

Conference Call January 17, 2017

Casino Q4 2016 Sales

Good morning, Ladies and Gentlemen, Happy New Year to everyone.

Thank you for joining this conference call on Casino's 2016 sales, in which we will focus as usual on our Q4 activity.

Before we do that, let's have a look at our full year performance.

The sales we publish this year are impacted by the disposal in H1 2016 of our Asian activities and by the on-going divestment of Via Varejo announced at the end of November by GPA. The sales of Via Varejo and its on line subsidiary Nova Brazil are treated, under IFRS 5, as discontinued, with a retrospective adjustment as from the first of January 2015.

This adjustment is detailed in a specific template in the appendices of today's press release.

We now report our sales under three segments and this illustrates the simplification of our group. The segments are France Retail and Latam Retail, the content of which is unchanged, and E-commerce which comprises only Cdiscount in France.

Let's start with the FY vision.

Under our new perimeter, our 2016 sales amounted to 36 B€, 52.5% in French food retail, 42% in Latam food retail, and 5.5% in Non-food Online sales in France.

Our consolidated sales grew +3.8% on a comparable basis and +5.7% on an organic basis. Total sales were impacted by negative Forex (-3.2% equivalent to a translation adjustment in sales of 1.1 B€ mostly in H1) and gasoline prices.

Our FY organic growth was supported by strong sales in Latam +11.4% and at Cdiscount (+8.8%).

FY Lfl in France were positive +0.3% and food gross sales under banner grew +2.2%. Our full year market share was up +0.1 pt.

After a soft Q3 in France, we finish the year on a positive note with an acceleration of our growth in Q4 and a positive impact of currencies.

Let's now detail the Q4 Sales performance

Total sales in Q4 reached 10 B€, 49% in France Retail, 45% in Latam Retail and 6% in Non-food Online sales in France.

Total growth was +9.1% with a solid +5.1% organic growth and +4.2% comparable growth. After five quarters of negative changes in parities, Forex has been contributing positively to our reported sales since the middle of 2016.

In Q4 2016, as I will detail it while analysing the performance of our different banners, we have seen a sequential improvement of comparable sales in France. The total sales were

still impacted by store closures and transfers to franchisees. Food gross sales under banner grew +1.6%, at a pace consistent with our expectations.

I will now discuss the operations in France.

FOOD RETAIL FRANCE

Let's start with some remarks on food inflation and consumption in France during the fourth quarter of 2016.

- Food prices (data from INSEE) were slightly negative YOY (-0.5% in December). Certain food product families, such as meat or beverages are now stable.
- In the first two months of Q4, Food consumption was up +0.8 % at constant prices vs. 1.1% in Q3. After three negative quarters, Textile was slightly positive in the last quarter.
- Household confidence level remained stable in December, above the mid term average

In this context, of a marginally better quarter, Casino's banners posted good results

Let's start with **Géant**

LFL sales at Géant grew +0.6% in Q4 2016 better than in Q3.

Food sales increased +2.6% vs. +1.8% in Q3. Traffic and Total volumes were positive.

The reduction of non-food selling spaces continued for categories sold on line such as White and brown products. This rationalization led to a decrease of the hypermarkets total sales area by -1.6%, thus improving the sales density by + 2.2%. The reduction of the non-food sales in the total mix of the HM and the reduction of selling spaces have a positive impact on profitability.

Géant's market share was up 0.1pt over the last Kantar period.

Leader Price

The banner was impacted this quarter by 45 integrated store closures and the transition to franchise during the year (143).

LFL growth was positive at +0.1% vs -2.7% in Q3 and growth over 2 years was at +3.1% vs. -0.5% in Q3.

Monoprix

In the 4th quarter, Monoprix grew by +0.4% LFL (vs. -2.3% in Q3 2016), an improvement of +270bp. Organic growth improved at + 2.5% vs. + 0.8% in Q3.

Among non-food product families, Textile performed well, thanks to the quality of the offer, with Lfl sales up + 5.5%.

In food, organic sales increased by + 2.4% and were supported by a significant improvement in comparable. L-f-l were positive ex. calendar; clients almost stable with Paris getting closer to the nationwide performance.

The expansion was dynamic with the opening of 14 stores in the quarter and 60 in total over 2016.

Monoprix's market share was stable over the last Kantar period.

Casino Supermarché

Casino Supermarkets continued to sequentially improve sales on a comparable basis since the beginning of the year and achieved + 3.2% in Q4, driven in particular by larger average baskets and increase in traffic.

Better service, improved assortment in fresh and efficient commercial plans explained this performance. Supermarket Casino's market share increased +0.1 pt over the last Kantar P13 period.

Franprix

At Franprix, LFL sales decreased by -1.7%. Traffic was positive at +0.4% and +0.6% in Paris

Total growth has been impacted for the past 12 months by 3 business decisions:

- The transfers of 50 stores to franchisees,
- The closure of 30 stores
- And the Madarine renovations; the new concept accounts for 60% of the total network by the end of 2016.

Convenience

In our Convenience format, the priority has been to renovate the integrated network, to optimize assortment and to leverage our franchised operations.

Sales of franchisees grew by + 6.5%.

I will now discuss our international activities.

LATAM RETAIL

Food sales in Latin America continued to grow at + 12.3% in organic and + 7.5% on a comparable basis. Including the positive effect of exchange, the total sales increase was + 22.5%.

Excluding the effect of the consolidation of GPA's sales, Exito Group continued to post strong growth in Q4 2016 thanks to good performances in Colombia, Uruguay and Argentina, with efficient commercial policies.

In Brazil, GPA Food's sales recorded an organic growth of + 13.6% in Q4 2016 and + 7.9% for LFL sales. Food sales were up + 14.5% in organic and + 8.1% LFL sales.

Assaí continued to grow at a very sustained pace.

Organic sales increased by +36.7% and I-f-I sales by +17.3%. Traffic growth was very strong each quarter of the year, with the strongest y-o-y increase in Q4 (+14.3%).

The expansion remained dynamic with 13 openings over 12 months of which 8 in Q4 2016 (including 2 Extra conversions). The participation of C&C in total sales reached 36% (vs. 30% in Q4 2015).

Multivarejo's sales recorded a strong sequential improvement at + 3.7% LFL and + 2.9% in organic over the quarter (compared with + 1.8% and stable in Q3 2016).

It is important to stress the strong improvement of Extra Hypermarkets sales in the recent quarters, thanks to the success of the new promotions launched at the end of the first semester such as the 1,2,3 saving steps and Hyper fair.

With a stabilised traffic, total HM sales were up more than 5%. Across the categories, Non-food sales of hypermarkets were positive and food sales grew even higher (7.2%). In the last seven market share data (april to October) Extra Hyper gained market share.

The performances of Pão de Açúcar and the formats of proximity remained strong.

E-COMMERCE

As you can read it in their press release, Cnova posted a good 4th quarter performance that was boosted by a record breaking Black Friday (up 80% compared to 2015) and a launch of value-added services which contributed to a strong site traffic.

Clients, volumes and orders grew respectively +12.9%, +21.5% and +23.2%

Gross merchandise volume amounted to €943 million in this quarter (+11.3% I-f-I compared to the same period in 2015). Net sales totaled €584 million in Q4 2016 (+7.8% I-f-I).

The share of marketplace reached 31.4% of GMV compared to 27.8% in Q4 2015, an improvement of + 362pb compared to the 4th quarter of 2015.

CONCLUSION

I would like to make the following closing remarks.

2016 was an important year for our group with several actions taken to simplify its structure, improve profitability in France, strengthen sales in Brazil and deleverage the balance sheet.

In our key markets, we have improved our operations and we end the year with a good sales momentum.

In France, Food gross sales under banner grew +2.2% over the year.

Comparable sales numbers were positive for Géant and Leader Price for the full year and in Q4. Food categories at Géant continued to grow significantly. Monoprix and Casino supermarkets end the year with a strong momentum, posting organic sales growth at +2.5% and +5.2% respectively.

In 2016, we have improved our price image across all banners and continued to renovate and develop new concepts.

Current trading at the beginning of 2017 is good. Comparable growth in France over the last four weeks ending January, 15 is +1.8%, with solid numbers across most of the banners.

Our books are being closed at the moment and final results are not yet fully audited. We can confirm that our estimated unaudited trading profit for France is slightly in excess of 500 M€ as previously forecasted.

International operations enjoyed a good acceleration in sales from Q2 onwards, thanks to the success of Extra new commercial policies in Brazil. Organic growth for Latam retail has constantly been in the low teen area since then. In Q4 sales are boosted by a positive Forex, after several unfavorable quarters for exchange rates.

In 2017, our operations will benefit from the carry-over of plans launched last year.

- In France, cost will continue to decline in line with the actions taken in 2016 such as closures of loss making stores, transfer to franchise partners and reduction of selling spaces at Géant. Several new plans have been initiated in HM, LP or Casino SM to increase our gross margins: improved assortments, focus on fresh products, renovation of our private labels.
- In Brazil, the development of sales will be favorable. Costs will stay under control in a context of deceleration of inflation and reduction of interest rates as illustrated by last week decision of the central Bank to trim again the rate by 75bps (after two cuts by 25 bps).
- C discount will benefit from the expansion of its loyal client base and the strong expansion of its market place.

We therefore expect our total consolidated sales and group profitability to continue to expand in 2017

Thank you

Antoine Giscard d'Estaing
Group CFO