainwater and monitor their consumption in real time *via* smart meters in order to detect leaks. New building projects integrate rainwater collection and processing systems from the design phase, along with equipment designed to reduce tap water consumption. Both inside and outside France, the Group encourages monthly water meter readings in order to set alert thresholds and detect and repair leaks.

8.5.5. REDUCING AND RECYCLING WASTE, PROMOTING THE CIRCULAR ECONOMY AND COMBATING POLLUTION

Sorting operational waste

The main waste generated by stores is cardboard, plastic, paper and organic waste. The Group aims to reduce waste and increase recycling rates by helping to develop and sustain local recycling networks. In 2015, Group stores recycled more than 265,000 tonnes of waste, including cardboard, paper, plastic, glass, wood, scrap metal and organic waste.

In France, stores and warehouses sorted more than 127,000 tonnes of waste for recycling by accredited service providers.

Outside France, 700 GPA (Multivarejo) stores sorted cardboard and plastic and 215 sorted organic waste. New signage was displayed to encourage organic waste sorting in store, and a campaign was launched to raise manager and employee awareness. Éxito recycled more than 30,000 tonnes of operational waste. In 2015, Big C Thailand recycled more than 23,000 tonnes of cardboard through its reverse logistics scheme.

Tonnes of operational waste sorted for recycling	Group 2014[1]	Group 2015	France	Latin America	Asia/Indian Ocean
Total	230,754	269,746	127,094	113,795	28,857
Proportion of cardboard, paper and plastic	81%	72%	80%	57%	99%
Proportion of organic waste	12%	11%	16%	10%	1%
Proportion of other waste (scrap metal, wood, etc.)	7%	17%	4%	33%	-

N.B. the total coverage rate in retailing area was 82%.
(1) Excluding Bartira.

Collection of used products returned by customers for recycling

To promote the emergence of a circular economy through the use of used products as raw materials, the Casino Group provides in-store collection points where its customers can return their used products for recycling. In 2015, consumers returned 378 tonnes of batteries, 83 tonnes of bulbs, 2,370 tonnes of electrical and electronic waste, 7 tonnes of ink cartridges and 5,658 tonnes of cardboard, which were then given to accredited service providers for recycling.

In France, Casino stores collected 201 tonnes of used batteries, 42 tonnes of bulbs, 7 tonnes of printer consumables (ink cartridges), and 207 tonnes of electrical and electronic waste.

Monoprix stores collected 94 tonnes of batteries, 23 tonnes of bulbs and 1 tonne of electrical and electronic waste. Cdiscount stores collected 2,092 tonnes of electrical and electronic waste.

Outside France, Pão de Açúcar and Extra recycled more than 9,465 tonnes of consumer packaging (cardboard, glass, steel, aluminium and plastic) after setting up collection points at store entrances. In addition, more than 34 tonnes of used mobile phones, batteries and out-of-date medicines were collected from customers for recycling. Éxito and Carulla also provide collection points for used batteries, electrical and electronic devices and out-of-date medicines. In partnership with suppliers, Big C Thailand collects used mobile phones and milk cartons for use as raw materials in the "GreenRoof" programme, which builds shelters for victims of natural disasters. Libertad provides in-store collection points for glass, certain types of packaging and used motor oil in partnership with local recycling companies.

Reducing air and noise pollution

In France, Franprix and Monoprix help to reduce pollution in city centres through the use of alternative modes of transport such as inland waterway and railway transport. Where possible, Casino works with service providers that use low-emission (Euro V- and Euro VI-compliant), low-noise vehicles (*i.e.*, vehicles compliant with the Piek standard, which guarantees a noise output of less than 60 decibels) and hybrid vehicles for night deliveries in city centres (the final leg is completed in silent electric mode). In 2015, the Group tested a number of LNG (liquefied natural gas) vehicles, which produce virtually no local pollutants (NOx or fine particles) and little noise disturbance. Monoprix stores in Paris receive their deliveries from silent vehicles running on natural gas, also helping to reduce harmful fine particles.

Preventing soil pollution

The main risk of soil pollution relates to the Group's service stations. They are therefore monitored through rigorous inspections by approved third parties.

In France, the Group prevents soil pollution through surveys of underground facilities and ground water as well as monitoring of subsoils. Outside France, service stations owned by Éxito and GPA are also inspected regularly to prevent any risk of pollution.

8.5.6. PROTECTING BIODIVERSITY

The Casino Group's main direct impact on biodiversity relates to the loss of natural sites during the construction or extension of stores and warehouses. In 2014, French property developer Casino Développement produced a set of best practices for shopping centres in order to preserve biodiversity, and set up a training programme for project managers.

The main impacts identified by the Group are indirect and relate to production and consumption methods for products sold in its stores. The Group has taken steps to protect certain marine species, such as banning the sale of deep-sea fish, and plant species threatened by overexploitation, and to combat deforestation linked to palm oil production and cattle breeding in Brazil. The Group's main initiatives in this area are described in section 8.3.2.

8.6. LOCAL CORPORATE CITIZEN

As a local operator with strong roots in local communities (city centre, suburban and rural areas), the Casino Group has a positive impact on local economic development, solidarity in the regions and efforts to fight poverty and exclusion. It encourages its banners, through the CSR continuous improvement programme, to get involved in more community outreach partnerships with key general interest organisations such as food bank networks, to develop local outreach actions in stores and to support the actions of its Foundations.

8.6.1. FOOD BANK INITIATIVES

The Group encourages partnerships with public interest organisations, particularly food bank networks, in the countries where it operates.

- In France, the Group increased its commitment to helping the most disadvantaged members of society, by encouraging 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, through its banners the Group undertakes to increase the number of stores involved in the daily recovery of perishables, and during the food bank national collection day each November. The Group is also committed to organising initiatives to support local food bank networks. In France, 7,682 tonnes of products were collected from Group banners (Casino, Monoprix, Franprix, Leader Price, Cdiscount) in 2015 and 1,485 tonnes were collected from customers.
- Outside France, GPA, which carries out similar initiatives in partnership with non-profit associations such as Mesa Brasil and Amigos do Bem, organised "Dia de Solidariedade", a day-long food drive, for the third year running. Teams from the Pão de Açúcar, Extra Hyper, Extra Super, Mini Mercado, Minuto Pão de Açucar and Assaí banners collected basic food products such as rice, kidney beans, pasta and oil for Brazilian organisations. To support this initiative, Instituto GPA donated 1 kg for every 10 kg collected. Non-food banners Pontofrio and Casas Bahia also took part in the food drive, through a "shared products" campaign in which part of the products' selling price was donated to the non-profits involved. In all, 700 tonnes of food were collected and donated to partner institutions. A number of Extra and Pão de Açucar stores also have partnerships with local institutions to distribute fruit and vegetables than can no longer be sold but are still suitable for consumption. Three thousand tonnes of products were distributed under such partnerships in 2015.

In Argentina, Libertad pledged in 2013 to support the Argentinian food bank network (Red Argentina de Bancos de Alimentos) for three years and organises in-store collections (34 tonnes collected in 2015). In Colombia, Éxito continued the partnership initiated several years ago with local food banks and collected more than 2,265 tonnes of goods in 2015. It also supports a programme to recover agricultural surplus from rural areas. Vindémia recovers perishables from its stores and organises collections from customers in partnership with the Banque Alimentaire des Mascareignes. The partnership was extended in 2015 to include warehouses, enabling the automated storage and collection of products for donation. Disco stores in Uruguay organised their first food drive with Banco de Alimentos, the local food bank network. Four supermarkets took part, collecting 2.7 tonnes of food donations.

The Group therefore donated more than 16,000 tonnes of products, the equivalent of 32 million meals (6 million more than in 2014), to food bank networks or other public interest organisations from its collection and recovery operations in 2015.

	2014	**2015**			2014/2015 change
	Group	Group	France	International	
Donations by stores and warehouses (recovery) (tonnes)	10,770	13,302	7,682	5,620	+ 24%
Collection from customers (tonnes)	2,212	2,771	1,485	1,286	+ 25%

8.6.2. NATIONAL AND LOCAL SOLIDARITY INITIATIVES

In partnership with national and local associations, and in order to support socially excluded people, the Group's stores and warehouses organise non-food donation and collection operations. The Group also encourages its suppliers to get involved.

- Demonstrating its commitment to meeting a wide range of needs, in 2015 the Group continued to support a number of non-profit associations through its banners in France, such as Secours Populaire, the French Red Cross, Apprentis d'Auteuil, Agence du Don en Nature, Emmaüs, Téléthon, Le Rire Médecin, Dr Souris and Handi'Chien.

  For example, Franprix continued rolling out its Arrondi system, which allows customers to make donations to the banner's partner charities by rounding up their payment to the nearest euro, across some 400 stores. The banner also organised collections under its partnership with the charity Petits Princes, which helps children suffering from long-term illnesses to fulfil their dreams. Cdiscount donated toys to a variety of non-profits at Christmas, and put in place a system for donating its employees' old computers to Ateliers de bocage, a company in the Emmaüs network that promotes social integration. The Casino banners donated non-food products to outreach fairs held by Apprentis d'Auteuil and Agence du Don en Nature.

  The banners also team up with suppliers to support charities through "shared products" operations. Since 2014, the Casino Group and Danone have organised the "Offrons un sourire aux enfants malades" (Let's put a smile on the faces of sick children) campaign for the Dr Souris charity in order to raise money to buy equipment for paediatric units at five teaching hospitals. In 2015, Nantes hospital became the second to benefit from the campaign, after Dijon hospital in 2014. Monoprix organised similar campaigns in 2015 for French charities La Voix de l'Enfant, Les Blouses Roses and Le Rire Médecin.

  Stores and warehouses also support local non-profits through the "Engaged corporate citizen" programme (www.acteurlocalengage.com). Every year, Casino stores roll out several hundreds of actions to support these associations. In order to reward and highlight the large number of initiatives undertaken by stores and warehouses, the first CSR Awards were organised in March 2015. Trophies were given out to the initiatives that best reflected the Group's CSR priorities.

- Outside France, many similar programmes have been deployed at all banners, reflecting their diversity, the broad range of needs and the Group's engagement with the community.

  As well as its food drive initiatives, GPA takes part in outreach programmes such as "Viva Bairro", a social and environmental project to support local communities, which is run with Extra stores. Libertad restructured its children's outreach programme "Donemos sonrisas" (Let's give out smiles) around four main focuses: education, healthcare, nutrition and entertainment. The campaign provides funding for a children's aid foundation through in-store collections.

  Similarly, in 2015 Vindémia entered into a partnership with a non-profit called "1 000 sourires" (1,000 smiles) by collecting customer donations at the checkout. The funds collected will be used to organise a recreation day in 2016 for children from low-income backgrounds. The Disco Group banners in Uruguay contribute funding to various foundations that mainly support hospitals and social integration and lend assistance to various civil society organisations.

  As part of its Big C Community internal contest, Big C Vietnam financed 12 new outreach projects to improve living conditions for children aged 0 to 6. This programme, which is in its fifth year, allows Big C employees to put in place outreach projects to help the country's most disadvantaged communities. To celebrate International Children's Day, Big C gave 3,000 gifts to children in need.

  Big C Thailand continued its work in local communities by supporting the Phufa Development Center, a partnership which benefited 15 villages in Nan Province (northern Thailand), or more than 5,000 people. It also supported the Slum Child Foundation, which educates and cares for disadvantaged children, by donating food raw materials. In partnership with the Ratchasuda Foundation, in May 2015 it also helped to organise the second charity run for visually impaired people in Thailand.

8.6.3. ACTIONS TAKEN BY FOUNDATIONS

The Casino Corporate Foundation helps children in need by liaising with the Group's five other foundations – Instituto GPA and the Via Varejo Foundation in Brazil, the Éxito Foundation in Colombia, the Big C Foundation in Thailand and the Monoprix Foundation in France.

Created in 2009, the Casino Foundation is fully committed to combating exclusion by supporting the education of children through theatre, a medium that promotes artistic and collective experience, self-expression and the discovery of others. A large number of children are affected by cultural exclusion from a young age, which hinders their development and social integration. That's why the Casino Foundation has decided to support children's education by empowering them for success and excellence. To this end, it has developed two main theatre-based programmes:

- the "Artistes à l'école" (Artists at school) programme in partnership with France's Ministry of National Education and the Théâtre de l'Odéon has provided backing for a two-year comprehensive artistic and cultural education curriculum for around 2,000 children: introduction to theatre, insight into the theatre profession, drama and writing workshops, stage productions, etc.
- the "Parrains engagés" (Engaged sponsors) programme, which supports charitable projects aiming to teach children through drama. Priority is given to projects put forward and sponsored by Group employees. "Les Tréteaux Blancs", which teaches drama to young volunteers who then perform for sick children in hospitals, was chosen as the Foundation's "star" charity. Thanks to the partnership between the Foundation and the Tréteaux Blancs company, in September 2013 a drama group was created in Toulouse with the support of the region's stores.

In June 2015, the Casino Foundation encouraged its employees to get involved in its theatre initiative by creating "Tous en scène" (Everyone on stage), a national outreach programme launched in the Casino Group's stores, restaurants, warehouses and offices. Thanks to the involvement of more than 20,000 employees and 3,700 stores, funds were raised for Apprentis d'Auteuil, Tréteaux Blancs and other local charitable organisations to develop new theatre projects for children with little access to culture.

The Monoprix Foundation focuses its action on providing access to food and other basic necessities and combating social isolation in cities. It has supported 17 non-profit projects, including five sponsored by employees. Some 650 employees and 12 stores were involved in community outreach initiatives during the Foundation's solidarity week in June 2015.

The Éxito Foundation in Colombia has become known among stakeholders for its expertise in fighting child malnutrition. 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 takes action through its "Gen Cero" programme, whose objective for 2030 is to ensure that no Colombian child under five suffers from malnutrition. The Foundation cooperates with major Colombian national bodies to implement its project. 28,650 children were helped by the programme in 2015.

Instituto GPA develops educational programmes in Brazil to help young people from low-income backgrounds enter the workforce. Through its centres, it offers free English classes and training to become cashiers or call centre representatives. In partnership with the government of Rio de Janeiro, the Foundation also supports the NATA ("Núcleo Avançado em Tecnologia de Alimentos") professional training centre where more than 300 students from low-income families can be trained for jobs in the baking and dairy sectors. In 2015, six students took part in a French exchange. In addition, Instituto GPA is regarded for its music education programme, "Música & Orquestra", which was set up in 1999 and in 15 years has taught 13,000 disadvantaged children aged 10 to 18 from São Paulo, Brasilia and Rio de Janeiro. The programme proposes free musical theory and practice classes over an average period of two years to young people from underprivileged backgrounds. The orchestra performs in stores as well as in theatres and at festivals in Brazil and abroad. From 19 to 29 June 2015, 26 young orchestra members toured France to mark the nationwide music festival, Fête de la Musique, where they were welcomed by the Group's offices and stores. They also performed in front of the Odéon-Théâtre de l'Europe and the Brazilian embassy in Paris. Lastly, Instituto GPA is continuing its partnership with the Getulio Vargas Foundation to deploy the "Prosperar" programme, which grants merit-based scholarships.

The Via Varejo Foundation has structured its broad range of initiatives around community development and Brazilian culture. In 2015, it deployed several projects in São Paulo, Rio de Janeiro and Salvador de Bahia, by supporting organisations such as Teto, which helps to alleviate extreme poverty by building emergency housing. It also supported the "Solar Ear" programme, which develops solar rechargeable hearing aids for the hearing impaired for just 20% of the market cost. Lastly, the Foundation also promotes initiatives to preserve popular and contemporary Brazilian culture, for example, by supporting dance festivals and carnivals.

The Big C Thailand Foundation focuses on promoting youth education. It provides financial aid to the least fortunate – with over 5,000 scholarships awarded in 2015 – and jointly sponsors the construction of new schools and sports facilities – with three new schools (out of 44 to date) and a new "Big C Basketball Court" built in 2015.

To encourage employee involvement, the Group organised a competition *via* the Casino World Community platform, in which employees were invited to win points and donate them to outreach projects being led by the Casino Group foundations. In this way, seven local projects earned Group financing for their organisers, including Gol de Letra in Brazil to support its social and educational programmes, and the Big C Foundation for its children's programme in the Omkoi region.

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). By signing the Global Compact in 2009, the Group reaffirmed its commitment to combating corruption and to promoting human rights within its sphere of influence.

The Group's anti-corruption programme is the responsibility of each unit's senior management. The Group Internal Control department carries out information campaigns for all the Group's business units, and supports them in strengthening the programme. It has circulated a guide, setting out the expectations expressed by stakeholders, and good anti-corruption practices, for subsidiaries in France and abroad. An Internal Control newsletter, circulated monthly to the Financial departments of Group units since 2010, specifically addressed issues related to business ethics and anti-corruption in 2015.

In 2013, the Group disseminated its Code of Business Conduct in France, which sets out the rules with which employees must comply in the course of their professional duties. Employees were reminded of these rules in 2015.

In 2015, a cross-functional working group comprising representatives from the HR, CSR, Audit and Internal Control, Legal Risks and Finance departments and the Chairman of the Risk Prevention Committee was created to reinforce the initiatives and systems put in place by the Group to combat corruption in France and internationally. Anti-corruption work will be carried out in 2016.

The Group's key international entities – in particular GPA, Big C Thailand, Éxito and Libertad – have a code of ethics or code of business conduct and have set up dedicated committees and whistle-blowing systems. In 2015, Big C Thailand updated its Code of Business Conduct, adding anti-corruption and anti-fraud clauses, and reinforcing its communication, reporting and risk evaluation procedures. Similarly, in 2015 Via Varejo implemented a new Code of Ethics, which includes anti-corruption provisions.

As part of the induction process, new employees are invited to attend awareness and training programmes. For example, Via Varejo created an online course to train employees in its new Code of Ethics, which was accessed by more than 10,000 employees in 2015. These systems are part of a comprehensive policy for compliance with the ethical principles defined at Group level and transmitted locally.

Several ethics-based whistle-blowing systems are in place across the Group. 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. Via Varejo also implemented such a system in 2008. Éxito rolled out a "Transparencia" programme in 2011 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.). Similarly, in 2012, Libertad launched its "Libertad Transparente" programme with the objective of highlighting all Libertad initiatives related to compliance with ethical standards and transparency. 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 alerts can be sent by email or by post. In Vietnam, Big C has set up a similar system in order to identify cases of fraud or corruption.

8.8. LOBBYING

Casino lobbies in the countries where it is present through the Public Affairs department, in order to consult, discuss with, and inform elected officials involved in making legislation and participate in the work of different organisations that represent its sector of activity. It nurtures regular and open dialogue, which is necessary for building public policy. In France, the Group has declared its activities as an interest representative with the National Assembly and the European Parliament, and is a member of the Fédération du Commerce et de la Distribution trade federation and the AFEP association of major French companies.

The Group follows the applicable laws in its host countries relating to corporate financing for political parties.

8.9. REPORTING METHODOLOGY FOR CSR INDICATORS

8.9.1. REPORTING SCOPE

Unless otherwise specified, the employee relations, social and environmental data concern all entities under the operational control of the Casino Group or any of its majority-held subsidiaries, in France and abroad. Data concerning affiliates, franchises and business leases are not included. Reporting is on a fully consolidated basis (data included at 100%).

The scope of CSR reporting is the same as the Group's financial reporting:

- "the Group" includes the consolidated data;
- "France" comprises the Casino, Monoprix, Cdiscount, Franprix and Leader Price banners and their support functions (logistics, purchasing, human resources, etc.);
- "Latin America" encompasses GPA and its entities (Multivarejo, Via Varejo, Assai and CNova Brasil), Libertad SA, Grupo Éxito and Disco Devoto and their support functions;
- "Asia/Indian Ocean" comprises the Big C Thailand, Big C Vietnam and Vindémia entities (in Reunion Island, Mayotte, Mauritius, and Madagascar) and their support functions.

8.9.2. REPORTING PERIOD AND ACCOUNTING PRINCIPLE

The non-environmental 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 and includes sites opened or closed down during the 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 2014 to 30 November 2015.

Environmental data covers offices, logistics sites and stores that operated for a full 12-month period between 1 October 2014 and 30 September 2015.

8.9.3. DATA COLLECTION

The procedures for collecting, calculating and consolidating corporate social responsibility (CSR) indicators are formally defined in a Reporting Protocol distributed to all those involved in reporting in France and in foreign subsidiaries. Improvements are made each year to guarantee:

- compliance with the requirements of the application decree relating to Article 225 of the Grenelle II Act on 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' collection, 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. DATA CONSOLIDATION AND VERIFICATION

The protocol introduces control points to limit the risk of error in the transmission of information and ensure the reliable production of indicators. Accordingly, each Group subsidiary designates its CSR contributors (one per indicator), who are responsible for collecting, checking and consolidating the data for their reporting scope.

The indicators are then validated by the subsidiary's unit in charge of producing the indicator.

All the data is then brought together and consolidated centrally by the Group CSR department, which also conducts a series of controls to verify 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 EY, our Statutory Auditors.

The conclusions of this audit are set out in section 8.10 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. DETAILS ON METHODOLOGY AND SCOPE

Employee data

Workforce: indicators about workforce are calculated at 31 December and do not include contracts expiring on that date.

Employees with disabilities: the status of "employee with disabilities" is defined by the laws applicable to each of the Group's host countries. In France, they are defined by the provisions of Article L. 323-3 of the French Labour Code *(Code du travail)*.

> 2014 scope: the data includes a group of entities representing 97% of the Group's workforce.
>
> 2015 scope: the data includes a group of entities representing 100% of the Group's workforce.

Health and safety indicators

The lost-time accident frequency rate is expressed as the number of accidents per million hours worked. It corresponds to the "Number of work accidents" as a proportion of the "Number of hours worked". The lost-time accident severity rate is expressed as the number of lost days per thousand hours worked. It corresponds to the "Number of lost hours due to workplace accidents" as a proportion of the "Number of hours worked".

The absenteeism rate due to accidents and illness (including occupational illness) corresponds to the number of lost hours (excluding commuting accidents) as a proportion of the total number of hours worked.

Hours worked include contractual hours, overtime and additional hours.

> 2015 scope: due to the overhaul of GPA's reporting tools, Group severity and absenteeism rates do not include this entity. These indicators therefore cover 49% of the Group's workforce.

Education

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 programme); training hours provided to non-Group employees; coaching initiatives implemented on site by supervisors; training programmes for which proof is not received at the reporting date, which can lead to the recording of fewer training hours.

Product data

Organic agriculture: organically farmed products are compliant with the local regulations applicable in each country. "Apparel" products are not included in this category although some of them are produced with organic cotton.

In France, "Bio" (organic) food products comply with European regulation 834/2007. Certified organic private label products (Agriculture Biologique) cover food and cosmetics that are AB-certified or Cosmebio-certified by independent organisations. Only national brand products from the "consumer products" and "fresh industrial products" categories were reported in 2015. 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 apparel made with organic cotton) or fair trade and labelled MSC, FSC, NF Environnement, PEFC, European ecolabel, or ECOCERT.

Environmental data

The 2014 and 2015 environmental data does not cover Mayotte, Mauritius or Madagascar (0.0004% of the Group's net sales in 2015).

GHG emissions: a methodology guide published by the French Ministry of Ecology, Sustainable Development, Transport and Housing is used to calculate emissions. The organisational scope only includes activities under operational control.

Scope 1 corresponds to direct GHG emissions and includes the items below:

- direct emissions from stationary combustion sources (natural gas, fuel oil);
- direct emissions from mobile combustion engine sources (fuel for owned vehicles or vehicles leased long term);
- direct fugitive emissions such as those linked to refrigerant leaks.

Scope 2 corresponds to indirect GHG emissions associated with energy and, more particularly, with electricity.

The Group uses Carbon Base emission factors or factors published by recognised national sources (ADEME version 7.1, GHG protocol 2012 and IEA 2012).

Sustainable use of resources: water, electricity and natural gas consumption can be measured from meter readings or from the entity's utility bill.

2014 water consumption scope: consumption of a group of entities representing 91% of the Group's net sales in 2014.

2015 water consumption scope: entire Group.

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, bone and tallow, and scrap and metals.

2014 data: the tonnage disclosed concerns a group of entities representing 99% of the Group's net sales in 2014.

2015 data: entire Group.

Hazardous waste is sent for specific local management in accordance with applicable standards. It is collected and stored separately from other types of waste before delivery to specialised and accredited service providers for treatment. Only hazardous waste recovered by an accredited service provider is included in the quantity of waste recovered.

8.10. REPORT BY THE INDEPENDENT THIRD PARTY ON THE CONSOLIDATED HUMAN RESOURCES, ENVIRONMENTAL AND SOCIAL INFORMATION PRESENTED IN THE MANAGEMENT REPORT

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

For the year ended 31 December 2015

To the Shareholders,

In our capacity as independent third party, certified by COFRAC[1] under number 3-1050 and as a member of the network of one of Casino Guichard-Perrachon's Statutory Auditors, we hereby report to you on the consolidated human resources, environmental and social information presented in Chapter 8 of the Registration Document for the year ended 31 December 2015 (hereinafter the "CSR Information"), in accordance with Article L. 225-102-1 of the French Commercial Code *(Code de commerce)*.

Responsibility of the Company

The Board of Directors is responsible for preparing the Company's Management Report including the CSR Information required by Article R. 225-105-1 of the French Commercial Code in accordance with the guidelines used by the Company, comprising the Group's CSR reporting protocol in the version dated December 2015 (hereinafter the "Guidelines"), summarised in the "Reporting scope" section of Chapter 8 of the Registration Document.

Independence and quality control

Our independence is defined by regulatory texts, the French code of ethics *(Code de déontologie)* of our profession and the requirements of Article L. 822-11 of the French Commercial Code. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibility of the independent third party

On the basis of our work, our responsibility is to:

- attest that the required CSR Information is included in the Registration Document or, in the event of non-disclosure of the CSR Information, that an explanation is provided in accordance with the third paragraph of Article R. 225-105 of the French Commercial Code (Statement regarding the completeness of CSR Information);
- express a limited assurance conclusion that the CSR Information taken as a whole is, in all material respects, fairly presented in accordance with the Guidelines (Conclusion on the fairness of CSR Information).

Our work was carried out by a team of six people between October 2015 and March 2016 for a period of approximately 14 weeks.

We performed our work in accordance with the French professional standards and with the order dated 13 May 2013 defining the conditions under which the independent third party performs its engagement and, for the conclusion on the fairness of CSR information, with ISAE 3000[2].

1. Statement regarding the completeness of CSR Information

On the basis of interviews with the individuals in charge of the relevant departments, we obtained an understanding of the Company's sustainability strategy regarding human resources and environmental impacts of its activities and its social commitments and, where applicable, any actions or programmes arising from them.

We compared the CSR Information presented in the Management Report with the list provided for in Article R. 225-105-1 of the French Commercial Code.

For any consolidated Information that is not disclosed, we verified that the explanations were provided in accordance with Article R. 225-105, paragraph 3 of the French Commercial Code.

We verified that the CSR Information covers the scope of consolidation, *i.e.*, the Company, its subsidiaries as defined by Article L. 233-1 of the French Commercial Code and the entities it controls as defined by Article L. 233-3 of the same code, within the limitations set out in the methodological note presented in Chapter 8 of the Registration Document.

Based on this work, and given the limitations above, we attest that the required CSR Information has been disclosed in the Registration Document.

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[1] Scope of the accreditation available at www.cofrac.fr
[2] ISAE 3000 – Assurance engagements other than audits or reviews of historical information.

2. Conclusion on the fairness of CSR Information

Nature and scope of our work

We conducted six interviews with the persons responsible for preparing the CSR Information[1] in the departments responsible for collecting the information and, where appropriate, responsible for internal control and risk management procedures, in order to:

- assess the suitability of the Guidelines in terms of their relevance, completeness, reliability, neutrality and understandability, and taking into account industry best practices where appropriate;
- verify the implementation of a data collection, compilation, processing and control process to reach completeness and consistency of the CSR Information and obtain an understanding of the internal control and risk management procedures used to prepare the CSR Information.

We determined the nature and scope of our tests and procedures based on the nature and importance of the CSR Information with respect to the characteristics of the Company, the human resources and environmental challenges of its activities, its sustainability strategy and industry best practices.

Regarding the CSR Information that we considered to be the most important[2]:

- at parent company level, we referred to documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions), performed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and the consolidation of the data. We also verified that the information was consistent and in agreement with the other information in the Registration Document;
- at the level of a representative sample of entities[3] selected by us on the basis of their activity, their contribution to the consolidated indicators, their location and a risk analysis, we conducted interviews to verify that procedures are properly applied and to identify potential undisclosed data, and we performed tests of details, using sampling techniques, in order to verify the calculations and reconcile the data with the supporting documents. The selected sample represents on average 41% of headcount and between 23% and 26% of environmental data.

For the remaining consolidated CSR information, we assessed its consistency based on our understanding of the Company.

We also assessed the relevance of explanations provided for any information that was not disclosed, either in whole or in part.

We believe that the sampling methods and sample sizes we have used, based on our professional judgement, are sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures. Due to the use of sampling techniques and other limitations inherent to information and internal control systems, the risk of not detecting a material misstatement in the CSR Information cannot be totally eliminated.

Conclusion

Based on our work, nothing has come to our attention that causes us to believe that the CSR Information, taken as a whole, is not presented fairly, in all material respects, in accordance with the Guidelines.

Emphasis of matter

Without qualifying the above conclusion, we draw your attention to the following matter:

As stated in the methodological note in Chapter 8 of the Registration Document, the “Absenteeism rate” and “Lost-time accident severity rate” do not include Brazilian subsidiary GPA.

Paris-La Défense, 10 March 2016

The Independent Third Party

ERNST & YOUNG et Associés

Eric Mugnier
Sustainable Development Partner

Bruno Perrin
Partner

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[1] *Corporate Social Responsibility department, Quality department, Marketing department and Customer Strategy and Innovation department.*

[2] ***Social and environmental information:*** *Indicators (quantitative information): pollution and waste management (tonnage recycled), the sustainable use of resources and climate change (energy consumption, GHG emissions).*
Qualitative information: general environmental policy, measures taken to support customer health and safety, supply in terms of local restrictions, territorial, economic and social impact, use of subcontractors and consideration of social and environmental issues in purchasing policy and relations with suppliers and subcontractors, fair trade practices (anti-corruption initiatives and measures taken to support customer health and safety), actions taken to improve human rights.
Human resources information: *Indicators (quantitative information): employment (total workforce and breakdowns), absences, workplace accidents (especially their frequency and severity), total number of training hours.*
Qualitative information: measures taken to support employee health and safety, promotion of and compliance with the ILO's fundamental conventions (freedom of association, elimination of discrimination, forced labour and child labour).

[3] *GPA Multivarejo (Brazil) and GPA Via Varejo (Brazil).*

Chapter 9

Casino and its shareholders

9.1. THE MARKET FOR CASINO SECURITIES

9.1.1. CASINO, GUICHARD-PERRACHON – PARENT COMPANY

The Company's shares (code ISIN FR0000125585) are admitted for trading on NYSE Euronext Paris and are eligible for the Deferred Settlement Service.

The Company has also carried out several bond issues which are listed in Luxembourg. These bond issues (excluding perpetual deeply subordinated bonds) are currently rated BBB- by Fitch Ratings and BB+ by Standard & Poor's. Standard & Poor's placed its BBB- rating on credit watch negative on 15 January 2016 (see note 15 to the consolidated financial statements) and announced it was downgrading Casino's rating to BB+ on 21 March 2016. Both the Standard & Poor's and Fitch ratings have a stable outlook.

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 (€)	(thousands)	(€ millions)
2014	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
	February	83.50	79.39	5,172	424
	March	87.38	81.47	6,424	545
	April	87.89	78.80	6,941	577
	May	80.98	71.37	6,460	493
	June	76.17	67.46	8,494	613
	July	72.20	63.66	10,437	709
	August	70.43	55.70	6,536	596
	September	56.17	43.64	14,752	732
	October	58.00	47.60	13,430	718
	November	56.68	49.61	10,135	548
	December	53.98	38.75	27,444	1,241
2016	January	42.22	34.38	20,438	802
	February	46.95	38.73	15,974	662

Five-year stock market performance

	2011	2012	2013	2014	**2015**
Share price (€)[1]					
High	76.55	75.94	86.80	97.53	87.89
Low	51.35	61.69	68.50	70.02	38.75
31 December (closing price)	65.08	72.10	83.77	76.46	42.42
Market capitalisation at 31 December (€ millions)	7,201	8,124	9,475	8,653	4,801

[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).

	2011	2012	2013	2014	**2015**
Share price (COP)[1]					
High	28,500	37,100	36,340	33,280	28,800
Low	21,100	24,000	27,800	24,400	10,100
31 December (closing price)	25,460	35,500	30,000	29,200	13,500
Market capitalisation at 31 December (COP millions)	11,396,007	15,889,953	13,428,130	13,088,612	6,042,658
Market capitalisation at 31 December (€ millions)	4,536	6,814	5,064	4,552	1,744

[1] Source: Bloomberg.

Cnova *(Netherlands)*

The Company's shares have been traded on NASDAQ (New York) since 20 November 2014 and on NYSE Euronext Paris since 23 January 2015.

Nasdaq (New York)	2014	**2015**
Closing price (USD)[1]		
High	8.27	8.49
Low	6.71	2.28
31 December (closing price)	7.91	2.41
Market capitalisation at 31 December (USD millions)	3,472	1,063
Market capitalisation at 31 December (€ millions)	2,869	978

[1] Source: Bloomberg.

NYSE EURONEXT PARIS	**2015**
Closing price (€)	
High	6.54
Low	2.14
31 December (closing price)	2.28
Market capitalisation at 31 December (€ millions)	1,006

[1] Source: NYSE Euronext.

Compania Brasileira de Distribuiçao *(Brazil)*

The Company's shares are traded on the São Paulo Stock Exchange (BM&FBOVESPA) and on NYSE (USA) through a level 3 American Depositary Receipt (ADR) programme.

	2011	2012	2013	2014	**2015**
Closing price (BRL)[1]					
High	82.09	98.90	115.59	115.46	102.69
Low	54.29	67.69	87.90	91.52	41.19
31 December (closing price)	66.99	90.50	104.91	98.63	41.86
Market capitalisation at 31 December (BRL millions)	17,623	23,796	27,719	26,142	11,122
Market capitalisation at 31 December (€ millions)	7,298	8,802	8,509	8,163	2,577

[1] Source: Bloomberg.

Via Varejo *(Brazil)*

The Company's shares have been traded on the São Paulo Stock Exchange (BM&FBOVESPA) since 13 December 2013.

	2014	**2015**
Closing price (BRL)[1]		
High	26.49	20.15
Low	18.71	3.25
31 December (closing price)	20.77	3.27
Market capitalisation at 31 December (BRL millions)	8,777	1,407
Market capitalisation at 31 December (€ millions)	2,741	326

(1) Source: Bloomberg.

9.2. DIVIDEND AND TAX

Including retained earnings brought forward from prior years and the transfer to legal reserve, the sum available for distribution comes to €3,547 million. The Board is recommending a dividend of €3.12 per share.

Private shareholders resident in France for tax purposes will be entitled to claim 40% tax relief on heir dividends, in accordance with Article 158-3, paragraph 2, of the French Tax Code (*Code général des impôts*).

The dividend will be paid as of 19 May 2016. Dividends on any Casino shares held by the Company on that date will be credited to retained earnings.

Dividends paid over the last three years are as follows:

Fiscal year	Number of shares	Dividend per share	Dividend eligible for the 40% tax reduction	Dividend not eligible for the 40% tax reduction
2012	112,674,236(1)	€3.00	€3.00	-
2013	113,105,831(2)	€3.12	€3.12	-
2014	113,175,162(3)	€3.12	€3.12	-

(1) Including 64,841 shares held by the Company.
(2) Including 2,603 shares held by the Company.
(3) Including 374,315 shares held by the Company.

The following table shows the total dividend payout (in € millions) and the payout rate (as a percentage of Net underlying profit, Group share – see Chapter 2, page 16) over the past five years:

Fiscal year	2010	2011	2012	2013	2014
Total payout	307.5	331.9	337.8	352.9	351.9
% of Net underlying profit, Group share	58.1	58.7	59.9	57.1	63.3

By law, any dividends which have not been claimed within five years of their payment date will lapse and become the property of the French State, in accordance with articles L. 1126-1 and L. 1126-2 of the French Public Property Code (*Code général de la propriété des personnes publiques*).

TAX TREATMENT OF DIVIDENDS

The information below is provided as a guide only. Shareholders are advised to contact their tax authorities or consult their tax adviser for information specific to their situation.

Private shareholders who are tax residents in France

Dividends paid to private shareholders who are French tax residents are entitled to 40% tax relief and are then taxed in accordance with the applicable sliding income tax scale.

The gross dividend is liable to a 15.5% social security withholding by the paying agent at the time of payment. In addition, a 21% income tax prepayment is also deducted at source by the paying agent. Taxpayers whose 2015 taxable income is below €50,000 for a single person and €75,000 for a couple will be exempt from the prepayment if they have applied to their bank or broker before 30 November 2015.

The tax prepayment will be deducted from the income tax due in 2017 on 2016 income. If the tax prepayment 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.

Private shareholders who are tax residents outside France

In principle, the paying agent applies a 30%[1] withholding tax[1] on the payment date.

However, this withholding tax may be reduced in accordance with the international tax conventions signed by France.

To benefit from direct payment at the reduced rate provided for by the tax agreement between France and the country of tax residence, the non-resident shareholder must provide the paying agent with a tax residence certificate signed by the tax authorities of his or her country of residence before the dividend payment date.

Otherwise, a 30%[1] withholding tax is applied to the dividends. The non-resident shareholder may then request a refund of the overpaid tax before 31 December of the second year following that in which the dividends were paid.

The dividends are not subject to social security withholding.

9.3. SHARE BUYBACK PROGRAMME

9.3.1. CURRENT SHARE BUYBACK PROGRAMME

The Ordinary General Meeting of 12 May 2015 authorised the Board of Directors to buy back 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 make a market in the Company's shares and increase their liquidity through an independent investment services provider acting in the name and on behalf of the Company under a liquidity contract that complies with a Code of Ethics recognised by France's securities regulator (*Autorité des marchés financiers – AMF*);
- to implement a stock option plan governed by Articles L. 225-177 *et seq.* of the French Commercial Code, an employee stock ownership plan governed by Articles L. 3332-1 *et seq.* of the French Labour Code, an allotment of shares free of charge governed by Articles L. 225-197-1 *et seq.* of the French Commercial Code or any other share-based compensation system;
- to deliver shares upon exercise of rights attached to securities redeemable, convertible, exchangeable, on presentation of a warrant or a convertible or exchangeable debt security, or otherwise exercisable for Company shares;
- to hold shares for subsequent use as a means of payment or exchange in an external growth transaction that complies with market practices permitted by the AMF;
- to cancel shares in order to optimise earnings per share as part of a capital reduction plan;
- to implement any market practice that may be authorised by the AMF in the future, and generally carry out any transaction in compliance with applicable regulations.

The shares may be acquired, sold, transferred, or exchanged by any method on a regulated market or over the counter, including by block transfer. These methods include the use of any derivative financial instrument traded on a regulated market or over the counter and the implementation of option-based strategies as authorised by the competent market authorities, provided that they do not contribute to a significant increase in share price volatility. 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 number of shares held by the Company representing more than 10% of the total number of shares. For the calculation of the 10% limit referred to above, the number of shares purchased under the liquidity contract will be determined by deducting the number of shares resold under the contract during the authorisation period.

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[1] The rate is 21% for dividends received by individual tax residents in a European Union country, Iceland, Norway or Liechtenstein.

In the event of a tender offer for the Company's shares or other securities, this authorisation could only be used for the purpose of fulfilling commitments to deliver securities, especially under free share plans or strategic transactions initiated or announced before the tender offer was launched.

Transactions completed in 2015 and until 29 February 2016

Liquidity contract

In February 2005, Casino mandated Rothschild & Cie Banque to implement a liquidity contract to ensure a wide market and regular quotations for its shares. The contract complies with the Code of Conduct of the French financial markets association *(Association Française des Marchés Financiers* (AMAFI)) approved by the French securities regulator (*Autorité des Marchés Financiers*) on 1 October 2008. Casino allocated 700,000 ordinary shares and the sum of €40 million to the liquidity account.

Additional allocations were made on 25 September 2015 (€30 million) and 28 December 2015 (€50 million) bringing the total allocated to the liquidity account to €120 million.

In 2015, a total of 5,956,923 shares were purchased at an average price of €56.39 per share and 4,511,923 shares were sold at an average price of €60.26 per share. At 31 December 2015, the liquidity account held 1,445,000 shares and €100.25 million.

From 1 January 2016 to 29 February 2016, a total of 1,341,146 shares were purchased at an average price of €39.58 per share and 2,336,146 shares were sold at an average price of €42.44 per share. At 29 February 2016, the liquidity account held 450,000 shares and €146.3 million.

Other stock transactions

In 2015, to cover any stock option, share ownership or share grant plans, the Company purchased 389,544 shares at an average price of €44.86 per share through an investment service provider acting on behalf of the Company at an arm's length basis.

No shares were cancelled in the 24 months from 1 March 2014 to 29 February 2016.

Except as above mentioned, no other treasury share transactions were carried out between 1 January and 29 February 2016.

Summary of stock transactions

The table below shows details of treasury shares bought and sold between 1 January and 31 December 2015 and between 1 January and 29 February 2016, together with the number of treasury shares held by the Company:

	Number of shares	% of share capital represented by the total number of shares
Number of shares held at 31 December 2014	**19,294**	**0.02**
Number of shares purchased under a liquidity agreement	5,956,923	
Number of shares sold under a liquidity agreement	(4,511,923)	
Shares purchased	389,544	
Shares sold	0	
Shares cancelled	0	
Share grants	(22,053)	
Number of shares held at 31 December 2015	**1,831,785**	**1.62**
Number of shares purchased under a liquidity agreement	1,341,146	
Number of shares sold under a liquidity agreement	(2,336,146)	
Number of shares held at 29 February 2016	**836,785**	**0.74**

At 31 December 2015, the Company owned 1,831,785 shares (purchase cost: €80.03 million) with a par value of €1.53. Based on the closing price at 31 December 2015 (€42.42), their market value totalled €77.70 million.

At 29 February 2016, the Company owned 836,785 shares (purchase cost €35.67 million) with a par value of €1.53 each. Based on the closing price at 29 February 2016 (€41.55), their market value totalled €34.77 million.

Treasury shares are allocated to the following purposes:

- 450,000 shares to the liquidity agreement;
- 386,785 shares to cover stock option plans, employee share ownership plans or share grant plans for Group employees.

On 31 December 2015, Germinal SNC, an indirectly wholly-owned subsidiary, held 928 ordinary shares.

9.3.2. SHARE BUYBACK PROGRAMME SUBMITTED TO THE ANNUAL GENERAL MEETING FOR APPROVAL

The Annual General Meeting of 13 May 2016 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 purposes below:

- to make a market in the Company's shares and increase their liquidity through an independent investment services provider acting in the name and on behalf of the Company under a liquidity contract that complies with a Code of Ethics recognised by France's securities regulator (*Autorité des marchés financiers – AMF*);
- to implement a stock option plan governed by Articles L. 225-177 *et seq.* of the French Commercial Code, an employee stock ownership plan governed by Articles L. 3332-1 *et seq.* of the French Labour Code, an allotment of shares free of charge governed by Articles L. 225-197-1 *et seq.* of the French Commercial Code or any other share-based compensation system;
- to deliver shares upon exercise of rights attached to securities redeemable, convertible, exchangeable, on presentation of a warrant or a convertible or exchangeable debt security, or otherwise exercisable for Company shares;
- to hold shares for subsequent use as a means of payment or exchange in an external growth transaction that complies with market practices permitted by the AMF;
- to cancel shares in order to optimise earnings per share as part of a capital reduction plan;
- to implement any market practice that may be authorised by the AMF in the future, and generally carry out any transaction in compliance with applicable regulations.

The shares may be acquired, sold, transferred, or exchanged by any method on a regulated market or over the counter, including by block transfer. These methods include the use of any derivative financial instrument traded on a regulated market or over the counter and the implementation of option-based strategies as authorised by the competent market authorities, provided that they do not contribute to a significant increase in share price volatility. 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 €100 per share.

The use of this authorisation may not result in the Company holding more than 10% of the total number of shares, *i.e.*, based on the share capital at 29 February 2016 less the 837,713 shares held by the Company at that date, barring any share sold or cancelled, *i.e.* a number of 10,482,055 shares may be bought back, representing a maximum investment of €1,048 million. For the calculation of the 10% limit referred to above, the number of shares purchased under the liquidity contract will be determined by deducting the number of shares resold under the contract during the authorisation period. This authorisation is granted to the Board of Directors for a period of 18 months.

In the event of a tender offer for the Company's shares or other securities, this authorisation could only be used for the purpose of fulfilling commitments to deliver securities, especially under share grant plans or strategic transactions initiated or announced before the tender offer was launched.

9.4. SHARE CAPITAL AND SHARE OWNERSHIP

9.4.1. CHANGES IN SHARE CAPITAL

At 31 December 2015, the share capital amounted to €173,192,459.58 divided into 113,197,686 shares with a par value of €1.53 each. This was unchanged at 29 February 2016.

Changes in share capital over the past five years

From 1 January 2011 to 31 December 2015		Number of shares issued/cancelled	Increase/(decrease) in share capital (€)		**Share capital (€)**	Total number of shares in issue
			Par value	Premium		
2011	Stock options	105,332	161,157	5,941,798	169,484,518.35	110,774,195
	Share grants	378,450	579,028	(579,028)	170,063,546.85	111,152,645
	Cancellation of shares	(505,993)	(774,169)	(35,799,044)	169,289,377.56	110,646,652
2012	Stock options	8,474	12,965	421,017	169,302,342.78	110,655,126
	Stock dividend payments	2,019,110	3,089,238	123,751,251	172,391,581.08	112,674,236
2013	Stock options	195,756	299,506	13,601,365	172,691,087.76	112,869,992
	Absorption of subsidiaries	209	319	8,404	172,691,407.53	112,870,201
	Share grants	235,630	360,513	(360,513)	173,051,921.43	113,105,831
2014	Stock options	69,232	105,924	3,758,298	173,157,846.39	113,175,063
	Absorption of subsidiaries	99	151	2,842	173,157,997.86	113,175,162
2015	Stock options	22,485	34,402	1,251,290	173,192,399.91	113,197,647
	Absorption of subsidiaries	39	59.67	1,345	173,192,459.58	113,197,686

No capital transaction occurred from 1 January 2016 to 29 February 2016.

Potential number of shares

There are no securities or stock options (See section 9.5) that may confer entitlement to share capital, as the share grant plans underway (See section 9.5) concern existing shares.

Share capital authorised but not yet issued

At their Annual General Meeting of 12 May 2015, the shareholders granted the Board of Directors various authorisations to increase the share capital for the purpose of raising funds in the market, if necessary, to finance the Group's future growth and improve its financial position, as well as to make share grants to Group employees.

The authorisations and delegations granted to the Board of Directors that can lead to the issuance of securities carrying rights to shares of the Company are listed below:

Transactions	**Maximum amount**	Terms and conditions	Authorisation date	Term	Expiry
Capital increase by issuing shares or securities carrying rights to new or existing shares of the Company or existing shares of any company in which it directly or indirectly owns an interest or to debt securities, with pre-emptive rights in the case of new share issue	€60 million[1][2]	With PE*	12 May 2015	26 months	11 July 2017
Capital increase by issuing shares or securities carrying rights to new or existing shares of the Company or existing shares of any company in which it directly or indirectly owns an interest or to debt securities by means of a public offering, without pre-emptive rights in the case of new share issues	€17.3 million[1][2]	Without PE*	12 May 2015	26 months	11 July 2017
Capital increase by issuing shares or securities carrying rights to new or existing shares of the Company or existing shares of any company in which it directly or indirectly owns an interest or to debt securities by means of an offering as referred to in Article L. 411-2 II of the French Monetary and Financial Code (*Code monétaire et financier*), without pre-emptive rights in the case of new share issues	€17.3 million[1][2]	Without PE*	12 May 2015	26 months	11 July 2017
Capital increase by capitalising reserves, earnings, share premiums or other capitalisable sums	€60 million[1]	-	12 May 2015	26 months	11 July 2017
Capital increase by issuing shares or share equivalents to pay for contributions in kind made to the Company comprising shares or share equivalents	10% of the share capital[1]	Without PE*	12 May 2015	26 months	11 July 2017
Capital increase by issuing shares or share equivalents in the event of a share exchange offer initiated by Casino, Guichard-Perrachon for the shares of another listed company	€17.3 million[1][2]	Without PE*	12 May 2015	26 months	11 July 2017
Capital increase by issuing shares to employees who are members of an employee share ownership plan provided by the Company or related companies	2% of the total number of shares outstanding on 12 May 2015 *(i.e. 2,263,541 shares)*	Without PE*	12 May 2015	26 months	11 July 2017
Stock options granted to employees of the Company and employees and corporate officers of related companies	2% of the total number of shares outstanding on 12 May 2015 *(i.e. 2,263,541 shares)*	Without PE*	12 May 2015	26 months	11 July 2017
Share grants of new or existing ordinary shares to employees of the Company and related companies	1% of the total number of shares outstanding on 12 May 2015 *(i.e. 1,131,770 shares)*	Without PE*	12 May 2015	26 months	11 July 2017

** PE = pre-emptive subscription rights*

[1] The aggregate par value of the shares which may be issued, immediately or in the future, pursuant to various authorisations, may not exceed €60 million, it being specified that the par value of capital increases that may be carried out, immediately or in the future, without pre-emptive rights for existing shareholders may not exceed €17.3 million, without taking account of the par value of the additional shares to be issued to safeguard the rights of securities holders, as required by the law.

[2] The amount of debt securities that may be issued, immediately or in the future, pursuant to this authorisation, may not exceed €2 billion or its equivalent value in other currencies or monetary units based on a basket of currencies, it being specified that the overall amount of debt securities that may be issued, immediately or in the future, pursuant to this authorisation may not exceed €2 billion, or its equivalent value in other currencies or monetary units based on a basket of currencies.

None of these authorisations have been used other than those related to share grants. The Board of Directors granted 5,331 existing shares in 2015.

None of these authorisations is due to expire and no resolutions will therefore be proposed with a view to their renewal at the Annual General Meeting of 13 May 2016, with the exception of the share grant authorisation.

The Board of Directors is authorised to grant shares to employees of the Company and of related companies. This authorisation was given for a period of 26 months as from the Annual General Meeting of 12 May 2015, *i.e.*, until 11 July 2017. France's "Macron Act" has modified the tax and legal regime for free allotments of shares, it being specified that this only applies to free allotments of shares authorised by a decision of an Extraordinary General Meeting after 7 August 2015. As a result, a new resolution authorising the Board of Directors to make free allotments of Casino shares to employees of the Company and of related companies will be submitted for approval to the Annual General Meeting on 13 May 2016.

The authorisation would be valid for 18 months as from this General Meeting and would cancel the unused portion of the authorisation granted by the 26th resolution of the General Meeting of 12 May 2015.

The Board is also authorised to reduce the share capital by cancelling treasury shares held, up to a maximum of 10% of the share capital outstanding on the date of cancellation in any 24 month period. This authorisation, which was not used during the year, was given for a period of 26 months at the Annual General Meeting of 12 May 2015, *i.e.* until 11 July 2017.

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:

"All shareholders entitled to attend meetings have one vote for each share held, without limitation, save as otherwise provided for 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 shares issued upon capitalisation of reserves, retained earnings or additional paid-in capital in respect of shares entitled to double voting rights.

The double voting rights are cancelled ipso jure if the shares are converted to bearer shares or transferred to another shareholder, save as provided for in Article L. 225-124 of the French Commercial Code (Code de commerce).

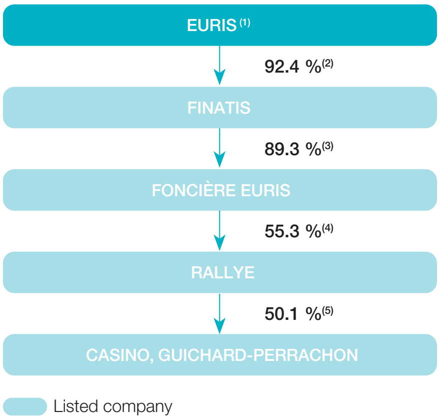
Votes cast or proxies given by an intermediary that either has not disclosed its status as nominee shareholder acting on behalf of non-resident shareholders or has not disclosed the identity of those non-resident shareholders, as required by the applicable regulations, are not taken into account."

At 31 December 2015, a total of 158,716,230 voting rights were attached to 111,364,973 shares with voting rights in issue. The number of voting rights is different from the number of shares comprising the share capital due to the double voting right attached to certain registered shares, as well as the direct or indirect holding by the Company of a certain number of its own shares.

Taking into account the gain or loss of double voting rights by certain shareholders since 1 January 2016 and the number of treasury shares, a total of 159,704,324 voting rights were attached to 112,359,973 shares carrying voting rights as of 29 February 2016.

Controlling shareholder

Casino, Guichard-Perrachon is controlled, directly and indirectly, by Euris. The diagram below shows the Company's position within the Group as of 29 February 2016:



(1) Euris is controlled by Jean-Charles Naouri.

(2) 92.4% of voting rights based on theoretical voting rights.

(3) 89.3% of voting rights based on theoretical voting rights.

(4) 70.4% of voting rights based on theoretical voting rights.

(5) Takes into account a derivative instrument that can be settled in shares representing 0.7% of capital. The shares are held directly or indirectly, excluding treasury shares, by Rallye and its subsidiaries and represent 61.6% of theoretical voting rights.

Changes in share capital and voting rights

The ownership of share capital and voting rights as of 31 December 2013, 2014 and 2015 and as of 29 February 2016 is as follows:

	Shares		Voting rights exercisable at Annual General Meetings[1]		Theoretical voting rights[1]	
31 December 2013	Number	%	Number	%	Number	%
Public	57,120,891	50.5	60,879,061	38.9	60,879,061	38.9
of which shares in registered form	4,861,662	4.3	8,619,832	5.5	8,619,832	5.5
of which shares in bearer form	52,259,229	46.2	52,259,229	33.4	52,259,229	33.4
Groupe Rallye	54,750,596	48.4	93,033,535	59.5	93,033,535	59.5
Casino Group Employee Mutual Funds	1,224,106	1.1	2,444,403	1.6	2,444,403	1.6
Treasury shares[3]	10,238	0.0	0	0.0	10,238	n.m.
TOTAL	**113,105,831**	**100.0**	**156,356,999**	**100.0**	**156,367,237**	**100.0**

	Shares		Voting rights exercisable at Annual General Meetings[1]		Theoretical voting rights[1]	
31 December 2014	Number	%	Number	%	Number	%
Public	57,170,577	50.5	60,880,478	38.1	60,880,478	38.1
of which shares in registered form	5,061,122	4.5	8,771,023	5.5	8,771,023	5.5
of which shares in bearer form	52,109,455	46.0	52,109,455	32.6	52,109,455	32.6
Groupe Rallye	54,750,596	48.4	96,498,587	60.4	96,498,587	60.4
Casino Group Employee Mutual Funds	1,233,767	1.1	2,435,531	1.5	2,435,531	1.5
Treasury shares[3]	20,222	0.0	0	0.0	20,222	n.m.
TOTAL	**113,175,162**	**100.0**	**159,814,596**	**100.0**	**159,834,818**	**100.0**

	Shares		Voting rights exercisable at Annual General Meetings[1]		Theoretical voting rights[1]	
31 December 2015	Number	%	Number	%	Number	%
Public	54,151,487	47.8	58,104,341	36.6	58,104,341	36.2
of which shares in registered form	4,621,214	4.1	8,574,068	5.4	8,574,068	5.3
of which shares in bearer form	49,530,273	43.8	49,530,273	31.2	49,530,273	30.9
Groupe Rallye[2]	55,930,447	49.4	98,127,086	61.8	98,127,086	61.1
Casino Group Employee Mutual Funds	1,283,039	1.1	2,484,803	1.6	2,484,803	1.5
Treasury Shares[3]	1,832,713	1.6	0	0.0	1,832,713	1.1
TOTAL	**113,197,686**	**100.00**	**158,716,230**	**100.0**	**160,548,943**	**100.0**

	Shares		Voting rights exercisable at Annual General Meetings[1]		Theoretical voting rights[1]	
29 February 2016	Number	%	Number	%	Number	%
Public	55,142,262	48.7	59,088,167	37.0	59,088,167	36.8
of which shares in registered form	4,533,079	4.0	8,478,984	5.3	8,478,984	5.3
of which shares in bearer form	50,609,183	44.7	50,609,183	31.7	50,609,183	31.5
Groupe Rallye[2]	55,930,447	49.4	98,127,086	61.4	98,127,086	61.1
Casino Group Employee Mutual Funds	1,287,264	1.1	2,489,071	1.6	2,489,071	1.6
Treasury Shares[3]	837,713	0.7	0	0.0	837,713	0.5
TOTAL	**113,197,686**	**100.00**	**159,704,324**	**100.0**	**160,542,037**	**100.0**

[1] The number of rights to vote in Annual General Meetings is not the same as the voting rights published under France's disclosure threshold rules (theoretical voting rights). For the monthly publication of the total number of voting rights and the number of shares comprising the share capital, the total number of voting rights is calculated based on all the shares that potentially carry voting rights, including shares stripped of voting rights (treasury shares), in accordance with Article 223-11 of the AMF General Regulations.

[2] At 31 December 2015, Rallye SA held 24.60% of the share capital (31.29% of the voting rights) directly and 24.81% of the share capital (30.53% of the voting rights) indirectly 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 11.47% of the voting rights; Alpétrol, which holds 5.90% of the share capital and 8.42% of the voting rights; Habitation Moderne de Boulogne, which holds 4.15% of the share capital and 5.85% of the voting rights; and Genty Immobilier et Participations, which holds 6.66% of the share capital and 4.75% of the voting rights.

At 29 February 2016, Rallye SA held 24.60% of the share capital (31.10% of the voting rights) directly and 24.81% of the share capital (30.34% of the voting rights) indirectly 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 11.40% of the voting rights; Alpétrol, which holds 5.90% of the share capital and 8.37% 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 6.66% of the share capital and 4.72% of the voting rights.

Rallye SA has signed an equity swap agreement on 840,495 notional shares expiring on 31 July 2018. The swap may be settled by transferring title to the underlying shares (see Crossing of disclosure thresholds). Including these shares, Rallye's interest at 31 December 2015 and 29 February 2016 was as follows:

	Number	*%*
Shares	*56,770,942*	*50.1*
Theoretical voting rights[1]	*98,967,581*	*61.6*

[3] Casino holds 928 shares through Germinal, an indirectly wholly controlled company.

On 31 December 2015, the Company conducted a survey of holders of shares in bearer form. The survey, known as "survey of identifiable holders of bearer shares", identified 45,550 direct holders or nominees, together holding 51,094,832 shares, representing 45.14% of the share capital.

The number of the Company's shareholders is estimated at more than 51,000 and the percentage of share capital held by private shareholders is estimated at 8% (sources: survey of identifiable holders of bearer shares carried out on 31 December 2015 and shareholders' register).

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.

Statutory disclosure thresholds

Between 1 January 2015 and 29 February 2016, the following notifiable interests were disclosed to the AMF:

- Rallye notified the AMF that between 30 July and 10 August 2015 it acquired 1,125,000 shares and held directly and indirectly through its Group companies 49.36% of the capital and 61.17% of voting rights as of 13 August 2015 (AMF notice 2015C1198 and 215C12223).
- Rallye notified the AMF that it had crossed a disclosure threshold on 8 September 2015 due to the inclusion in its interest, for disclosure purposes, of 740,495 Casino, Guichard-Perrachon shares that are the subject of an Equity Swap set up on 31 July 2015 which may be unwound at any time in cash until 31 July 2018. Including these shares, on the disclosure date, Rallye held 50.02% of the Company's capital and 61.63% of the voting rights, directly and indirectly through members of its group (AMF notices 215C1289 and 215C1306).
- On 15 September 2015, Rallye disclosed to the AMF that it had signed an addendum to the Equity Swap agreement on 840,495 notional shares, allowing it to require physical delivery of the shares, and that on that date it held 50.10% of the Company's capital and 61.70% of the voting rights, directly and indirectly through members of its group (AMF notice 2015C1307).
- The AMF informed Rallye that, as an exception to French securities laws, it would not be required to make a takeover bid for Casino, Guichard-Perrachon despite increasing its direct and indirect interest by over 1 percentage point in the space of less than 12 months, from between 30% and 50% of the capital and voting rights originally (AMF notice 2015C1260).

The declarations were made on the basis on information communicated by the Company, in accordance with the requirements of Article L. 233-8 of the French Commercial Code and Article 223-16 of the General Regulations of the AMF, on the date the threshold was crossed. The disclosure of the total number of voting rights, which is published monthly, is calculated based on all the shares that potentially carry voting rights, including shares stripped of voting rights (treasury shares), in accordance with Article 223-11 of the AMF General Regulations.

Furthermore, Article 11-II of the Company's Articles of Association stipulates the following with respect to the crossing of shareholding thresholds:

"Any person or legal entity, acting either alone or in concert with other persons or legal entities, that comes to hold or ceases to hold, by whatever means, a number of shares representing 1% of the voting rights or any multiple thereof, must inform the Company, by registered letter with acknowledgement of receipt, of the number of shares and voting rights held, within five trading days of the relevant disclosure threshold being crossed.

Shareholders that have crossed a disclosure threshold are also required to inform the Company of the number of securities held that carry a deferred right to shares, and of the number of voting rights attached to said securities

These disclosure requirements no longer 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 being stripped of voting rights at General Meetings at the request of one or more shareholders separately or together owning at least 5% of the share capital or voting rights. Similarly, any voting rights which have not been duly and properly disclosed may not be exercised. Disqualification will apply to all General Meetings held during a period of two years commencing on the date on which the omission is remedied."

Employee share ownership

On 31 December 2015, Group employees held 1,283,039 shares representing 1.13% of the capital and 1.57% of voting rights through the Employee Savings Plan and different mutual funds.

Shares held by directors and officers

On 31 December 2015, shares held directly by members of the Board of Directors represented 8.12% of the share capital and 11.54% of voting rights in annual meetings. On the same date, 49.44% of the share capital and 61.85% of voting rights were controlled directly or indirectly by these members.

On 29 February 2016, Casino shares held directly by members of the Board of Directors represented 8.12% of the share capital and 11.47% of voting rights. On the same date, 49.44% of the share capital and 61.47% of voting rights were controlled directly or indirectly by these members.

To the best of the Company's knowledge, transactions carried out in the Company's securities by directors and related parties in 2015 were as follows:

Date	Shareholder	Financial instrument	Purchase/sale	Number	Amount (€)
17 April 2015	Foncière Euris, director	Other types of financial instruments (put options)	Sale	250,000	711,776.21
23 April 2015	Foncière Euris, director	Other types of financial instruments (put options)	Sale	250,001	1,084,658.18
1 June 2015	Cobivia, director	Shares	Sale (off-market)	2,850	203,775.00
1 June 2015	Euristates – legal entity linked to Foncière Euris, director	Shares	Purchase (off-market)	2,850	203,775.00
6 July 2015	Andrieux Nathalie, director	Shares	Purchase	375	24,745.35
30 July 2015	Rallye – legal entity linked to Foncière Euris, director	Shares	Purchase	365,000	24,911,250.00
31 July 2015	Rallye – legal entity linked to Foncière Euris, director	Shares	Purchase	217,000	14,506,450.00
3 August 2015	Rallye – legal entity linked to Foncière Euris, director	Shares	Purchase	172,000	11,683,960.00
4 August 2015	Rallye – legal entity linked to Foncière Euris, director	Shares	Purchase	85,500	5,823,405.00
5 August 2015	Rallye – legal entity linked to Foncière Euris, director	Shares	Purchase	53,600	3,715,552.00
6 August 2015	Rallye – legal entity linked to Foncière Euris, director	Shares	Purchase	100,000	6,978,000.00
7 August 2015	Rallye – legal entity linked to Foncière Euris, director	Shares	Purchase	63,200	4,363,328.00

Date	Shareholder	Financial instrument	Purchase/sale	Number	Amount (€)
10 August 2015	Rallye – legal entity linked to Foncière Euris, director	Shares	Purchase	68,700	4,689,462.00
11 August 2015	Rallye – legal entity linked to Foncière Euris, director	Other types of financial instruments	Exclusively cash-settled equity swap	115,047	7,782,721.08
12 August 2015	Rallye – legal entity linked to Foncière Euris, Director	Other types of financial instruments	Exclusively cash-settled equity swap	4,330	290,021.95
21 August 2015	Rallye – legal entity linked to Foncière Euris, Director	Other types of financial instruments	Exclusively cash-settled equity swap	184,458	11,231,481.61
24 August 2015	Rallye – legal entity linked to Foncière Euris, Director	Other types of financial instruments	Exclusively cash-settled equity swap	113,307	6,535,207.84
25 August 2015	Foncière Euris, Director	Other types of financial instruments	Financial contract extension consisting of 250,000 put options sold	754,096	249,700.66
3 September 2015	Rallye – legal entity linked to Foncière Euris, Director	Other types of financial instruments	Exclusively cash-settled equity swap	75,197	4,168,082.26
4 September 2015	Rallye – legal entity linked to Foncière Euris, Director	Other types of financial instruments	Exclusively cash-settled equity swap	105,845	5,733,390.79
7 September 2015	Rallye – legal entity linked to Foncière Euris, Director	Other types of financial instruments	Exclusively cash-settled equity swap	40,746	2,203,507.01
8 September 2015	Rallye – legal entity linked to Foncière Euris, Director	Other types of financial instruments	Exclusively cash-settled equity swap	101,562	5,543,355.52
9 September 2015	Rallye – legal entity linked to Foncière Euris, Director	Other types of financial instruments	Exclusively cash-settled equity swap	94,604	5,184,081.61
10 September 2015	Rallye – legal entity linked to Foncière Euris, Director	Other types of financial instruments	Exclusively cash-settled equity swap	5,395	291,045.67
4 November 2015	Foncière Euris, Director	Other types of financial instruments	Financial contract extension consisting of 250,000 put options	250,259	830,862.50
22 December 2015	Foncière Euris, Director	Other types of financial instruments (call options)	Purchase	953,288	3,214,391.81

Pledged shares

As of 31 December 2015, 18,612,250 registered shares had been pledged by their holders.

The Rallye Group pledges Casino shares to secure credit facilities. As of 31 December 2015, Rallye had pledged 18,508,561 Casino shares representing 16.35% of Casino's capital.

Shareholder agreement

To the best of the Company's knowledge, there are no shareholder agreements involving the Company's shares.

9.5. EMPLOYEE STOCK OPTIONS AND SHARE GRANTS

For many years, the Group has offered employees opportunities to own a stake in their Company as part of a policy to retain and motivate its teams. This strategy, which was long implemented through share purchase and subscription options, is now carried out through free allotments of shares ("share grants").

The Company's corporate officers are not entitled to receive share grants, in accordance with successive authorisations of the Annual General Meeting of shareholders.

Since 2014, these plans have been designed to:

- strengthen the commitment of key managers – particularly those with operational roles – both in France and internationally. The free allotments of shares are contingent on beneficiaries remaining with the Company until the vesting date (2-3 years) and on the achievement of performance conditions;
- reward a critical contribution to the success of strategic and/or particularly complex operations. The free allotments of shares are contingent only on the beneficiaries remaining with the Company until the vesting date (2-3 years).

The shares finally granted are subject to a lock-up period of two years starting from the vesting date.

All outstanding share grant plans concern existing shares and do not have a dilutive effect on capital.

SHARE PURCHASE OPTIONS

There were no share purchase plans outstanding at 31 December 2015.

SHARE SUBSCRIPTION OPTIONS

No share subscription options were granted in 2015 and there were no share subscription plans outstanding at 31 December 2015.

Details of the various plans that expired in 2015 are provided in the table below. No corporate officers were among the beneficiaries:

Grant date	Initial exercise date	Expiry date	Original number of beneficiaries	Subscription price (€)	Number of options granted	Number of options exercised	Number of options cancelled or lapsed
4 December 2009	4 June 2013	3 June 2015	559	57.18	72,603	34,767[1]	37,836
29 April 2010	29 October 2013	28 October 2015	33	64.87	48,540	26,050	22,490

[1] 22,485 subscription options were exercised in 2015, of which 6,796 at an average price of €57.18 for the top ten non-executive-officer beneficiaries.

SHARE GRANTS

Details of the various plans outstanding at 29 February 2016 are provided in the table below. No corporate officers were among the beneficiaries and all share grants concern existing shares which will be delivered on the vesting date.

				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 29 February 2016[1]
15 April 2011	15 April 2016	15 April 2016	13	6,065	5,500[2]
15 April 2011	15 April 2016	15 April 2016	2	380	380[2]
18 October 2013	18 October 2016	19 October 2018	198	22,347	49,704[3]
18 October 2013	18 October 2018	19 October 2018	5	7,857	5,281[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	32,773[4]
6 May 2014	6 May 2019	6 May 2019	4	3,750	3,750[4]
11 May 2015	11 May 2017	11 May 2019	2	5,331	5,331[3]

** As of the grant date.*

(1) Number of shares granted at inception less those cancelled when the beneficiaries left the Company or on failure to meet performance conditions.

(2) The share grants are contingent upon the beneficiaries remaining with the Company until the vesting date and upon achievement of a performance condition. Performance conditions mainly involve organic sales growth and trading profit levels.

(3) The share grants are contingent only upon the beneficiaries remaining with the Company until the vesting date.

(4) The share grants are contingent upon the beneficiaries remaining with the Company until the vesting date and upon achievement of three performance conditions assessed annually over a three-year period (2014, 2015 and 2016) allowing the vesting of shares by thirds and each concerning one third of the initial grant: annual organic growth (at constant scope of consolidation and exchange rates, excluding calendar effects) in the Group's consolidated sales excluding petrol; annual growth of Net underlying profit, Group share at current exchange rates; and annual relative performance of the Casino share, dividends included (Total Shareholder Return – TSR) compared to the performance of companies in the STOXX Euro 600 Retail index.

Certain share grant plans introduced on 15 April 2011, which were due to vest on 15 April 2016, subject to a presence condition and the achievement of performance conditions based on organic sales growth or growth in trading profit, are not featured in the above table because the performance conditions were not met and the grants were subsequently cancelled.

Similarly, the shares granted on 19 October 2012, for which vesting was subject to a presence condition and the achievement of performance conditions, did not vest on 15 October 2015 as the performance-related condition was not met.

Under share grant plans decided on 29 March 2012 and 18 October 2013, shares vested in 2015 as follows:

Grant date	Vesting date	Number of shares vested	Type of shares
29 March 2012	29 March 2015[1]	4,922	Existing shares
18 October 2013	18 October 2015[1]	17,074	Existing shares

(1) The share grants were contingent solely on the beneficiaries remaining with the company until the vesting date.

9.6. FINANCIAL REPORTING

The Investor Relations department's role is to provide the financial community with accurate, specific and fair information about the Group's strategy, business model and performance.

Financial information is prepared and validated by the Accounting and Financial Control departments prior to release.

The Legal and Accounting departments also contribute to producing the Registration Document and management report

The Board of Directors reviews all information and news releases about the Group's results or financial and strategic transactions, and may make comments and proposals. The Audit Committee reviews information on the annual and interim financial statements prior to release. News releases on revenue and earnings figures are also submitted to the Statutory Auditors for comment prior to issue

Financial information is disclosed to the markets through the following communication channels:

- media releases;
- conference calls for quarterly releases of sales figures;
- annual and interim results presentations;
- presentations to financial analysts and investors, including road shows, conferences and meetings or conference calls organised in France and abroad;
- Annual General Meetings;
- annual reports, Registration Documents and Sustainable Development Reports;
- the Group's corporate website.

Group Investor Relations is also involved in checking and setting the publication timetable for the financial information drawn up by listed majority-controlled subsidiaries and ensures consistency among the various media produced by the Group.

9.7. SHAREHOLDERS' CONSULTATIVE COMMITTEE

As announced at the 12 May 2015 Annual General Meeting, the Company has put in place a Shareholders' Consultative Committee to facilitate regular and meaningful dialogue between the Company and its private shareholders and to improve the Company's communication with respect to its shareholders.

The committee has ten members, including:

- five shareholder representatives (two private shareholders, a former employee shareholder and two representatives of a shareholder association), designated for a two year term;
- five Company representatives (Board Secretary, Finance Department, Investor Relations Department, Corporate Legal Department).

The Committee is expected to meet at least twice a year. The first meeting took place on 16 March 2016.

Chapter 10

Annual General Meeting

10.1. BOARD OF DIRECTORS' REPORT ON THE RESOLUTION SUBMITTED TO THE EXTRAORDINARY GENERAL MEETING

Dear Shareholders,

We have called this Extraordinary General Meeting to submit for your approval the early renewal of the authorisation given by the General Meeting of 12 May 2015 to the Board of Directors to make free allotments of shares to employees of the Company and related companies, in order to take advantage of the provisions of the "Macron Act" which apply only to share grants made pursuant to a shareholder authorisation voted after the Act's publication on 7 August 2015.

You are therefore asked to authorise in the nineteenth resolution your Board of Directors to make free allotments of shares, on one or more or occasions, to all or certain categories of employees of the Company, as well as to employees of related companies. The shares could be issued for this purpose or allocated out of treasury stock. Corporate officers would be specifically excluded from participating in the plan.

The total number of shares granted under this authorisation would not exceed 1% of the total number of shares representing the Company's share capital on the day of the Extraordinary General Meeting, as adjusted if necessary to comply with applicable legislation and regulations.

The terms of the share grants and any related allotment criteria would be set by the Board of Directors. The shares would be subject to a vesting period determined by the Board of Directors representing not less than the one-year minimum period provided by law, and to a lock-up period determined by the Board in such a way that the combined vesting period and lock-up period would not represent less than the two-year minimum period provided by law. As an exception to this principle, if the vesting period for all or part of one or more awards was at least two years, the Board of Directors could decide not to impose a lock-up period for the shares in question.

The Board of Directors could also decide to waive the vesting period in the event that a grantee is recognised as suffering from a category 2 or 3 disability as defined in Article L. 341-4 of the French Social Security Code, or the equivalent outside France.

The authorisation submitted to your vote would be valid for 18 months as from this General Meeting and would cancel the unused portion of the authorisation granted at the General Meeting of 12 May 2015.

We hope that you support this proposal and invite you to vote in favour of the corresponding resolution.

The Board of Directors

10.2. STATUTORY AUDITORS' SPECIAL REPORT ON THE AUTHORISATION TO GRANT FOR NO CONSIDERATION EXISTING SHARES OR SHARES TO BE ISSUED TO EMPLOYEES OF THE COMPANY AND ITS AFFILIATED COMPANIES

SHAREHOLDERS' MEETING OF 13 MAY 2016

Resolution no. 19

This is a free translation into English of a report issued in the French language and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of your Company and in accordance with the procedures provided for in Article L. 225-197-1 of the French Commercial Code *(Code de Commerce)*, we have prepared this report on the proposed authorisation to grant for no consideration existing shares or shares to be issued to employees of your Company and of companies or groupings affiliated to the Company under the conditions set forth in Article L. 225-197-2 of the French Commercial Code, it being specified that the corporate officers of your Company may not be granted shares for no consideration, a transaction on which you are asked to vote.

Your Board of Directors recommends that, based on its report, you delegate to it, for a period of 18 months, the authority to grant for no consideration existing shares or shares to be issued. This authorisation hereby terminates all authorisations with the same purpose granted by previous Shareholders' Meetings.

The Board of Directors is responsible for preparing a report on the transaction that it wishes to carry out. Our role is to inform you of our comments, if any, on the information thus given to you on the proposed transaction.

We performed the procedures that we considered necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors *(Compagnie Nationale des Commissaires aux Comptes)* applicable to this engagement.

Our work consisted in verifying that the proposed procedures and data presented in the Board of Directors' report comply with the legal provisions.

We have no comments on the information given in the Board of Directors' report in connection with the proposed granting of shares for no consideration.

Lyon and Neuilly-sur-Seine, 31 March 2016

The Statutory Auditors

Ernst & Young et Autres		Deloitte & Associés	
Sylvain Lauria	Yvon Salaün	Antoine de Riedmatten	Gérard Badin

10.3. PROPOSED RESOLUTIONS

10.3.1. ORDINARY RESOLUTIONS

1st and 2nd resolutions: Approval of financial statements for the fiscal year

Presentation

In the **first and second resolutions**, shareholders are asked to approve the Company's statutory and consolidated financial statements for the fiscal year ended 31 December 2015, together with the operations reflected therein.

The statutory financial statements do not include any non-deductible expenses governed by Article 39-4 of the French General Tax Code.

These financial statements (statutory and consolidated) have been certified without any qualifications by the Statutory Auditors.

First resolution

Approval of the statutory financial statements for the fiscal year ended 31 December 2015

The Ordinary General Meeting, having reviewed the reports of the Board of Directors and of the Statutory Auditors, approves the statutory financial statements for the fiscal year ended 31 December 2015 as presented, showing a net profit of €444,039,187.76, together with all the operations reflected in these financial statements or mentioned in the reports.

The Ordinary General Meeting notes that these statutory financial statements do not include any non-deductible expenses governed by Article 39-4 of the French General Tax Code.

The Ordinary General Meeting also notes the transfer to the "Retained earnings" account of the 2014 dividends on the 374,315 shares held by the Company on 18 May 2015, the dividend payment date, representing a total amount of €1,167,862.80, as decided by the Ordinary General Meeting of 12 May 2015.

Second resolution

Approval of the consolidated financial statements for the fiscal year ended 31 December 2015

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 fiscal year ended 31 December 2015 as presented, showing consolidated profit attributable to owners of the parent of €158 million, together with all the operations reflected in these financial statements or mentioned in the reports.

3rd resolution: Appropriation of net profit and setting of the dividend

Presentation

Under the **third resolution**, the Board of Directors proposes paying a dividend of €3.12 per share, unchanged from the previous fiscal year.

The ex-dividend date will be 17 May 2016. The payment date will be 19 May 2016.

Third resolution

Appropriation of net profit for the fiscal year ended – Setting of the dividend

The Ordinary General Meeting, having reviewed the Board of Directors' report, resolves to appropriate profit for the fiscal year ended 31 December 2015 as follows:

Profit for the fiscal year		€444,039,187.76
Unappropriated retained earnings brought forward from fiscal year 2014	(+)	€3,102,720,842.10
Addition to the legal reserve	(-)	€3,446.17
DISTRIBUTABLE PROFIT	**(=)**	**€3,546,756,583.69**
Dividend	(-)	€353,176,780.32
RETAINED EARNINGS AFTER APPROPRIATION	**(=)**	**€3,193,579,803.37**

The dividend per share will amount to €3.12 and will be paid on 19 May 2016.

Dividends paid to individual shareholders who are tax residents of France will qualify for the 40% tax reduction referred to in Article 158-3-2° of the French General Tax Code.

Dividends on Casino shares held by the Company on the payment date, which are not entitled to dividends, will be credited to the "Retained earnings" account.

The Ordinary General Meeting duly notes that the dividends paid over the past three fiscal years were as follows:

Fiscal year	Number of shares	Dividend per share	Dividend qualifying for the 40% tax reduction	Dividend not qualifying for the 40% tax reduction
2012	112,674,802[1]	€3.00	€3.00	-
2013	113,105,831[2]	€3.12	€3.12	-
2014	113,175,249[3]	€3.12	€3.12	-

(1) Including 64,841 shares held by the Company.
(2) Including 2,603 shares held by the Company.
(3) Including 374,315 shares held by the Company.

4th resolution: Regulated agreement with Euris

Presentation

Under the **fourth resolution**, the Board of Directors proposes that you approve the amendment, dated 9 April 2015, to the agreement signed on 5 September 2003 setting the terms and conditions under which Euris provides its regular mission advice to Casino, Guichard-Perrachon in the areas of general strategy, strategic planning and business development, as well as in connection with complex legal, financial, tax and real estate transactions.

This agreement gives the Company the benefit of Euris' skills, expertise and resources in the various areas concerned.

Under the terms of the above-mentioned amendment, the annual amount billed with respect to this mission, which had been set at €350,000 since 2003, was increased to €840,000 as from 1 January 2015.

This increase was decided based on the recommendation of an external financial expert to take into account the growth in Casino's business base leading to a significant and lasting increase in the services provided. The amount billed may be adjusted each year to reflect changes in the mission provided by Euris and the associated costs.

The amendment was authorised by the Company's Board of Directors at its meeting of 16 February 2015, upon the recommendation of the Audit Committee.

Fourth resolution

Regulated agreement: approval of the amendment to the strategic advisory agreement entered into with Euris

The Ordinary General Meeting, having reviewed the special report of the Statutory Auditors on the agreements governed by Article L. 225-38 of the French Commercial Code, approves the amendment dated 9 April 2015 to the strategic advisory agreement entered into with Euris on 5 September 2003.

5th resolution: Advisory vote on the Chairman and Chief Executive Officer's components of compensation

Presentation

The Afep-Medef Corporate Governance Code, a reference code for the Company, advises companies to seek the opinion of their shareholders on the components of the compensation of executive corporate officers for the fiscal year ended.

Under the **fifth resolution**, you are asked to issue a favourable opinion on 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 288. All these components are also presented in Chapter 6 of the 2015 Registration Document.

Fifth resolution

Advisory vote on the components of the compensation due or awarded to Jean-Charles Naouri, Chairman and Chief Executive Officer, for the fiscal year ended 31 December 2015

The Ordinary General Meeting, pursuant to the Afep-Medef Corporate Governance Code and having reviewed the information presented in the Board of Directors' report, issues a favourable advisory vote on the components of the compensation due or awarded to Jean-Charles Naouri, Chairman and Chief Executive Officer, for the fiscal year ended 31 December 2015.

6th to 13th resolutions: Re-election of three directors – Decision not to fill two vacant seats on the Board – Election of two non-voting directors

Presentation

The **sixth, seventh and eighth resolutions** concern the re-election as directors, for a three-year term, of Marc Ladreit de Lacharrière, Jean-Charles Naouri and Matignon Diderot, represented by Diane Coliche.

Under the **ninth and tenth resolutions**, after noting that the terms as directors of Henri Giscard d'Estaing and Gilles Pinoncély have expired, you are asked to decide not to fill the vacant seats on the Board.

Thus, at the end of the General Meeting and subject to the adoption of the proposed resolutions, the Board of Directors will be made up of thirteen members (compared with fifteen previously), including five independent directors, two external directors chosen for their skills and experience and six representatives of the controlling shareholder, who do not have a majority vote on the Board of Directors.

Of the thirteen directors, 38.5% are independent and 31% are women.

Under the **eleventh and twelfth resolutions**, you are asked to elect as non-voting directors for a three-year term Henri Giscard d'Estaing, replacing Pierre Giacometti whose term will expire at the General Meeting, and Gilles Pinoncély.

The **thirteenth resolution** concerns non-voting directors' attendance fees.

Sixth resolution

Re-election of Marc Ladreit de Lacharrière as director

The Ordinary General Meeting, having reviewed the Board of Directors' report and noting that Marc Ladreit de Lacharrière's term as director is due to expire at the close of this meeting, resolves to re-elect him for a further three-year term expiring at the close of the Ordinary General Meeting called in 2019 to approve the financial statements for the fiscal year ending 31 December 2018.

Seventh resolution

Re-election of Jean-Charles Naouri as director

The Ordinary General Meeting, having reviewed the Board of Directors' report and noting Jean-Charles Naouri's term as director is due to expire at the close of this meeting, resolves to re-elect him for a further three-year term expiring at the close of the Ordinary General Meeting called in 2019 to approve the financial statements for the fiscal year ending 31 December 2018.

Eighth resolution

Re-election of Matignon Diderot as director

The Ordinary General Meeting, having reviewed the Board of Directors' report and noting that Matignon Diderot's term as director is due to expire at the close of this meeting, resolves to re-elect Matignon Diderot for a further three-year term expiring at the close of the Ordinary General Meeting to be called in 2019 to approve the financial statements for the fiscal year ending 31 December 2018.

Ninth resolution

Non-election of a new director

The Ordinary General Meeting, having reviewed the Board of Directors' report and noting that Henri Giscard d'Estaing's term as director is due to expire at the close of this meeting, resolves not to fill this vacant seat.

Tenth resolution

Non-election of a new director

The Ordinary General Meeting, having reviewed the Board of Directors' report and noting that Gilles Pinoncély's term as director is due to expire at the close of this meeting, resolves not to fill this vacant seat.

Eleventh resolution

Election of Henri Giscard d'Estaing as non-voting director

The Ordinary General Meeting, having reviewed the Board of Directors' report, elects Henri Giscard d'Estaing as a non-voting director for a three-year term expiring at the close of the Ordinary General Meeting called in 2019 to approve the financial statements for the year ending 31 December 2018. He will replace Pierre Giacometti whose term as non-voting director expires at this Meeting.

Twelfth resolution

Election of Gilles Pinoncély as non-voting director

The Ordinary General Meeting, having reviewed the Board of Directors' report, elects Gilles Pinoncély as a non-voting director for a three-year term expiring at the close of the Ordinary General Meeting called in 2019 to approve the financial statements for the fiscal year ending 31 December 2018.

Thirteenth resolution

Non-voting directors' fees

The Ordinary General Meeting, having reviewed the Board of Directors' report, grants all powers to the Board of Directors to set the fees payable to non-voting directors, which will be deducted from the total annual directors' fees awarded to the Board of Directors.

14th to 17th resolutions: Re-appointment of the Statutory Auditors

Presentation

On the recommendation of the Audit Committee, the Board of Directors proposes under the **fourteenth to seventeenth resolutions** to renew the appointment of the Statutory Auditors and alternate auditors for a six fiscal years.

Fourteenth resolution

Renewal of the appointment of Ernst & Young et Autres as Statutory Auditor

The Ordinary General Meeting, having reviewed the Board of Directors' report and noting that the appointment of Ernst & Young et Autres as Statutory Auditor is due to expire at the close of this meeting, resolves to renew the appointment of Ernst & Young et Autres as Statutory Auditor for a further six-year term expiring at the close of the Ordinary General Meeting that will be called in 2022 to approve the financial statements for the fiscal year ending 31 December 2021.

Fifteenth resolution

Renewal of the appointment of Deloitte & Associés as Statutory Auditor

The Ordinary General Meeting, having reviewed the Board of Directors' report and noting that the appointment of Deloitte & Associés as Statutory Auditor is due to expire at the close of this meeting, resolves to renew the appointment of Deloitte & Associés as Statutory Auditor for a further six-year term expiring at the close of the Ordinary General Meeting that will be called in 2022 to approve the financial statements for the fiscal year ending 31 December 2021.

Sixteenth resolution

Renewal of the appointment of Auditex as alternate auditor to Ernst & Young et Autres

The Ordinary General Meeting, having reviewed the Board of Directors' report and noting that the appointment of Auditex as alternate auditor to Ernst & Young et Autres is due to expire at the close of this meeting, resolves to renew the appointment of Auditex as alternate auditor to Ernst & Young et Autres for a further six-year term expiring at the close of the Ordinary General Meeting that will be called in 2022 to approve the financial statements for the fiscal year ending 31 December 2021.

Seventeenth resolution

Renewal of the appointment of Beas as alternate auditor to Deloitte & Associés

The Ordinary General Meeting, having reviewed the Board of Directors' report and noting that the appointment of Beas as alternate auditor to Deloitte & Associés is due to expire at the close of this meeting, resolves to renew the appointment of Beas as alternate auditor to Deloitte & Associés for a further six-year term expiring at the close of the Ordinary General Meeting called in 2022 to approve the financial statements for the year ending 31 December 2021.

18th resolution: Purchase by the Company of its own shares

Presentation

The **eighteenth resolution** renews the 18-month authorisation given to the Board of Directors to purchase the Company's shares, with the following restrictions: the number of shares held by the Company may not represent at any time more than 10% of the total number of shares comprising the capital and the shares may not be bought back at a price of more than €100 per share.

Under the authorisation granted by the Annual General Meeting of 12 May 2015 and based on the data at end-February 2016, 389,544 shares were bought back by the Company for allocation under stock option plans, employee stock ownership plans and allotment of shares free of charge, and 7.30 million shares were purchased and 6.85 million shares were sold under the liquidity contract.

As of 29 February 2016, the Company held 836,785 shares (0.74% of the share capital), of which 386,785 shares for allocation under stock option plans, employee stock ownership plans and allotment of shares free of charge and 450,000 shares under the liquidity contract.

The purposes of the share purchase programme are listed in the **eighteenth resolution** and in the description of the share purchase programme in Chapter 9 of the 2015 Registration Document.

In the event of a tender offer for the Company's shares or other securities, this authorisation could only be used for the purpose of fulfilling commitments to deliver securities, especially under share grant plans or strategic transactions initiated or announced before the tender offer was launched.

Eighteenth resolution

Authorisation for the Company to trade its own shares

The Ordinary General Meeting, having reviewed the Board of Directors' report, authorises the Board of Directors to buy back 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 make a market in the Company's shares and increase their liquidity through an independent investment services provider acting in the name and on behalf of the Company under a liquidity contract that complies with a Code of Ethics recognised by France's securities regulator (*Autorité des marchés financiers* – AMF);
- to implement a stock option plan governed by Articles L. 225-177 *et seq.* of the French Commercial Code, an employee stock ownership plan governed by Articles L. 3332-1 *et seq.* of the French Labour Code, an allotment of shares free of charge governed by Articles L. 225-197-1 *et seq.* of the French Commercial Code or any other share-based compensation system;
- to deliver shares upon exercise of rights attached to securities redeemable, convertible, exchangeable, on presentation of a warrant or a convertible or exchangeable debt security, or otherwise exercisable for Company shares;
- to hold shares for subsequent use as a means of payment or exchange in an external growth transaction that complies with market practices permitted by the AMF;
- to cancel shares in order to optimise earnings per share as part of a capital reduction plan;
- to implement any market practice that may be authorised by the AMF in the future, and generally carry out any transaction in compliance with applicable regulations.

The shares may be acquired, sold, transferred, or exchanged by any methods on regulated markets of or over the counter, including by block transfer. These methods include the use of any derivative financial instrument traded on a regulated market or over the counter and the implementation of option-based strategies as authorised by the competent market authorities, provided that they do not contribute to a significant increase in share price volatility. The shares may also be loaned, pursuant to Articles L. 211-22 *et seq.* of the French Monetary and Financial Code.

The purchase price shall not exceed one hundred euros (€100) per share.

The use of this authorisation may not result in the number of shares held by the Company representing more than 10% of the total number of shares, *i.e.*, based on the share capital at 29 February 2016 less the 837,713 shares held by the Company at that date, barring any share sold or cancelled, *i.e.* a number of 10,482,055 shares may be bought back, representing a maximum investment of €1,048 million. For the calculation of the 10% limit referred to above, the number of shares purchased under the liquidity contract will be determined by deducting the number of shares resold under the contract during the authorisation period.

This authorisation is granted to the Board of Directors for a period of 18 months. It cancels and replaces the authorisation previously granted by the thirteenth resolution of the Ordinary General Meeting of 12 May 2015.

In the event of a tender offer for the Company's shares or other securities, this authorisation could only be used for the purpose of fulfilling commitments to deliver securities, especially under free share plans or strategic transactions initiated or announced before the tender offer was launched.

Full powers are granted to the Board of Directors with authority to delegate such powers in order to place any and all stock market orders, sign any and all agreements for the purpose in particular of keeping share purchase and sale registers, assign and reassign shares to the various objectives under the applicable legal and regulatory conditions, make all declarations to the AMF, perform any and all formalities and generally do everything necessary.

10.3.2. EXTRAORDINARY RESOLUTIONS

19th resolution: Authorisation to make free allotments of existing or future shares of the Company to the Group's employees

Presentation

The Ordinary and Extraordinary General Meeting of 12 May 2015 gave your Board of Directors a 26-month authorisation to make free allotments of shares of the Company to the employees of the Company and related companies with the exception of the Company's corporate officers who are not entitled to benefit from free allotment of shares (see page 263).

Your Board of Directors used this authorisation to make 5,331 share grants. The granting policy applied since 2014 and details of the various plans still in force at 29 February 2016 are provided in Chapter 9 of the 2015 Registration Document.

To benefit from the new provisions introduced by the French "Macron Act," in the **nineteenth resolution** you are asked to renew this authorisation in advance for an 18-month period.

As previously, the Company's corporate officers would not be entitled to any shares granted free of charge under this authorisation.

The total number of shares which may be granted under this authorisation would not exceed 1% of the share capital (before adjustments). To be noted all the various shares plans still in force relate to allotments of existing shares of the Company without any dilutive impact on the share capital.

The shares would be finally delivered subject to a vesting period of at least one year determined by the Board of Directors and to a lock-up period determined by the Board in such a way that the combined vesting period and lock-up period would represent at least two years. As an exception to this principle, if the vesting period for all or part of one or more grants was at least two years, the Board of Directors could decide not to impose a lock-up period for the shares in question. The Board of Directors could also decide to waive the vesting period in the event that a grantee is recognised as suffering from a category 2 or 3 disability as defined in Article L. 341-4 of the French Social Security Code, or the equivalent outside France.

Nineteenth resolution

Authorisation to the Board of Directors to make free allotments of existing or future shares of the Company to employees of the Company and related companies; automatic waiver by the shareholders of their preferential subscription rights

The Extraordinary General Meeting, having reviewed the reports of the Board of Directors and the Statutory Auditors, resolves in accordance with Article L. 225-197-1 *et seq.* of the French Commercial Code:

- to authorise the Board of Directors, in accordance with and under the conditions specified in Articles L. 225-197-1 to L. 225-197-5 of the French Commercial Code, to make free allotments of existing or future shares of the Company on one or several occasions to all or certain categories of employees of the Company and the employees of companies or economic interest groups related to the Company under the conditions specified in Article L. 225-197-2 of the French Commercial Code, with the exception of the Company's corporate officers who are not entitled to receive free allotments of shares;
- that the total number of shares that may be granted may not exceed 1% of the total number of shares representing the Company's share capital as of the date of this Meeting, as adjusted if necessary to preserve the rights of the beneficiaries in accordance with legal and regulatory provisions as well as applicable contractual provisions.

The Extraordinary General Meeting authorises the Board of Directors, alternatively or cumulatively within the limit set in the previous sub-paragraph, to allocate to the plan:

- shares bought back by the Company as provided for in Articles L. 225-208 and L. 225-209 of the French Commercial Code; and/or
- new shares to be issued through a capital increase; in this case, the Extraordinary General Meeting authorises the Board of Directors to increase the share capital by an amount corresponding to the number of shares granted multiplied by the par value, and duly notes that this authorisation automatically includes waiver by the shareholders of their preferential subscription rights to subscribe to the shares to be issued, in favour of the beneficiaries.

The Extraordinary General Meeting resolves that the shares will be subject to a vesting period of at least one year determined by the Board of Directors and a lock-up period determined by the Board in such a way that the combined vesting period and lock-up period will not represent less than two years. As an exception to this principle, if the vesting period for all or part of one or more grants is at least two years, the Board of Directors may decide not to impose a lock-up period for the shares in question. The Board of Directors may set different vesting and lock-up periods according to the regulatory provisions in force in the country of residence of the beneficiaries. The Board of Directors may also decide to waive the vesting period in the event that a beneficiary is recognised as suffering from a category 2 or 3 disability as defined in Article L. 341-4 of the French Social Security Code, or the equivalent outside France.

The Extraordinary General Meeting resolves that the final share allocations may be subject to meeting one or more performance conditions that the Board of Directors will set.

The Extraordinary General Meeting grants full powers to Board of Directors, with authority to subdelegate such powers within the limits of law, within the limits set out above, in order to:

- draw up the list of beneficiaries, or the category or categories of beneficiaries of the allocations of shares, it being reminded that shares cannot be allocated to employees that hold more than 10% of the share capital or would hold more than 10% of the share capital as a result of the share allocations;
- make share allocations on one or several occasions and in the periods that it considers appropriate;
- set the share grant conditions and criteria, including but not limited to, conditions of seniority, continuing presence within the Group as an employee during the vesting period and any other financial criterion or individual or collective performance condition;
- determine, under the legal conditions and limits, the final duration of the vesting period and, if applicable, the lock-up period;
- if applicable, record the shares allotted in a registered account in the name of their holder, flagging up the lock-up period and its duration;
- lift restrictions on the sale of the shares during the lock-up period in the case of redundancy, retirement, category 2 or 3 disability as defined in Article L. 341-4 of the French Social Security Code, or in case of death;
- record a non-distributable reserve assigned to the rights of beneficiaries, corresponding to the aggregate par value of the shares that may be issued through a capital increase, by transferring the necessary amounts from any and all reserves that can be freely used by the Company;
- set the date, which may be retroactive, on which the new shares issued in respect of the share allotments will pay dividends;
- transfer from the non-distributable reserve the amounts necessary to pay up the shares to be issued to the beneficiaries;
- in the event of a capital increase, amend the articles of association to reflect the new capital and carry out any necessary formalities;
- make any necessary adjustments to the number of shares freely allocated to reflect the impact of any possible operations on the Company's share capital carried out during the vesting period in order to preserve the beneficiaries' rights; it being specified that any additional shares allocated as a result of these adjustments will be considered to have been allocated on the same date as for the share initially allocated;

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 shareholders about transactions carried out under this authorisation.

The Extraordinary General Meeting sets the period during which the Board of Directors may use this authorisation at 18 months. This authorisation cancels the unused portion of the authorisation to the same effect granted by the twenty-sixth resolution of the General Meeting of 12 May 2015.

20th resolution: Powers for formalities

Presentation

The **twentieth resolution** is a standard authorisation to carry out publication and legal formalities.

Twentieth 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 filing, publication and other formalities prescribed by law.

APPENDIX

Information on components of the compensation due or awarded to Jean-Charles Naouri, Chairman and Chief Executive Officer, in respect of 2015

(Fifth resolution of the Ordinary General Meeting of 13 May 2016)

In accordance with the recommendations of the Afep-Medef Corporate Governance Code as revised in June 2013 and the Application Guide published by the *Haut Comité de Gouvernement d'Entreprise*, the shareholders are asked, under the fifth resolution, to issue an advisory vote on the components of the compensation due or awarded by the Company or the companies that it controls to the Chairman and Chief Executive Officer in respect of 2015, as listed and commented on in the table below.

All these components are also presented in Chapter 6 of the 2015 Registration Document (see page 198 *et seq.*).

Components of compensation	Amount due or awarded in respect of 2015	Comments
Fixed compensation	€480,000	Unchanged compared to the previous two fiscal years.
Annual variable compensation	-	The variable component can represent up to 100% of the fixed component if the objectives are met and up to 175% if the objectives are exceeded. Variable compensation for 2015 is based in equal proportions on three exclusively quantitative objectives set by the Board of Directors on the recommendation of the Appointments and compensation Committee: • organic growth in consolidated net sales (excluding petrol and calendar effects); • organic growth in consolidated trading profit; • growth in underlying profit attributable to owners of the parent at constant exchange rates. No variable compensation was paid in respect of 2015 as the performance criteria were not met. In respect of 2014, the underlying profit attributable to owners of the parent target was not met and, as a result, no variable compensation was paid regardless of the achievement rates for the other criteria.
Benefits of any kind	Not applicable	The Chairman and Chief Executive Officer does not receive any benefits.
Directors' fees	€12,500	In his capacity as a Board member, the Chairman and Chief Executive Officer receives one half of the fee paid to other directors, *i.e.*, €12,500. The basic fee paid to other directors is set at €25,000, composed of a fixed fee of €8,500 and a variable attendance-based fee of €16,500. The portion of fees not paid to directors with an attendance rate of less than 100% is not reallocated among the other directors.
	€6,008	Directors' fees in his capacity as a member of the Board of Cnova N.V. The basic individual fee awarded to directors of Cnova is set at USD10,000. This amount is entirely variable and depends on the time served on the Board during the year and the director's attendance rate at Board meetings (Jean-Charles Naouri stepped down from the Cnova Board on 28 August 2015).
Other components of compensation referred to in the Afep-Medef Corporate Governance Code: not applicable. No deferred compensation plan, long-term incentive bonus plan or exceptional bonus plan has been set up for the Chairman and Chief Executive Officer. The Chairman and Chief Executive Officer does not receive and has not received in the past any stock options, performance shares or other form of long-term compensation. Furthermore, the Chairman and Chief Executive Officer is not covered by any supplementary pension plan, and would not be entitled to any compensation for loss of office or any non-compete indemnity.		

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

Telephone +33 (0)4 77 45 31 31

Legal form

Société anonyme (joint-stock corporation) governed by Book II of the French Commercial Code *(Code de commerce)*.

Governing law

French law.

Date of incorporation and expiry

The Company was incorporated on 3 August 1898 following the signature of its articles of association on 1 July 1898. Its term, which was extended by extraordinary resolution of the shareholders at the General Meeting of 31 October 1941, will expire on 31 July 2040 unless the Company is wound up before this date or its term is further extended.

Trade and Companies Registry

The Company is registered in the Saint-Étienne Trade and Companies Register under no. 554 501 171.

APE (business identifier) code: 6420 Z.

Access to legal documents

The articles of association, minutes of General Meetings, Statutory Auditors' reports and other legal documents are available for consultation at the Company's registered office.

Financial year

The Company's financial year runs from 1 January to 31 December.

Corporate purpose

(Article 3 of the articles of association)

The corporate purpose of the Company is:

- to create and operate, either directly or indirectly, any and all types of store for the retail sale of any and all goods and products, including but not limited to food products;
- to provide any and all services to the customers of such stores and to produce any and all goods and merchandise used in the operation thereof;
- to sell wholesale any and all goods and merchandise for its own account or for the account of third parties, notably on a commission basis, and to provide any and all services to such third parties;
- generally, to conduct any and all commercial, industrial, real estate, securities or financial transactions related to, or which may facilitate the fulfilment of, the foregoing purposes.

The Company may, both in France and abroad, create, acquire, use under licence or grant licences to use any and all trademarks, designs, models, patents and manufacturing processes related to the foregoing purpose.

It may acquire any and all holdings and other interests in any French or foreign company or business regardless of its purpose.

It may operate in all countries, directly or indirectly, either alone or with any and all other persons or companies within a partnership, joint venture, consortium or other corporate entity, and carry out any and all transactions which fall within the scope of its corporate purpose.

11.1.1. PROVISIONS OF THE ARTICLES OF ASSOCIATION CONCERNING THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT – BOARD OF DIRECTORS' CHARTER

Board of Directors

Membership of the Board of Directors

(excerpt from Article 14 of the articles of association)

The Company is managed by a Board of Directors. It has at least three and no more than eighteen members, appointed by Annual General Shareholder's Meeting, except as required under the provisions of the law in the case of a merger with another company with the same legal form *(société anonyme)*.

Directors' qualifying shares

(excerpt from Article 15 of the articles of association)

Each director must hold at least 100 registered shares.

Term of office – age limit – replacement

(excerpt from Article 16 of the articles of association)

I – Other than as specified in paragraphs II and III of this article, directors are appointed for a three-year term ending at the close of the Annual General Meeting called in the year when their term of office expires.

Directors may be re-elected.

Directors are elected or re-elected by ordinary resolution of the shareholders. They shall retire by rotation such that, as far as possible, an equal proportion of them shall retire and seek re-election each year. For this purpose, the shareholders may exceptionally elect a director for a term of one or two years.

II – No person over the age of seventy (70) may be elected as director or permanent representative of a corporate director if such election would cause the number of directors and permanent representatives of corporate directors over that age to be more than one-third of the total. Should this proportion be exceeded, the oldest director or permanent representative of a corporate director shall stand down at the Annual General Meeting held to approve the financial statements for the year in which the proportion was exceeded.

III – If one or several seats on the Board fall vacant between two General Meetings due to the death or resignation of directors, the Board of Directors may appoint replacement directors. Such appointments shall be subject to ratification by shareholders at the next General Meeting.

If any such appointment is not ratified by the shareholders, the actions carried out by the director concerned and the decisions made by the Board during his or her appointment remain valid.

If the number of directors falls to below three, the remaining directors (or, failing that, a representative appointed by the Presiding Magistrate of the Commercial Court at the request of any interested party) shall immediately call a General Meeting of shareholders to elect one or several new directors so that the total number of directors is at least equal to the number required by law.

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 *(excerpts from Articles 17 and 20 of the articles of association)*

The Board of Directors elects one of its members (other than a corporate director) to act as Chairman. The Chairman's functions are defined by law and the Company's articles of association. The Chairman of the Board organises and leads meetings of the Board and reports to shareholders on the Board's work at the General Meeting. He is responsible for ensuring that the Company's corporate governance structures function correctly and, more particularly, that the directors are able to perform their duties.

The Chairman may be appointed for his entire term as director. He may be replaced at any time by decision of the Board and may resign the chairmanship before the end of his term as director. The Chairman may be re-appointed. The age limit for holding office as Chairman is 70. If the Chairman reaches the age of 70 during his term as director, he may continue to chair the Board until the end of his term.

In case of the Chairman's temporary unavailability or death, the Board of Directors may appoint another director as acting Chairman. In the event of temporary unavailability, the acting Chairman is appointed for a fixed period, which may be renewed. In the case of death, the acting Chairman is appointed until such time as a new Chairman is elected.

Non-voting directors *(excerpt from Article 23 of the articles of association)*

The shareholders may appoint non-voting directors, who may be natural persons or legal entities, chosen from among the shareholders. The Board of Directors may appoint non-voting directors between two General Meetings, subject to shareholder ratification of the appointment at the next General Meeting. The number of non-voting directors may not exceed five.

Non-voting directors are elected for a three-year term ending at the close of the Annual General Meeting called in the year when their term expires. They may be re-elected for an unlimited number of successive terms and may be removed from office at any time by ordinary resolution of the shareholders in General Meeting.

Non-voting directors attend Board meetings in a consultative capacity only.

They may receive attendance fees, the total aggregate amount of which is fixed by ordinary resolution of the shareholders and remains unchanged until a further decision of the shareholders. The total fee is allocated among the non-voting directors at the discretion of the Board of Directors.

Meetings of the Board of Directors *(excerpt from Article 18 of the articles of association)*

The Board of Directors meets as often as it deems necessary in the interests of the Company, at the location specified in the notice of meeting. Meetings are called by the Chairman or in the Chairman's name by any person designated by him. If the Board has not met for a period of over two months, a group of at least one-third of the directors may ask the Chairman to call a meeting to discuss a particular agenda, as may the Chief Executive Officer.

The Board of Directors may validly conduct business when at least half of the directors are present. Directors may take part in meetings by videoconference or any telecommunications medium in accordance with the provisions of the applicable regulations and the Board of Directors' Charter.

Decisions are made by majority vote of those directors present in person or represented by proxy. In the event of a tie, the Chairman of the meeting shall have the casting vote. However, if the Board has less than five members, decisions may be made by favourable vote of two directors present at the meeting.

Powers of the Board Of Directors *(excerpt from Article 19 of the articles of association)*

The Board of Directors determines the Company's broad strategic objectives and ensures that is implemented. Subject to the powers expressly attributed to the Shareholder's meetings the Board of Directors considers and decides on all matters related to the Company's operations, subject to compliance with the corporate purpose. The Board of Directors performs all controls and verifications that it considers necessary or appropriate.

The Board of Directors may also decide to combine or to separate the positions of Chairman of the Board and Chief Executive Officer. Any such decision does not require any amendment of the articles of association.

The Board of Directors may set up Committees of the Board to assist it, in which case the Committees' membership and terms of reference are decided by the Board. These Committees issue proposals, recommendations and opinions on the matters falling within their terms of reference.

In accordance with the law, the Board of Directors approves related-party agreements, other than those entered into in the normal course of business on arm's length terms, governed by Article L. 225-38 of the French Commercial Code. In accordance with Article L. 225-35 of the French Commercial Code, the Board's prior authorisation is required for any and all guarantees, bonds and endorsements issued in the Company's name. However, the Board may delegate this authority to the Chief Executive Officer. In this case, the Board of Directors will set an aggregate annual ceiling on the Chief Executive Officer's authority and, if appropriate, a ceiling per commitment.

The Board may issue delegations of authority, grant authorisations or delegate certain functions for one or several transactions or categories of transactions to any director or other person, except where this is prohibited by law.

The Board of Directors has included in its Charter certain mechanisms to restrict the powers of the Chief Executive Officer (see "Corporate Governance").

Management structure

Combination of the functions of Chairman of the Board of Directors and Chief Executive Officer (excerpt from Article 21 of the articles of association).

Senior Management

The articles of association allow for the functions of Chairman of the Board of Directors and Chief Executive Officer to be separated or combined.

The Company chose the latter option on 21 March 2005.

The Chief Executive Officer's term of office is set by the Board of Directors at its discretion, but may not exceed three years. The term may be renewed.

The Chief Executive Officer has full powers to act in all circumstances in the name of the Company within the scope of the corporate purpose and except for those powers which are specifically vested in the Shareholders' Meetings or in the Board of Directors under the law.

However, the Board of Directors may adopt an internal rule restricting the Chief Executive Officer's powers (see "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 holding office as Chief Executive Officer is 70. If the Chief Executive Officer reaches the age of 70 while in office, he is required to stand down at the end of his current term.

The Chief Executive Officer may be removed from office at any time by the Board of Directors. If he is removed from office without due cause, he may be entitled to compensation unless he is also the Chairman of the Board of Directors.

Chief Operating Officers

At the proposal of the Chief Executive Officer, the Board of Directors may appoint up to five individuals as Chief Operating Officers to assist the Chief Executive Officer in his duties.

Chief Operating Officers are appointed for a maximum three-year term and their appointment may be renewed. They have the same powers as the Chief Executive Officer in dealings with third parties.

The age limit for holding office as Chief Operating Officer is 70. If a Chief Operating Officer reaches the age of 70 while in office, he is required to stand down at the end of his current term.

Chief Operating Officers may be removed from office at any time by the Board of Directors at the proposal of the Chief Executive Officer. The Chairman, if he is also Chief Executive Officer, the Chief Executive Officer and the Chief Operating Officers may delegate their powers to carry out one or several specific transactions or categories of transaction.

Board of Directors' Charter

The Board of Directors has adopted a Charter describing its rules of procedure, which add to the related provisions of the law and the Company's articles of association.

The Charter describes the Board's organisation and procedures, the powers and duties of the Board and the Committees of the Board, and the procedures for overseeing and assessing its work (see the "Chairman's Report" for a description of the Committees of the Board, the restrictions on the Chief Executive Officer's powers and the procedures for overseeing and assessing the Board's work).

The Charter was last updated on 17 February 2014 to take account of changes to the Chief Executive Officer's powers with regard to guarantees.

11.1.2. APPROPRIATION OF NET PROFIT *(excerpt from Article 33 of the articles of association)*

The income statement summarises all income and expenses for the year. The difference between income and expenses, less any depreciation, amortisation and provision charges, constitutes the net profit or loss for the year.

After deducting any prior year losses, net profit is first used to make any transfers to reserves required by law, and in particular to the legal reserve.

The balance, plus any retained earnings brought forward from prior years, constitutes the sum available for distribution. It is used to pay a first dividend on shares, in an amount equal to five percent (5%) of the paid-up portion of their par value.

If, in a given year, there is insufficient profit available to pay the first dividend in full, retained earnings brought forward from the prior year may not be used to make up the difference.

Any surplus, plus any retained earnings brought forward from prior years as outlined above, is then available for distribution to all shareholders. However, on recommendation of the Board of Directors, shareholders may resolve to transfer the surplus to any ordinary or extraordinary discretionary reserves that may or may not be allocated for a particular purpose.

On recommendation of the Board of Directors, sums transferred to reserves may subsequently be distributed or incorporated in the share capital by resolution of the shareholders.

11.1.3. GENERAL MEETINGS

Notice of meeting, participation *(excerpt from Articles 25 and 27 of the articles of association)*

Annual General Meetings are summoned under the conditions required by law.

For shareholders to be entitled to participate in General Meetings, their shares must be recorded in the shareholder's name, or in the name of an accredited intermediary in the case of non-resident shareholders, within the time frame provided for under Article R. 225-85 of the French Commercial Code. Shares are recorded 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 recording 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 shall also be issued to shareholders wishing to participate in General Meetings in person who have not received their admission card within the time frame provided for under Article R. 225-85 of the French Commercial Code.

Meetings are held in the town where the Company's registered office is located or any other venue in France as specified in the notice of meeting.

All holders of ordinary shares are entitled to attend and vote at Annual General Meetings, regardless of the number of shares held.

Voting rights (double voting rights) *(excerpt from Article 28-III of the articles of association)*

All shareholders entitled to attend meetings have one vote for each share held, without limitation, save as otherwise provided for 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 shares issued upon capitalisation of reserves, retained earnings or additional paid-in capital in respect of shares entitled to double voting rights.

The double voting rights are cancelled *ipso jure* if the shares are converted to bearer shares or transferred to another shareholder, save as provided for in 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 nominee shareholder acting on behalf of nonresident shareholders or has not disclosed the identity of those non-resident shareholders, as required by the applicable regulations, are not taken into account.

The provisions of the articles of association concerning double voting rights were originally adopted by shareholders at the Extraordinary General Meeting of 30 November 1934 and were amended at the Extraordinary General Meeting of 21 May 1987, when the qualifying period was raised from two to four years.

11.1.4. IDENTIFIABLE HOLDERS OF BEARER SHARES *(Article 11-I of the articles of association)*

In accordance with the applicable regulations, the Company may request at any time from the central securities depository information about the identity of the holders of its bearer shares and any securities carrying rights to its shares, including each such shareholder's name (or corporate name), nationality and address, the number of shares and securities with rights to shares held, and any restrictions attached to the securities.

Based on the information obtained under this procedure, if the Company believes that any shares or securities with rights to shares may be held by nominees, it may contact any shareholders whose names appear on the list, either directly or through the clearing organisation, to request information allowing the Company to identify the ultimate shareholders. In the event of failure to disclose the identity of shareholders, the votes cast or proxies given by the intermediary on record as acting as nominee shareholder will not be taken into account.

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.

In the case of failure by a shareholder or intermediary to disclose the requested information, the shares or securities with rights to shares held or represented by the shareholder or intermediary may be stripped of voting and dividend rights, temporarily or permanently, in accordance with the law.

Statutory disclosure thresholds
(Article 11-II of the articles of association)

Any person or legal entity, acting either alone or in concert with other persons or legal entities, that comes to hold or ceases to hold, by whatever means, a number of shares representing 1% of the voting rights or any multiple thereof, must inform the Company, by registered letter with acknowledgement of receipt, of the number of shares and voting rights held, within five trading days of the relevant disclosure threshold being crossed.

Shareholders that have crossed a disclosure threshold are also required to inform the Company of the number of securities held that carry a deferred right to shares, and of the number of voting rights attached to said securities.

These disclosure requirements no longer 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 being stripped of voting rights at General Meetings at the request of one or more shareholders separately or together owning at least 5% of the share capital or voting rights. Similarly, any voting rights which have not been duly and properly disclosed may not be exercised. Disqualification will apply to all General Meetings held during a period of two years commencing on the date on which the omission is remedied.

11.2. FACTORS LIABLE TO HAVE AN INFLUENCE IN THE EVENT OF A PUBLIC OFFER

Information on the Company's capital structure and significant direct or indirect interests in its share capital known by the Company by virtue of Articles L. 233-7 and L. 233-12 of the French Commercial Code is provided on pages 266 *et seq.*

The articles of association contain no restrictions on voting rights or the transfer of shares. There are no agreements known to the Company by virtue of Article L. 233-11 of the French Commercial Code that contain pre-emption rights with respect to the sale or purchase of the Company's shares.

There are no known shareholders' agreements that could result in restrictions on the transfer of shares and exercise of voting rights. The Company has not issued any securities conferring special control rights.

There are no employee share schemes where the voting rights are not exercised directly by the employees. The rules governing the appointment and replacement of Board members and amendment of the articles of association are described on pages 290 *et seq.*

The powers of the Board of Directors are described on pages 186 and 291. The Board's powers to issue and buy back shares are described on page 267 and page 263 respectively.

Agreements to which the Company is a party and which are altered or terminate upon a change of control of the Company are described on page 207 ("Liquidity Risks").

There are no agreements between the Company and its directors or employees providing for compensation if they resign because of a takeover bid, or are made redundant without valid reason, or if their employment ceases because of a takeover bid.

11.3. HISTORY OF THE COMPANY

1898	Company founded by Geoffroy Guichard and first store opened.
1901	The first Casino-brand products are launched.
1914	Casino operates 460 stores and 195 concessions.
1929	Casino operates 20 plants, 9 warehouses, 998 stores and 505 concessions.
1939	On the eve of World War II, Casino has 1,670 stores and 839 concessions.
1948	First self-service store opens in Saint-Étienne.
1960	First supermarket opens in Grenoble.
1967	First cafeteria opens in Saint-Étienne.
1970	First hypermarket opens in Marseille. Casino acquires L'Épargne, a retailer operating in south-western France.
1971	The Group operates 2,575 outlets.
1976	Casino enters the US market by launching a chain of cafeterias.
1980	Casino manages 2,022 convenience stores, 76 supermarkets, 16 hypermarkets, 251 affiliates, 54 cafeterias and 6 plants.
1984	In the US, the Group acquires the Smart & Final cash & carry chain (90 outlets).
1985	Casino acquires Cédis, a retailer operating in eastern France with annual sales of €1.14 billion.
1990	The Group acquires La Ruche Méridionale, a retailer operating in the south of France with annual sales of €1.2 billion. In the US, the Group acquires Port Stockton Food Distributors. The hypermarket and supermarket service station business is sold to Shell and Agip.
1991	The retail business is spun off into a subsidiary.
1992	Casino acquires Rallye's retailing business.
1994	The Company is converted into a *société anonyme* (joint stock company) with a Management Board and Supervisory Board.
1995	The Group signs a partnership agreement with Corsica-based Corse Distribution (acquisition of a 50% interest in Codim 2 and Médis).
1996	A partnership agreement is signed with Coopérateurs de Normandie-Picardie. A joint venture is set up with Dairy Farm International to develop hypermarkets in Taiwan. Spar France is set up. The Group buys back from Agip the service stations located on the sites of Casino hypermarkets and supermarkets. The first hypermarket is opened in Poland.
1997	Casino acquires the entire capital of Médis. Casino and Shell launch the Club Avantages loyalty card. Casino acquires the Franprix and Leader Price networks (€1.9 billion in sales) and a food wholesaler, Mariault (€152 million in sales). Casino takes a 21.4% stake in the capital of Monoprix/Prisunic.
1998	Casino acquires a 75% stake in Argentine company Libertad. The Centre Auto business is sold to Feu Vert in exchange for 38% of Feu Vert's capital. Casino acquires a 50% stake in Uruguay's Disco Group. The first hypermarket is opened in Taiwan.
1999	Casino acquires a 66% stake in Thailand's Big C Group. A total of 75 convenience stores are acquired from Guyenne & Gascogne. The Opéra central purchasing agency is set up with Cora. The first Imagica one-hour digital film-processing store is opened. Casino acquires a 25% stake in Exito (Colombia) and CBD (Brazil).

11.3. History of the Company

2000	Casino acquires a 50% stake in the capital of Cdiscount. The joint venture with Dairy Farm International in Taiwan is wound up and Casino signs an agreement with the Far Eastern Group for the creation of Far Eastern Geant in Taiwan. The first Leader Price store opens in Poland. The Group acquires 475 convenience stores from Auchan. Casino takes part in the creation of WorldWide Retail Exchange (WWRE), a new B2B electronic marketplace. The Group raises its stake in Monoprix to 49.3%, alongside Galeries Lafayette which also holds 49.3%. Casino strengthens its presence in Latin America – in Uruguay, Disco acquires control of Devoto (21 outlets), and in Venezuela Casino acquires a 50.01% stake in Cativen (48 supermarkets and 2 hypermarkets).
2001	Casino joins forces with Cofinoga to set up Banque du Groupe Casino. A Géant hypermarket is opened in Bahrain (Persian Gulf) under an affiliation agreement with the Sana Group. An agreement is signed with the Bourbon Group providing for the acquisition by Casino of a 33.34% interest in Vindémia, a retail chain operating in Reunion, Madagascar, Mayotte, Mauritius and Vietnam.
2002	Cora terminates the agreement concerning the Opéra joint central purchasing agency. Casino Cafétéria enters the foodservice market. Casino and Galeries Lafayette launch a new-generation loyalty programme, S'Miles, which combines the Points Ciel (Galeries Lafayette) and Club Avantages (Casino/Shell) loyalty programmes. The first two Leader Price stores are opened in Thailand. Casino buys back from Shell the service stations located on the sites of Casino hypermarkets and supermarkets. Casino acquires 38% of Dutch retailer Laurus. A new central purchasing agency, EMC Distribution, is set up. Casino joins forces with Auchan to create International Retail and Trade Services (IRTS), offering services to multinational suppliers and/or SMEs.
2003	Casino and Galeries Lafayette agree to continue their partnership in Monoprix for at least three years, and make a joint public buyout offer for Monoprix shares to be followed by a squeeze out. Smart & Final Inc. sells its foodservice businesses in Florida and California. The Company changes its legal form to a *société anonyme* (joint stock company) with a Board of Directors.
2004	Casino and CNP Assurances announce a strategic agreement for the development and promotion of insurance products for customers of the Group's stores in France. Casino raises its holding in Franprix Holding to 95% and in Leader Price Holding to 75%.
2005	Casino acquires joint control of the CBD Group, with 68.8% of the capital of CBD's holding company. Casino becomes the majority shareholder of Vindémia, with 70% of the capital. The Group's shopping centre properties in France are spun off into a subsidiary, Mercialys, which is floated on the stock exchange. The Group sells 13 warehouse properties to Mines de la Lucette.
2006	The equity swap between Deutsche Bank and Casino is unwound and the GMB/Cora shares are sold. Exito acquires control of Carulla Vivero, a listed company ranked no. 2 in the Colombian retailing market. Casino sells its remaining 38% stake in Feu Vert. The Group joins forces with DunnHumby to create DunnHumby France. Casino sells its Polish operations. International Retail and Trade Services (IRTS), set up in partnership with Auchan, is dissolved.
2007	Casino sells its 55% interest in Smart & Final (US) to investment fund Apollo. Casino becomes the majority shareholder of Exito after exercising its right of first refusal over the shares sold by the Toro family. Casino and Cencosud enter into a joint venture agreement to develop a DIY retail business in Colombia. Casino enters into an agreement with property investment fund Whitehall to develop shopping centres, mainly in Poland and other Eastern European countries. Casino owns 66.8% of Cdiscount after various share purchases and subscribing to a new share issue. Casino owns 100% of Vindémia (Indian Ocean), following Bourbon's exercise of its put option. Casino sells 225 convenience store and supermarket properties in France, as well as store and warehouse properties in Reunion, to two property mutual funds (OPCI).

2008	Casino raises its stake in Super de Boer to 57% of the capital and voting rights. Telemarket.fr signs an agreement with Casino to source its supplies from the Group's central purchasing agency. Casino reduces its interest in Mercialys from 61.48% to 59.76% to comply with "SIIC 4" regulations. The Casino Carbon Index is the first complete environmental labelling system. Emily 2, a new employee share ownership plan, is set up. The Group continues to pursue its policy of capturing the value of its assets by selling 42 convenience, Casino supermarket and Franprix/Leader Price store properties to two property partners, including AEW Immocommercial, a property mutual fund (OPCI). Casino and Galeries Lafayette sign an amendment to their 2003 strategic agreement, which suspends the exercise of their respective put and call options on Monoprix shares for three years. Philippe Houzé is reappointed Chairman of the Board of Monoprix until March 2012.
2009	All preferred non-voting shares are converted into ordinary shares. Groupe Casino signs the United Nations Global Compact, strengthening its commitment to promoting and adopting sustainable and socially responsible policies. It sets up an action plan in the areas of human rights, labour, the environment and anti-corruption. Casino sells the assets and liabilities of its 57%-owned subsidiary Super de Boer to Jumbo. Casino creates GreenYellow, a subsidiary that develops photovoltaic systems on shopping centre store and car park roofs. Casino acquires the Baud family minority interests in Franprix and Leader Price. Casino signs a distribution agreement with the Sherpa network of convenience stores, under which Sherpa agrees to source its supplies from Casino's central purchasing agency. Casino creates a single division combining Géant Casino hypermarkets and Casino Supermarkets, as well as a single food and non-food purchasing department. GPA signs an agreement to create a joint venture between its subsidiary Globex Utilidades SA and Casas Bahia Comercial Ltda, Brazil's leading non-food retailer, thereby strengthening its leadership position in the Brazilian retail market.
2010	The Cactus Group, Luxembourg's leading retailer, becomes a member of Casino's central purchasing agency. The Casino Foundation launches its first programme to prevent hospitalised children from becoming isolated, in partnership with the Docteur Souris association. Casino signs a long-term partnership with the Crédit Mutuel-CIC group for financial products and services in France through its specialised subsidiary Banque du Groupe Casino. Big C, Casino's Thai subsidiary, signs an agreement to acquire Carrefour's Thai operations comprising 42 stores and 37 shopping malls. Casino signs a partnership with the Bolivarian Republic of Venezuela, which acquires 80% of Cativen with Casino retaining 20% to provide its operational support to the new State-controlled entity. Casino gives new impetus to its value-label line by launching the "Tous les jours" range of high quality, low price basic products. The GPA/Casas Bahia merger in Brazil becomes effective in November. Casino joins the European central purchasing agency EMD as of 1 January 2011, improving its supply chain competitiveness.
2011	Casino raises its interest in Cdiscount to 99% by acquiring the interest owned by the Charles brothers, who give up their operating responsibilities at Cdiscount. Casino signs the first corporate Civic Service Promotion Charter with the French Secretary of State for Youth and Community Life. Casino's Convenience division signs an agreement with La Poste to set up convenience stores next to post offices. Casino strengthens its integration in Latin America by selling its interests in Uruguayan companies Disco and Devoto to its Colombian subsidiary Exito with a view to developing synergies. The Casino Group increases its stake in GPA. At 31 December 2011, Casino holds 40.13% of GPA. The Group's subsidiary Banque du Groupe Casino launches a bank debit card available to the general public, in partnership with MasterCard. Cdiscount, the Group's e-commerce subsidiary, becomes the first e-commerce site to accept the MasterCard debit/credit card issued by Banque du Groupe Casino.

2012	Mercialys launches its new "Foncière commerçante" ("retail property investor") development model, enhancing its service offering. Casino strengthens its financial flexibility and begins the process of loss of control of Mercialys. Casino and Galeries Lafayette reach agreement over Monoprix – Jean-Charles Naouri is appointed Chairman and Chief Executive Officer of Monoprix. Casino acquires an interest in Monshowroom, an online fashion wear retailer. Casino becomes the controlling shareholder of GPA, the leading retailer in Brazil. GPA is fully consolidated in Casino's financial statements as of 2 July 2012. Casino wins the Washburne Award for its work in promoting equal opportunities. Casino invests in a brand-new delivery method in food retailing, using the Paris waterways to supply its Franprix stores. Casino is the world's first retailer to offer a new way to shop using innovative technology *via* an order wall with image recognition and NFC1.
2013	Casino gains exclusive control of the Monoprix Group. Casino acquires 38 convenience stores in the south-east of France from the Norma Group. Casino signs an agreement with Mutant Distribution, a subsidiary of Les Coopérateurs de Normandie-Picardie group, concerning Leader Price's acquisition of 47 stores, primarily in south-west France, and the establishment of an affiliation partnership with the Leader Price banner under a brand licensing and supplies agreement covering nearly 90 stores in the Normandy-Picardy regions.
2014	Casino launches three new Cdiscount sites in Thailand, Vietnam, Colombia, Senegal, Brazil and Cameroon. Casino opens its Cdiscount.com website to Internet users in Belgium. The Casino and Bolloré groups enter into a strategic partnership to develop an E-commerce platform in Africa by creating a joint venture between Cdiscount Afrique and Bolloré Africa Logistics. Casino joins forces with CBD, Vie Varejo and Exito to create a major global e-commerce division and forms a new entity, Cnova. Cnova launches an initial public offering on the US stock market and ordinary shares begin trading on NASDAQ Global Select (CNV). Exito agrees to acquire and manage Colombian chain Super Inter's 50 stores (Super Inter is an independent chain located in the Cali and Café regions), acquiring 19 stores and entering into a management lease agreement for 31 stores with a purchase option exercisable in 2015. Casino signs with Les Coopérateurs de Normandie-Picardie and Mutant Distribution a commitment to purchase 63 stores operated under the "Mutant Express", "Point Coop", "C. Express" and "Le Mutant" brands, in exchange for an exclusivity agreement. Casino and Intermarché agree to cooperate on an equal footing in the area of purchasing, as from the 2015 negotiations, exclusively in France. The agreement optimises the partners' purchasing activities and improves services to suppliers of national-brand goods. A Géant hypermarket opens in the new Yas Mall, Abu Dhabi's largest shopping destination and the second-largest in the United Arab Emirates, driven by agreements with local partners.

11.4. BOARD OF DIRECTORS' CHARTER

The Board of Directors has decided to compile and, where appropriate, clarify and supplement, the applicable legal, regulatory and statutory provisions governing its operations.

For this purpose the Board has drawn up a Board of Directors' Charter, which incorporates all of the principles and recommendations from the Afep-Medef Corporate Governance Code and the Application Guide published by the *Haut Comité de Gouvernement d'Entreprise* that the Company follows and takes steps to implement.

This Charter describes the Board's organisational structure and operating procedures, the powers and duties of the Board and its Committees, and the code of conduct applicable to the Board's members.

I. ORGANISATION AND OPERATION OF THE BOARD OF DIRECTORS

Article 1 – Election of directors

The General Shareholders' Meeting elects or renews directors' terms in office for three-year periods. They are eligible to stand for re-election at expiration of their mandate. Every year, some Board members are replaced.

Candidates for election are first reviewed by the Appointments and Compensation Committee (see sections below entitled "Committees of the Board – Shared Provisions" and "Appointments and Compensation Committee").

Directors must be selected based on their ability, the diversity of their experience, their desire to help develop the Group, as well as the contribution they can make to the Board of Directors' efforts.

If, from one General Shareholders' Meeting to the next, one or more seats on the Board becomes vacant due to the death or resignation, the Board of Directors may elect temporary directors. Such appointments shall be subject to the shareholders' approval at the next General Shareholders' Meeting. A director appointed to replace an outgoing director stays in office for the remainder of his predecessor's term.

No person over the age of seventy (70) may be elected as director or permanent representative of a legal entity if such election would cause the number of directors and permanent representatives of legal entities over said age serving on the Board to grow to more than one-third of all directors. Should this threshold be exceeded, the oldest director or permanent representative of a legal entity is considered as having resigned at the Ordinary Shareholders' Meeting held to approve the financial statements for the fiscal year in which the threshold was exceeded.

The Board of Directors seeks to apply the guiding principles of the Afep-Medef Code to its composition and, in particular, to its gender mix and number of independent directors, in accordance with the terms and criteria suggested, in particular, in the Afep-Medef Code.

Article 2 – Meetings and decisions of the Board of Directors

The Board of Directors meets as often as necessary to protect the interests of the Company and whenever it is deemed appropriate.

Meetings are summoned by the Chairman or in the Chairman's name by any person designated by him/her. If the Board has not met in more than two months, at least one third of the directors may ask the Chairman to summon a meeting to discuss a specific agenda. The Chief Executive Officer can also ask the Chairman to summon a Board meeting to discuss a specific agenda.

Meetings are held at the venue specified in the notice of meeting.

Directors may choose another director as their proxy to represent them at Board meetings. Said proxy can be granted by any means, insofar as there is a clear demonstration of the director's willingness to be represented. Each member can only be represented by one other member. However, a director attending the Board meeting *via* videoconference or telecommunication, under the conditions set out hereafter, may not act as a proxy for another director.

The above paragraph's provisions also apply to the permanent representatives of a legal entity.

A quorum of at least half the directors is required for the meeting to deliberate validly. Decisions are taken by majority vote of the directors present or represented. In the event of a tied vote, the Chairman of the meeting casts the deciding vote.

In accordance with legal and regulatory provisions, the Chairman of the Board may, on occasion, allow directors to participate in a meeting *via* videoconference or any other means of telecommunication, if so requested for valid reasons.

Said videoconference or means of telecommunication must, at least, transmit the participant's voice and meet the technical requirements to ensure identification of the director(s) in question to confirm their effective participation in the Board meeting through a continuous live broadcast. It must also be able to guarantee the confidentiality of the proceedings.

As such, the videoconference tool must simultaneously transmit both image and voice and enable the person(s) attending the meeting *via* such means, as well as the persons physically present at the meeting, to recognise each other.

Telecommunication is the use of a telephone conference system that allows those persons physically present at the meeting and the person(s) attending *via* teleconference to recognise, beyond any doubt, the voice of each participant.

In case of doubt or poor reception, the Chairman of the meeting may decide to continue the meeting's proceedings without taking into account, in the calculation of the meeting's quorum and majority, a person whose voice can no longer be identified with sufficient security, provided the quorum is still met with the remaining directors present. The Chairman may also decide to remove said director's name from the meeting's attendance register if the videoconferencing or means of telecommunication experience a technical malfunction during the meeting and can no longer ensure the complete confidentiality of the proceedings.

If he/she decides to allow the use of videoconferencing or telecommunication, the Chairman of the Board must first ensure that all members invited to attend *via* one of these communication means are using the equipment necessary to take part in the meeting effectively and under the proper conditions.

In addition, the minutes of the meeting shall indicate the names of the director(s) attending the meeting *via* videoconferencing or telecommunication, and mention any technical disruption or incidents that occurred during the meeting.

Directors taking part in Board meetings *via* videoconferencing or telecommunication are deemed present for the purposes of calculating the quorum and majority, except in the following cases:

- the election and compensation of the Chairman of the Board, the Chief Executive Officer or the Deputy Chief Executive Officer(s);
- the termination of the term of office of the Chief Executive Officer or the Deputy Chief Executive Officer(s);
- the approval of the annual and interim financial statements of the Company and the Group, together with any reports related thereto.

Furthermore, the Chairman may allow a director to take part in meetings *via* any other means of telecommunication. In this case, however, the director concerned shall not be deemed present for the purpose of calculating the quorum and majority.

The Board of Directors may also invite non-voting, non-members of the Board to attend its meetings, in a consultative capacity only.

An attendance register is drawn up and signed by those directors attending the Board meeting.

By signing the attendance register, the Chairman of the meeting certifies the presence of the directors attending a meeting *via* videoconference or telecommunication.

Article 3 – Board meeting minutes

Board resolutions are recorded in minutes signed by the Chairman of the meeting and at least one of the directors present. Minutes are approved at the next Board meeting and a draft copy is sent to all directors before said meeting.

The minutes shall indicate whether or not videoconferencing or means of telecommunication were used, and list those directors who participated by those means, and mention any technical incidents that may have occurred during the meeting.

The Chairman of the Board, the Chief Executive Officer, a Deputy Chief Executive Officer, the director temporarily acting as Chairman, the Secretary of the Board, or a duly empowered representative can validly certify copies or excerpts of meeting minutes.

Article 4 – Compensation of the Board of Directors' members

The Board of Directors can receive an aggregate amount of annual compensation, in the form of directors' fees, determined by shareholders at the General Shareholders' Meeting.

The total amount of directors' fees thus allocated by shareholders at the General Shareholders' Meeting pursuant to Article 22-I of the articles of association, is distributed by the Board of Directors, based on the proposal or recommendation of the Appointments and Compensation Committee, in accordance with the following terms and conditions:

- a fixed amount allocated to each director;
- a variable amount, which must be higher than the fixed amount, acquired based on effective attendance at Board meetings;
- any member of the Board of Directors can also receive additional directors' fees based on their specific experience or the specific tasks the Board assigns to him/her.

The Board of Directors sets, as the case may be, the amount of any other compensation payable to the Chairman and Vice-Chairman or Chairmen of the Board of Directors. It may also allocate exceptional compensation for special assignments or mandates entrusted to its members.

Each director, whether a natural person, legal entity or permanent representative, undertakes to hold a number of shares in the Company equivalent to the sum of at least one year's directors' fees, which can be used to buy shares. Shares acquired to meet this requirement must be held in registered form.

II. AUTHORITY AND POWERS OF THE BOARD OF DIRECTORS

Article 5 – Duties and powers of the Board of Directors

Under the provisions of Article L. 225-35 of the French Commercial Code:

"The Board of Directors is responsible for determining the Company's strategic objectives and ensuring they are met.

Save for those powers expressly granted to shareholders at the General Shareholders' Meeting, and provided it is consistent with its corporate purpose, the Board of Directors analyzes and decides on all matters related to the Company's business operations".

The Board of Directors also decides whether or not to combine the positions of Chairman of the Board and Chief Executive Officer. Where the positions are separate, the Chief Executive Officer must be a natural person, and need not be a director.

The Board of Directors exercises the powers vested in it by law and the Company's articles of association. To exercise these powers, it has the right to obtain and disclose information and can rely on the assistance of specialised Board Committees.

A – Powers vested in the Board of Directors

The Board of Directors reviews and approves the annual and interim financial statements of the Company and the Group, as well as the reports on the operations and results of the Company and its subsidiaries. It also approves budgets and forecasts.

It summons General Shareholders' Meetings and can, upon delegation, carry out securities issues.

B – Matters requiring the Board of Directors' prior authorisation

In addition to the prior authorisations expressly required by law regarding securities, collateral, or guarantees in the name of the Company and the related-party agreements governed by Article L. 225-38 of the French Commercial Code, the Board of Directors has decided, as an internal rule, that its prior authorisation must be obtained for certain management transactions due to their nature or value, as specified in the paragraph below entitled "Senior Management".

Accordingly, the Board's authorisation is required for all transactions that could potentially affect the strategy of the Company and its subsidiaries, their financial structure or scope of business and, in particular, for the execution or termination of commercial agreements that could, potentially, significantly impact the Group's future development, or that individually exceed €500 million in value.

In this respect, the Board has also granted certain annual general delegations of authority, described in the paragraph below entitled "Senior Management".

Article 6 – Right to obtain and disclose information

The Board of Directors carries out all the verifications and controls it deems necessary and at the times it deems appropriate. The Chairman or Chief Executive Officer is responsible for providing all directors with the documents and information they need to perform their duties.

Prior to each Board meeting, members of the Board of Directors receive all the information they require to study the items on the agenda before they are discussed at the meeting, provided such information is available and comprehensive enough.

The Chief Executive Officer reports to the Board of Directors on the following at least once every quarter:

- operations of the Company and its main subsidiaries including, in particular, revenues and change in income;
- debt and the credit lines available to the Company and its main subsidiaries;
- headcount data for the Company and its main subsidiaries.

The Board of Directors also reviews the Group's off-balance sheet commitments at least once every six months.

Article 7 – Chairman of the Board of Directors

The Chairman of the Board organises and chairs Board meetings and reports to shareholders on the Board's work at the General Shareholders' Meeting. He/she is responsible for ensuring that the Company's corporate bodies function correctly and, in particular, that directors are able to perform their duties successfully.

In a report attached to the Annual Management Report, the Chairman discloses the composition, the conditions under which the Board's work is prepared and organised, as well as the internal control and risk management procedures implemented by the Company, particularly regarding procedures for the preparation and processing of accounting and financial information in the Company's annual and consolidated financial statements. This report also indicates any restrictions placed by the Board of Directors on the Chief Executive Officer's powers.

The report also indicates any Afep-Medef Code provisions, which the Company uses as its corporate governance reference, that are not retained and the reasons why. It indicates where a copy of the Code may be obtained.

The report also describes any special conditions applicable to shareholder participation in General Shareholders' Meetings or references the specific sections in the articles of association where such conditions can be found.

The report sets out the principles and rules set by the Board of Directors to determine the compensation and benefits paid to corporate officers and specifies the information disclosed pursuant to the terms of Article L. 225-100-3 of the French Commercial Code. The report, approved by the Board of Directors, is released to the public.

The Chairman is elected for a period that cannot exceed his/her term of office as Director. If the Chairman reaches the age of 70 while in office, he is required to resign at the end of that term.

In the event that the Chairman is temporarily unavailable or deceased, the Board of Directors may appoint another director as acting Chairman. In the event that he/she is temporarily unavailable, the acting Chairman is appointed for a set period, which may be renewed. In the case of death, the acting Chairman is appointed until such time as a new Chairman is elected.

Article 8 – Senior Management

Pursuant to the terms of Article L. 225-56 of the French Commercial Code, the Chief Executive Officer has full powers to act in all circumstances in the name of the Company. He/she exercises said powers within the scope of the Company's corporate purpose, subject to the powers specifically vested, by law, in the General Shareholders' Meeting and the Board of Directors. The Chief Executive Officer represents the Company in its dealings with third parties.

However, the Board of Directors has decided, as an internal rule, that the Chief Executive Officer must obtain the Board's prior authorisation for the following:

- transactions that could potentially affect the strategy of the Company and its controlled subsidiaries, their financial structure or scope of business, particularly the execution or termination of industrial and commercial agreements that could significantly impact the Group's future development;
- transactions valued individually at over five hundred million euros (€500,000,000), including but not limited to:
  - investments in securities and immediate or deferred investments in any company or business venture,
  - contributions or exchanges of assets, with or without additional compensation, concerning goods, rights, or securities,
  - acquisitions of real property or real property rights,
  - purchases or sales of receivables, acquisitions or divestments of goodwill or other intangible assets,
  - issues of securities by directly or indirectly controlled companies,
  - granting or obtaining loans, borrowings, credit facilities or short-term advances,
  - transactions or compromises to settle legal disputes,
  - disposals of real property or real property rights,
  - full or partial divestments of equity interests,
  - constitution of collateral and guarantees.

As an exception to the above rules, the Chief Executive Officer may, on an exceptional basis and after obtaining the opinion of the Audit Committee, carry out any transaction valued at no more than 15% of consolidated equity as measured at the previous year-end. The Chief Executive Officer reports on any such transaction at the next Board meeting.

These provisions apply to transactions carried out directly by the Company and by all entities the Company directly or indirectly controls, except for intragroup transactions.

The Board of Directors may also grant the Chief Executive Officer authority to carry out the following transactions for a one-year period, up to a maximum aggregate limit set on an annual basis by the Board of Directors:

- Securities, collateral, and guarantees

  The Chief Executive Officer may issue securities, collateral, or guarantees to third parties in the Company's name, subject to a maximum annual limit of €1.5 billion and a maximum limit per commitment of €500 million.
- Loans, confirmed credit lines, short term advance facilities and all financing agreements

  The Chief Executive Officer may negotiate and/or renew or extend loans, confirmed credit lines and all syndicated and non-syndicated financing agreements subject to a maximum annual limit of €3.5 billion and a maximum limit per transaction of €500 million.

  To cover seasonal needs, he may also negotiate, implement, roll over and extend short-term advances up to a maximum amount of €1 billion.
- Issuance of bonds and other debt securities

  The Chief Executive Officer may issue bonds or any debt securities other than commercial paper, under the EMTN programme or otherwise, subject to a ceiling of €3.5 billion, determine the terms and conditions of any such issue and carry out all related market transactions.

  He may also issue commercial paper subject to a ceiling of €2 billion.
- Guarantees given by Casino concerning all of Casino Finance's commitments

  The Chief Executive Officer may guarantee the commitments made by Casino Finance in the name of Casino, Guichard-Perrachon and third parties, by any means (securities, collateral, and guarantees, including first demand guarantees):
  - bond issues, including those as part of a Euro Medium Term Note (EMTN) programme currently subject to a maximum size of €9 billion, and/or commercial paper, and/or debt securities, as well loan, confirmed credit line, financing and short term advance facility agreements, within the limit of the same specific ceilings per transaction and per year as fixed above for annual authorisations of the aforementioned items;
  - amounts due in respect of foreign exchange transactions and derivative instruments associated with an ISDA or FBF Master Agreement entered into by Casino Finance, subject to a ceiling of €100 million per bank and within the limit of a total of €1.2 billion.

  This authorisation is separate from the specific annual authorisations granted above and its use is not included in the per transaction and per year ceilings set for such authorisations.

The Chief Executive Officer may delegate all or some of these powers, except the power to issue bonds or other debt securities. He/she is required to report regularly to the Board of Directors on their use.

These authorisations apply to transactions involving the Company and all entities controlled directly or indirectly by the Company.

The Chief Executive Officer's term of office is set by the Board of Directors at its discretion, but may not exceed three years. If the Chief Executive Officer reaches the age of 70 while in office, he is required to stand down at the end of that term.

In the event that the Chief Executive Officer is temporarily unavailable, the Board of Directors shall appoint an acting Chief Executive Officer until such time as the Chief Executive Officer is able to resume exercising his duties.

Based on the Chief Executive Officer's proposal, the Board of Directors may appoint one or more natural persons in charge of assisting the Chief Executive Officer. Such natural persons are assigned the title of Deputy Chief Executive Officer.

The Board of Directors cannot appoint more than five Deputy Chief Executive Officers.

In agreement with the Chief Executive Officer, the Board of Directors determines the scope and duration of the powers to be vested in the Deputy Chief Executive Officers. They have the same powers as the Chief Executive Officer in dealings with third parties.

The Chairman, provided he/she is also Chief Executive Officer, the Chief Executive Officer, or each of the Deputy Chief Executive Officers may delegate their powers to carry out one or several specific transactions or categories of transaction.

III. COMMITTEES

Article 9 – Technical Committees of the Board – Shared Provisions

Under the terms of Article 19-III of the Company's articles of association, the Board of Directors may establish one or more specialised committees. It is responsible for appointing said committees' members and specifying their respective roles and responsibilities, which said members exercise under its authority. The Board of Directors may not delegate any powers to these Committees that are specifically vested in the Board of Directors either by law or under the Company's articles of association. Each committee reports on its work at the next Board meeting.

Each Committee has at least three members, who must be directors, permanent representatives of legal entities or non-voting directors, appointed by the Board. Members are appointed on an entirely personal basis and may not be represented by proxy.

The Board of Directors sets the terms of office of Committee members. Said terms of office can be renewed.

The Board of Directors appoints a Chairman within each Committee for a term of office not to exceed three years, save for any special circumstances.

Each Committee decides how often it will meet and may invite anyone it deems appropriate to attend meetings.

Minutes are prepared after each Committee meeting, unless specifically provided otherwise, under the authority of the Committee Chairman. Such minutes are sent to all Committee members. The Committee Chairman reports to the Board of Directors on the Committee's work.

The work carried out by each Committee is described in the Company's annual report and is further detailed in the Chairman's report.

The Committees are responsible for making proposals or recommendations and giving their opinion in their specific area of expertise. To this end, they may conduct or commission any research or studies likely to assist the Board of Directors in its decisions.

Committee members are paid specific fees allocated by the Board of Directors based on the recommendation of the Appointments and Compensation Committee.

The Board of Directors currently relies on three committees for assistance: the Audit Committee, the Appointments and Compensation Committee, and the Governance Committee.

Each Committee has its own organisational and operational charter, which is approved by the Board of Directors.

Article 10 – Audit Committee

10.1. Composition – Organisation

The Audit Committee has at least three members, two-thirds of whom are independent within the meaning of the criteria set out in the Afep-Medef Code. The members are appointed by the Board of Directors from among those directors with finance and management experience. Company executives may not be members of the Committee.

The Audit Committee meets at least three times a year at the initiative of its Chairman, who may also arrange any additional meetings as required. If a member of the Audit Committee is unable to physically attend a meeting, he or she may participate *via* any means of telecommunication. The Chairman or any delegated member of the Committee draws up an agenda and sends it to each Committee member before the meeting.

The Audit Committee may meet with any person involved in the operational management of the Company and its subsidiaries and, in particular, when members of senior management are not present. It may call upon any outside consultant or expert it deems appropriate to assist in its duties. The Audit Committee may also organise, as often as needed, specific meetings with the Statutory Auditors and executives of the Company and its subsidiaries.

The Committee reports to the Board of Directors on its work, research and recommendations. The Board of Directors has absolute discretion to decide whether or not to act on such recommendations.

The Audit Committee has a charter, approved by the Board of Directors, describing its organisation, operation, expertise and responsibilities.

10.2. Role and duties of the Audit Committee

In accordance with the provisions of Article L. 823-19 of the French Commercial Code and under the exclusive and joint responsibility of the Board of Directors, the Audit Committee is in charge of monitoring issues that relate to the preparation and auditing of accounting and financial information. Company executives may not be members of the Audit Committee.

10.2.1. Review the accounts and the financial statements

The Audit Committee is responsible for assisting the Board of Directors in its mission of reviewing and approving the annual and interim financial statements.

As part of its monitoring of the process by which accounting and financial information is prepared, the Audit Committee reviews the Group's annual and interim financial statements, together with the accompanying reports, before they are approved by the Board of Directors. The Committee ensures that the financial statements are consistent with any other information available to it and assesses the appropriateness of the accounting policies used and their compliance with applicable accounting standards.

The Committee reviews the procedures for approving the financial statements and the nature, scope and outcome of the work undertaken by the Statutory Auditors for the Company and its subsidiaries.

As part of this process, the Audit Committee holds discussions with the Statutory Auditors, including, if it so wishes, in the absence of the Company's representatives, and reviews their audit reports and conclusions.

10.2.2. Statutory Auditors

The Audit Committee participates in the process of selecting Statutory Auditors and receives information on the selection process implemented by the Group's subsidiaries. The Committee reviews and gives its opinion on the candidates presented for appointment.

The Audit Committee verifies the independence of the Statutory Auditors, with whom it has regular contact. It also reviews the scope of relations between the Statutory Auditors and the Company and its subsidiaries and provides an opinion on their fees.

The Audit Committee organises the process for selecting Statutory Auditors.

10.2.3. Monitoring of the effectiveness of internal control and risk management systems

The Audit Committee periodically reviews the internal control systems, and more generally the audit, accounting and management procedures of the Company and the Group, through discussions with the Chief Executive Officer, internal audit teams, and the Statutory Auditors.

The Committee also deals with any facts or events that may have a significant impact on the position of Casino, Guichard-Perrachon or its subsidiaries in terms of commitments and/or risks. It ensures that the Company and its subsidiaries have the internal audit, accounting and legal teams necessary to prevent risks and any anomalies in the management of the Group's business.

10.2.4. Prior review of related-party agreements

The Board of Directors of Casino, Guichard-Perrachon has introduced a specific internal procedure that calls for the Audit Committee's prior review of agreements and transactions between Casino, Guichard-Perrachon or any of its wholly-owned subsidiaries ("subsidiary")[1] on the one hand, and a related party on the other. The procedure is triggered whenever the maximum individual or aggregate amount of such agreements and/or transactions exceeds (i) €10 million per transaction and, beyond the aggregate €10 million threshold, (ii) in €1 million increments for all further transactions with the same related party during the fiscal year.

Related parties include:

(i) any company that is exclusively or jointly controlled, whether directly or indirectly, excluding subsidiaries;

(ii) any company accounted for by the equity method in the consolidated financial statements;

(iii) any company that directly or indirectly controls Casino, Guichard-Perrachon.

However, the procedure does not apply to related-party agreements and transactions that concern, in particular, routine flows in the normal course of the Group's business (for example, purchases/sales of goods, leasing of commercial space and franchise or affiliation agreements) or the issue of a guarantee or a payment for a guarantee unless the compensation is not compliant with standard operating procedures within the Group.

The procedure for the prior review of related-party agreements is governed by a specific charter that was prepared by the Audit Committee and approved by the Board of Directors.

The Committee also expresses its opinion on exceptions to the restrictions on the Chief Executive Officer's powers, as applicable, under exceptional circumstances, under the terms of Article 8 of the Board of Directors' Charter. If an exception is granted, the Chief Executive Officer may, after the Audit Committee has rendered its opinion, carry out any transaction in an amount not to exceed 15% of consolidated equity as assessed at the previous year-end.

The Audit Committee may fulfill any other duties associated with its role at the request of the Board of Directors.

Article 11 – Appointments and Compensation Committee

11.1. Composition – Organisation

The Appointments and Compensation Committee has at least three members, the majority of whom are independent within the meaning of the criteria set out in the Afep-Medef Code. The Committee's members are appointed by the Board of Directors. Company executives may not be members of the Appointments and Compensation Committee. Nevertheless, the Chairman of the Board of Directors participates in the process of selecting new directors.

The Appointments and Compensation Committee meets at least twice a year at the initiative of its Chairman, who may also arrange additional meetings as required. If a member of the Committee is unable to physically attend a meeting, he or she may participate *via* any means of telecommunication. The Chairman or any delegated member of the Committee draws up an agenda and sends it to each Committee member before the meeting.

In association with the Chief Executive Officer, the Appointments and Compensation Committee works closely with the Group's Human Resources department, and may call upon any outside consultant or expert it deems appropriate to assist in its duties.

The Appointments and Compensation Committee reports to the Board of Directors on its work, research and recommendations. The Board of Directors has absolute discretion to decide whether or not to act on such recommendations.

11.2. Role and duties of the Appointments and Compensation Committee

11.2.1. Compensation

The Committee is responsible for:

- preparing discussions concerning the compensation of the Chief Executive Officer and, where applicable, the Deputy Chief Executive Officers, and proposing qualitative and quantitative criteria for determining any variable component to said compensation;
- assessing all other benefits or entitlements granted to the Chief Executive Officer and, where applicable, the Deputy Chief Executive Officers;
- submitting proposals and formulating opinions on attendance fees and any other compensation or benefits to be paid to the directors and non-voting directors;
- reviewing proposals for stock option plans and/or free share plans to be offered to the Group's employees and managers in order to enable the Board of Directors to set the total and/or individual number of options or free shares to be granted as well as the terms and conditions of said grant;
- reviewing the workplace gender equality policy in preparation for the Board's annual discussions (as provided for under the terms of Article L. 225-37-1 of the French Commercial Code).

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(1) "Subsidiary" refers to any company in which Casino, Guichard-Perrachon owns 100% of the shares, minus the minimum number of shareholders required for certain types of companies and the number of shares held by Group executives and employees within a 5% limit.

11.2.2. Election duties

The Committee is responsible for:

- reviewing the composition of the Board of Directors;
- carrying out the process of selecting new directors or renewing the terms of current directors and reviewing potential candidates based on the criteria and factors set by the Governance Committee;
- suggesting names of candidates to be appointed as members of the Board's specialised Committees;
- reviewing potential candidates' applications for the position of Chief Executive Officer and, where applicable, Deputy Chief Executive Officer;
- obtaining all useful information concerning recruitment terms and conditions, compensation and status of senior executives of the Company and its subsidiaries;
- periodically assessing the independence of directors based on the criteria retained in the Afep-Medef Code;
- reviewing the talent development and succession plans;
- stating its opinion on the appointment of the Lead independent director, who is selected from among the Governance Committee members, based on the Chairman and Chief Executive Officer's proposal.

11.2.3. Corporate Social Responsibility

The Committee reviews the annual report submitted to the Board of Directors and presented to the shareholders.

Article 12 – Governance Committee

12.1. Composition – Organisation

The Governance Committee has at least three members appointed by the Board of Directors from among its members, and at least two-thirds of whom are independent within the meaning of the criteria set out in the Afep-Medef Code. Company executives may not be members of the Governance Committee.

The Committee meets at least twice a year at the initiative of its Chairman, who may also arrange any additional meetings as required. If a member of the Committee is unable to physically attend a meeting, they can participate *via* any means of telecommunication. The Chairman or any delegated member of the Committee draws up an agenda and sends it to each Committee member before the meeting.

The Committee may call upon any outside consultant or expert it deems appropriate to assist in its duties.

The Governance Committee reports to the Board of Directors on its work, research and recommendations. The Board of Directors has absolute discretion to decide whether or not to act on such recommendations.

12.2. Role and duties of the Governance Committee

12.2.1. Corporate governance

The Committee is responsible for:

- preparing and updating the charters of the Board of Directors and its specialised Committees, the charter on related-party agreements, and any other charter in effect;
- reviewing changes in corporate governance guidelines (particularly within the framework of the Afep-Medef Code) and identifying emerging practices and significant developments in corporate governance-related regulations and/or practices, both in France and abroad;
- leading discussions and formulating recommendations for the Board of Directors on best practices in the area of corporate governance and, where applicable, on actions to be taken;
- monitoring the corporate governance-related practices implemented by the Group's subsidiaries and ensuring that they are consistent with those in effect within the Company. When necessary, the Committee makes recommendations;
- preparing information for the Board of Directors' review of corporate governance-related issues;
- annually reviewing the Chairman of the Board of Directors' draft report on corporate governance and making any comments before it is submitted to the Board of Directors for approval.

12.2.2. Directors' conduct

The Governance Committee is called upon to:

- handle ethical issues relating to the directors. It discusses ethical issues that the Board of Directors or the Chairman of the Board of Directors submit for review or that it independently chooses to discuss.

  The Governance Committee ensures the implementation of a Directors' Code of Conduct and updates it when necessary;
- ensure compliance with and the proper application of ethical rules, particularly those contained in the Directors' Code of Conduct.

12.2.3. Assessment of the Board of Directors

Within the framework of corporate governance principles, the Governance Committee is responsible for determining the terms and conditions of and conducting the assessment of the Board of Directors' organisation and practices.

12.2.4. Composition of the Board of Directors and Committees of the Board

The Governance Committee periodically reviews the structure, size and membership of the Board of Directors and the Committees of the Board, and informs the Board of its recommendations regarding any proposed changes.

12.2.5. Corporate Social Responsibility (CSR)

The Governance Committee regularly reviews the Group's Corporate Social Responsibility (CSR) policy and may express any opinion or recommendation on the subject to the Board of Directors.

The Governance Committee fulfils these duties in liaison with the Appointments and Compensation Committee, which is called upon to review the annual CSR report submitted to the Board and presented to the shareholders.

12.2.6. Management of conflicts of interest

The Governance Committee may examine any exceptional issue that may trigger a conflict of interest within the Board of Directors and shares any opinion or recommendation it may have on the matter.

IV. LEAD INDEPENDANT DIRECTOR

Article 13 – Lead independant Director

The Lead independant Director is appointed from among the independent members of the Governance Committee on the proposal of the Chairman and Chief Executive Officer and upon review by the Appointments and Compensation Committee.

The Lead independant Director ensures that combining the roles of Chairman and Chief Executive Officer does not have an adverse impact on the Board's operation, such as information provided to directors, the inclusion of items of the agenda of Board meetings and the organisation of Board discussions and votes.

The Lead independant Director may, if necessary, consult with the Governance Committee at any time about any potentially problematic issues.

Each year, the Lead independant Director presents a report to the Governance Committee on the conditions under which the respective roles of Chairman and Chief Executive Officer are exercised.

V. NON-VOTING DIRECTORS

Article 14 – Non-voting directors

The Ordinary Shareholders' Meeting may appoint non-voting directors, either natural persons or legal entities, from among the shareholders. The Board of Directors may elect a non-voting director subject to ratification at the next General Shareholders' Meeting.

The number of non-voting directors may not exceed five. They are elected for a term of three years and may be re-elected.

A non-voting director reaching the age of 80 while in office is required to stand down at the Ordinary Shareholders' Meeting held to approve the financial statements for the year in which this age limit was reached.

Non-voting directors attend Board meetings and participate in discussions in a consultative capacity only.

They may receive compensation, the total aggregate amount of which is determined by the Ordinary Shareholders' Meeting. This amount is maintained until a change is decided at a future Shareholders' Meeting. The Board of Directors allocates this compensation to the non-voting directors at its own discretion.

VI. DIRECTORS' CODE OF CONDUCT

Article 15 – Principles

The Company's directors must be able to exercise their duties in compliance with the rules of independence, business ethics and integrity.

In line with good corporate governance practices, directors exercise their duties in good faith in the manner they consider most appropriate to promote the interests of the Company and with the care that would be expected of a normally prudent person under such circumstances.

The directors undertake to maintain their freedom of analysis, judgement, decision and action at all times, and to withstand any direct or indirect pressure that may be exerted on them.

Article 16 – Duty of information

Before accepting office, directors must review the laws and regulatory requirements applicable to their position, as well as any provisions specific to the Company and specified in its articles of association and in this charter.

Article 17 – Protection of the Company's interests – conflicts of interest

Each director must act in all circumstances in the best interests of the Company.

Each director undertakes to ensure that the Company's decisions do not favour one particular class of shareholder over another.

Each director must alert the Board regarding any actual or potential conflict of interest in which they might be directly or indirectly involved. In this case, he/she must abstain from voting on the matters in question.

Article 18 – Control and assessment of the Board of Directors' functioning

Directors must pay careful attention to the powers and responsibilities respectively assigned to the Company's corporate bodies, as well as their exercise by said corporate bodies.

They must ensure that no person can exercise uncontrolled discretionary power over the Company, and that the Committees of the Board of Directors operate effectively.

The Board of Directors discusses its practices and procedures once per year.

The Board of Directors also routinely conducts an assessment of its own operating methods. The Chairman of the Board of Directors calls upon the Governance Committee to conduct such assessments.

Independent directors may meet to discuss any matter, in the absence of the Chairman of the Board of Directors and members of senior management.

Article 19 – Presence of directors

Each director must devote the appropriate amount of time and attention to their duties. They must make every effort to attend all Board meetings, General Shareholders' Meetings, and the meetings of any Committees on which they serve.

Article 20 – Dealing in the Company's shares

In accordance with Article L. 621-18-2 of the French Monetary and Financial Code (*Code monétaire et financier*) and Article L. 222-14 of the General Regulations of the *Autorité des Marchés Financiers* (AMF), each natural person and legal entity is required to disclose to the AMF all purchases, sales, subscriptions or exchanges of the Company's shares in excess of an aggregate €5,000 per calendar year. This information must be disclosed no later than five trading days following the transaction date. Transactions subject to disclosure include purchases and sales of derivative instruments and acquisitions of shares on exercise of stock options, even when the acquired shares are not sold immediately.

This requirement also applies to persons who have "close personal ties" with any members of the Board of Directors, defined as any of the following persons: a director's spouse or partner, dependent children, or any company, trust or partnership that is managed and/or controlled, directly or indirectly, by members of the Board of Directors or by persons with close personal ties to such members.

All of the Company shares held by directors must be registered shares. Directors must also inform the Company regarding the number of Company securities they hold as of 31 December of every year and at the time of any financial transactions.

Article 21 – Confidentiality

Directors, and any other persons attending the Board of Directors' meetings, are subject to a general confidentiality requirement with regard to the deliberations of both the Board and its Committees.

Non-public information shared with a member of the Board of Directors in the context of his/her duties is shared on a strictly personal basis. He/she must personally protect the confidentiality of such information and must not disclosed it under any circumstances. This requirement also applies to representatives of legal entities serving on the Board, as well as to non-voting directors.

Article 22 – Inside information

The information sent to the members of the Board of Directors is subject to the provisions of Article L. 465-1 of the French Monetary and Financial Code, Articles 611-1 to 632-1 of the AMF's General Regulations, and European Commission Regulation no. 2773/2003 on inside information and insider trading.

In particular, if the Board of Directors receives specific confidential information which, if published, could have a significant impact on the share price of the Company, one of its subsidiaries, or affiliates, directors are required to refrain from sharing this information with third parties until it is effectively released to the public.

Directors shall also refrain from dealing in the Company's shares during the 15-day blackout period preceding the publication date of the Company's annual and interim financial statements.

In accordance with legal and regulatory provisions concerning abstention requirements relative to inside information, each director has been registered on the Company's list of permanent insiders who have routine access to inside information.

The directors were informed regarding their inclusion on this list and were reminded of their duties concerning inside information and the applicable penalties if they are violated.

VII. ADOPTION OF THE BOARD OF DIRECTORS' CHARTER

This Charter was approved by the Board of Directors at its meeting dated 9 December 2003. Its most recent update was approved on 15 December 2015.

11.5. STORE NETWORK

	Number of stores at 31 December			Retail space (in thousands of sq.m.)		
	2013	2014	**2015**	2013	2014	**2015**
Géant Casino Hypermarkets	**126**	**127**	**128**	**920**	**925**	**926**
o/w						
French Affiliates	7	7	7			
International Affiliates	9	10	11			
Casino Supermarkets	**444**	**444**	**441**	**705**	**712**	**722**
o/w						
French Franchised Affiliates	60	63	60			
International Franchised Affiliates	34	32	33			
Monoprix	**584**	**632**	**698**	**681**	**716**	**698**
o/w						
Franchises/Affiliates	163	186	197			
Naturalia	74	90	126			
Naturalia franchises	1	2	3			
Franprix	**885**	**860**	**867**	**372**	**371**	**364**
o/w Franchises	344	323	350			
Leader Price	**619**	**801**	**810**	**548**	**648**	**661**
o/w Franchises	120	207	263			
Total Supermarkets and Discount	**2,532**	**2,737**	**2,816**	**2,306**	**2,447**	**2,445**
Convenience	**7,347**	**6,825**	**6,916**	**913**	**858**	**864**
Indian Ocean	**131**	**129**	**146**	**113**	**112**	**114**
Other businesses (Cafeterias, Drive, etc.)	**513**	**598**	**621**	**NA**	**NA**	**NA**
TOTAL FRANCE	**10,649**	**10,416**	**10,627**	**4,254**	**4,345**	**4,350**

	Number of stores at 31 December			Retail space (in thousands of sq.m.)		
	2013	2014	**2015**	2013	2014	**2015**
Argentina	**22**	**27**	**27**	**117**	**115**	**112**
Libertad Hypermarkets	15	15	15	116	113	111
Mini Libertad mini-supermarkets	7	12	12	1	2	2
Uruguay	**54**	**54**	**61**	**80**	**80**	**83**
Géant Hypermarkets	2	2	2	16	16	16
Disco Supermarkets	28	28	29	30	31	32
Devoto Supermarkets	24	24	24	33	33	33
Devoto Express mini-supermarkets			10			2
Brazil	**1,999**	**2,143**	**2,181**	**2,753**	**2,864**	**2,904**
Extra Hypermarkets	138	137	137	805	812	803
Pão de Açúcar Supermarkets	168	181	185	218	233	237
Extra Supermarkets	213	207	199	242	237	228
Assaí (discount)	75	84	95	272	317	373
Mini Mercado Extra mini-supermarkets	164	256	311	39	62	79
Casas Bahia	602	663	760	824	868	934
Ponto Frio	397	374	254	259	244	166
Drugstores	157	158	157	11	11	12
+ Service stations	85	83	83	84	81	73
Colombia	**739**	**1,258**	**1,668**	**790**	**889**	**970**
Éxito Hypermarkets	85	82	85	470	460	472
Éxito and Carulla Supermarkets	145	153	163	193	205	212
Super Inter Supermarkets		46	58		54	58
Surtimax (discount)	415	874	1,248	109	151	206
o/w "Aliados"	*269*	*721*	*1,095*			
Éxito Express and Carulla Express mini-supermarkets	91	102	113	15	18	21
Other businesses	3	1	1	4	1	1
Thailand	**559**	**636**	**734**	**1,045**	**1,073**	**1,102**
Big C Hypermarkets	119	123	125	956	971	979
Big C Supermarkets	30	37	55	38	43	57
Mini Big C mini-supermarkets	278	324	391	46	53	60
Pure	132	152	163	5	6	7
Vietnam	**35**	**40**	**42**	**131**	**150**	**155**
Big C Hypermarkets	25	30	32	128	148	152
Convenience	10	10	10	3	2	2
TOTAL INTERNATIONAL	**3,408**	**4,158**	**4,717**	**4,916**	**5,171**	**5,327**

11.6. INTERIM FINANCIAL INFORMATION

11.6.1. Q1 2016 SALES

Accelerated growth in France and Latin America

- In France, good performance with organic growth of 2.9% (1.5% on a same-store basis)
  - **Géant Casino:** 4.0%[1] growth (same-store and organic) with positive non-food sales and ongoing gains in market share.
  - **Leader Price:** continued growth, with sales up 7.2% on an organic basis and 4.5% on a same-store basis and gains in market share.
  - Performance of the Group's other banners in line with Q4 2015.
- In Latin America, food sales up 8.3% on an organic basis, with a positive trend in Brazil (sales up 5.7% in Q4 2015)
  - **Éxito (excluding Brazil):** continued acceleration in growth with good performance in all countries.
  - **GPA Food:** significant improvement in sales, with organic growth of 7.8%.
  - **Via Varejo:** more moderate downturn in sales.
- E-commerce: gross merchandise volume (GMV) up 4.2% at constant exchange rates[2].

Sales trends by sector

By sector		Q4 2015/Q4 2014 change			**Q1 2016/Q1 2015 change**			
(in € millions)	Q4 2015	Total growth	Organic growth	Same-store growth	**Q1 2016**	**Total growth**	**Organic growth**	**Same-store growth**
France Retail	4,942	+1.5%	+2.7%	+1.4%	4,548	+2.8%	+2.9%	+1.5 %
Latam Retail	3,705	-14.6%	+5.7%	+1.3%	3,338	-13.7%	+8.3%	+3.7%
Latam Electronics	1,286	-36.1%	-14.8%	-15.2%	1,090	-34.6%	-12.7%	-11.8%
E-commerce	873	-20.1%	-7.8%	-7.8%	731	-18.8%	-8.3%	-8.3%
TOTAL GROUP	**10,807**	**-12.3%**	**-0.2%**	**-2.5%**	**9,707**	**-10.6%**	**+1.5%**	**-0.7%**

In Q1 2016, taking into account the sale of operations in Thailand on 21 March, and the sale of operations in Vietnam, which is currently in negotiation, the Asia segment as a whole is recognised under "discontinued activities". Consolidated sales have therefore been retroactively restated at 1 January 2015 to exclude these activities for all the periods presented.

Sales for Q1 2016 totalled €9.7 billion, up 1.5% on an organic basis. They were affected by a negative currency effect of 14.3% and by a positive scope effect of 0.9%.

France Retail

(in € millions)		Q4 2015/Q4 2014 change			**Q1 2016/Q1 2015 change**			
By banner	Q4 2015	Total growth	Organic growth	Same-store growth	**Q1 2016**	**Total growth**	**Organic growth**	**Same-store growth**
Hypermarkets[1]	1,258	+0.3%	+2.7%	+2.8%	1,083	+2.9%	+3.8%	+3.8%
o/w Géant Casino	*1,187*	*+0.5%*	*+3.0%*	*+3.0%*	*1,022*	*+2.9 %*	*+4.0%*	*+4.0%*
Leader Price	673	+4.7%	+7.5%	+3.0%	632	+6.2%	+7.2%	+4.5%
Monoprix	1,127	+3.0%	+2.8%	+0.1%	1,050	+3.3%	+2.3%	-0.4%
Casino supermarkets	797	-1.4%	-0.4%	0.0%	753	+1.6%	+1.9%	+0.2%
Franprix	423	-3.7%	-2.5%	+0.1%	403	-3.5%	-2.9%	+0.1%
Convenience & Other[2]	664	+5.0%	+4.7%	+2.4%	628	+4.2%	+3.9%	+1.1%
o/w Convenience	*335*	*+7.1%*	*+5.9%*	*+6.1%*	*342*	*+4.9%*	*+4.2%*	*+2.3%*
FRANCE RETAIL	**4,942**	**+1.5%**	**+2.7%**	**+1.4%**	**4,548**	**+2.8%**	**+2.9%**	**+1.5%**

(1) Including Géant Casino and business primarily from Codim stores in Corsica (four hypermarkets).
(2) Other: mainly Vindémia and Cafeterias.

NB: Organic and same-store changes exclude fuel and calendar effects.

(1) Excluding business primarily from Codim in Corsica (four hypermarkets).

(2) GMV (gross merchandise volume): business volume including tax, figures provided by the subsidiary.

In France, sales totalled €4,548 million, up 2.9% on an organic basis and 1.5% on a same-store basis. Traffic was up 0.8%. Market share in France rose 0.1 pt over the last Kantar P03 period.

- At **Géant Casino,** where sales continued on an upward trend, growing by 4.0% on a same-store basis, non-food sales returned to growth, rising by 1.8% on a same-store basis. The banner continued to gain market share: up 0.2 pt over the last Kantar P03 period.
- **Leader Price** posted steady sales growth of 7.2% on an organic basis and 4.5% on a same-store basis. The franchise development is growing steadily (191 stores transferred in all since Q2 2015). The banner saw its market share widen by 0.1 pt over the last Kantar P03 period.
- **Monoprix** turned in a strong performance with organic sales up 2.3%, boosted by dynamic expansion (gross opening of 80 stores since Q2 2015). Food sales were virtually stable over the quarter, and performance satisfactory for Household and Leisure on a same-store basis.
- Same-store sales at **Casino supermarkets** were positive. Traffic was up, driven by the new loyalty programme and the success of promotional campaigns. Organic growth was boosted by the opening of five new integrated stores and the affiliation of six new franchises since Q2 2015.
- Sales at **Franprix** were positive on a same-store basis with a sequential improvement in traffic. Organic and reported sales were still affected by the disposal of stores requested by the French Competition Authority and transfers to other banners and franchises (in all, 60 stores have been transferred to franchises since Q2 2015).
- Same-store figures for **Convenience** now include a majority of Leader Price Express stores open for more than one year. Total growth is being driven by the strong performance of franchises, with the opening of 306 stores since Q2 2015.

Latam Retail

Food sales in Latin America are up compared to the previous quarter, by 8.3% on an organic basis and 3.7% on a same-store basis (*versus* 5.7% and 1.3%, respectively, in Q4 2015).

- Growth at **Éxito** (excluding the effect of consolidating GPA's sales) continued to accelerate in Q1 2016, driven by operations in Colombia, as well as in Uruguay and Argentina.

  Éxito published a detailed report on its Q1 sales on 25 April 2016.
- Improvement in food sales in Brazil **(GPA Food)** was marked, up 7.8% on an organic basis and 2.2% on a same-store basis. Assaí continued to enjoy very good performances with sales up 36.2% on an organic basis, driven by same-store sales and very dynamic expansion. Traffic was up on Q4 2015. Multivarejo posted stronger sales at Pão de Açúcar and at its convenience formats, with gains in market share. Extra began posting stronger sales as the first effects of its revamped sales policy and renovations began to be felt.

  GPA provided a detailed report on its Q1 sales on 12 April 2016.

Latam Electronics

The decline in sales at **Via Varejo** slowed in Q1 2016 (down 11.8% *versus* 15.2% in Q4 2015 on a same-store basis) due to more competitive prices and more effective promotions. The banner is continuing to close underperforming stores. In addition, Via Varejo is further innovating by deploying "mobile stores" and renewing its furniture line.

Via Varejo provided a detailed report on its Q1 sales on 12 April 2016.

Total sales in **Latin America** were impacted by a strong negative currency effect.

E-commerce

Cnova's gross merchandise volume (GMV) totalled €1,138 million, up 4.2% at constant exchange rates, driven by Cdiscount. In France, Cdiscount's GMV rose 18.3% with sales up 15.3%[1]. Market share in France[2] rose 1.5 point in February 2016. Growth in the marketplaces remains high and their share of GMV reached 24.2% in Q1 2016 *versus* 16.7% in Q1 2015.

Cnova provided a detailed report on its Q1 sales on 13 April 2016.

E-commerce (Cnova)	Q1 2015	Q1 2016	Total growth	Growth at constant exchange rates
GMV[1] including tax	**1,222.0**	**1,137.9**	**-6.9%**	**+4.2%**
Traffic (visits in millions)	**422.8**	**492.8**	**+16.6%**	
Active customers[2] (in millions)	14.2	14.6	+3.0%	
Units sold (in millions)	15.7	16.5	+5.3%	

(1) GMV (gross merchandise volume): business volume including tax, figures provided by the subsidiary
(2) Active customers at 31 March who made at least one purchase on our websites in the last 12 months

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[1] Figures provided by the subsidiary.
[2] Technical goods market in France, source: GFK.

11.6.2. APPENDICES

Details and sales trends in Q1 2016

Organic growth corresponds to growth at constant scope of consolidation and exchange rates, excluding fuel and calendar effect, unless otherwise mentioned.

Main changes in the scope of consolidation

- Full consolidation of Disco at 1 January 2015.
- Restatement of operations in Asia.

Exchange rates

Average exchange rates	Q1 2015	Q1 2016	**Currency effect**
Argentina (EUR/ARS)	9.74466	15.95312	-38.9%
Uruguay (EUR/UYP)	27.86630	34.74340	-19.8%
Colombia (EUR/COP) (x 1,000)	2.78160	3.58854	-22.5%
Brazil (EUR/BRL)	3.22363	4.30405	-25.1%

Period-end store network

France	30 Sept. 2015	31 Dec. 2015	**31 March 2016**
Géant Casino Hypermarkets	**127**	**128**	**129**
o/w French Affiliates	7	7	7
International Affiliates	10	11	12
Casino Supermarkets	**440**	**441**	**445**
o/w French Franchised Affiliates	60	60	64
International Franchised Affiliates	33	33	33
Monoprix	**656**	**698**	**709**
o/w Franchises/Affiliates	188	197	200
Naturalia	107	126	133
Naturalia franchises	3	3	4
Franprix	**857**	**867**	**851**
o/w Franchises	322	350	366
Leader Price	**836**	**810**	**790**
o/w Franchises	173	263	339
Total Supermarkets and Discount	**2,789**	**2,816**	**2,795**
Convenience	**6,956**	**6,916**	**6,899**
Other businesses (Cafeterias, Drive, etc.)	**620**	**621**	**646**
Indian Ocean	**135**	**146**	**149**
TOTAL FRANCE	**10,627**	**10,627**	**10,618**

International	30 Sept. 2015	31 Dec. 2015	**31 March 2016**
ARGENTINA	**27**	**27**	**27**
Libertad Hypermarkets	15	15	15
Mini Libertad mini-supermarkets	12	12	12
URUGUAY	**61**	**65**	**66**
Géant Hypermarkets	2	2	2
Disco Supermarkets	29	29	29
Devoto Supermarkets	24	24	24
Devoto Express mini-supermarkets	6	10	11
BRAZIL	**2,164**	**2,181**	**2,126**
Extra Hypermarkets	137	137	137
Pao de Açucar Supermarkets	184	185	185
Extra Supermarkets	199	199	194
Assaí (discount)	88	95	96
Mini Mercado Extra mini-supermarkets	301	311	301
Casas Bahia	715	760	745
Ponto Frio	301	254	233
Drugstores	157	157	157
+ Service stations	82	83	78
COLOMBIA	**1,567**	**1,668**	**1,632**
Exito Hypermarkets	81	85	85
Exito and Carulla Supermarkets	153	163	163
Super Inter Supermarkets	58	58	58
Surtimax (discount)	1,169	1,248	1,214
o/w "Aliados"	1,019	1,095	1,062
Exito Express and Carulla Express mini-supermarkets	105	113	111
Other businesses	1	1	1
TOTAL INTERNATIONAL	**3,819**	**3,941**	**3,851**

11.7. PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT AND ANNUAL FINANCIAL REPORT

PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

Jean-Charles Naouri, Chairman and Chief Executive Officer

STATEMENT BY THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT AND ANNUAL FINANCIAL REPORT

"I hereby declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I hereby declare that, to the best of my knowledge and belief, the financial statements have been prepared in accordance with the applicable accounting standards and present accurately in all material respects the assets and liabilities, financial position and results of the Company and the consolidated group. I also declare that the information contained in the management report appearing on page 16 onwards gives a true and fair view of trends in the business operations, results and financial position of the Company and the consolidated group, as well as a description of the main risks and uncertainties facing those companies.

I obtained a statement from the Statutory Auditors at the end of their engagement affirming that they had read the whole of the Registration Document and examined the information about the financial position and the accounts contained therein.

Their report on the historical financial information for 2015 is presented on pages 34 and 122 of this Registration Document. Their report on the historical financial information for 2014 and 2013 is incorporated by reference."

19 April 2016

Jean-Charles Naouri
Chairman and Chief Executive Officer

11.8. DOCUMENTS INCORPORATED BY REFERENCE

In application of Article 28 of European Commission regulation no. 809/2004/EC, the following information is incorporated by reference in this Registration Document:

- For the year ended 31 December 2014:

  the management report, the consolidated financial statements, the parent company financial statements and the accompanying Statutory Auditors' reports are presented in the 2014 Registration Document, which was filed with *Autorité des Marchés Financiers* on 16 April 2015 under no. D.15-0355, on pages 2 to 26, 29 to 117, 121 to 144, 28, and 120 to 145.

- For the year ended 31 December 2013:

  the management report, the consolidated financial statements, the parent company financial statements and the accompanying Statutory Auditors' reports are presented in the 2013 Registration Document, which was filed with *Autorité des Marchés Financiers* on 3 April 2014 under no. D.14-0281, on pages 2 to 68, 71 to 155, 159 to 182, 70, and 158 to 183.

Other information contained in the Registration Documents for 2014 and 2013 has, where applicable, been replaced by or updated with the information contained in this Registration Document. The Registration Documents for 2014 and 2013 are available at the Company's registered office and online at www.groupe-casino.fr.

11.9. EUROPEAN REGULATION NO. 809/2004 OF 29 APRIL 2004 – CROSS-REFERENCE TABLE

To facilitate consultation of this Registration Document, the table below indicates the page references corresponding to the main headings required under Annex 1 of European Commission Regulation no. 809/2004/EC of 29 April 2004.

11.9. European regulation No. 809/2004 of 29 April 2004 – Cross-reference table

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11.10. ANNUAL FINANCIAL REPORT – CROSS-REFERENCE TABLE

To facilitate consultation of this Registration Document, the table below indicates the page references corresponding to the information contained in the annual financial report which listed companies are required to publish in accordance with Articles L. 451-1-2 of the French Monetary and Financial Code and Article 222-3 of the General Regulation of the *Autorité des Marchés Financiers*.

11.11. BOARD OF DIRECTORS' MANAGEMENT REPORT – CROSS-REFERENCE TABLE

To facilitate consultation of this Registration Document, the table below indicates the page references corresponding to the information comprising the Board of Directors' management report as required by Articles L. 225-100 *et seq.* of the French Commercial Code.

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11.12. CHAIRMAN’S REPORT – CROSS-REFERENCE TABLE

To facilitate consultation of this Registration Document, the table below indicates the page references corresponding to the information comprising the Chairman’s report as required by Article L. 225-37 of the French Commercial Code.

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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 Satimat Green FSC-certified partially recycled paper and on Cocoon Silk FSC-certified 100% recycled paper.

GROUPE Casino

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