

### **First Half 2004 Results**

Operating income : **+8.7%**

Income from continuing operations after tax : **+13.6%**

#### **France:**

**Aggressive marketing strategy  
and robust earnings**

#### **International:**

**Operating income doubled**

<b>Unaudited provisional figures in millions of euros</b>	<b>H1 2004</b>	<b>H1 2003</b>	<b>% change in euros</b>	<b>At constant exchange rates</b>
Total business volume (excl. VAT)	<b>17,458.8</b>	17,476.2	-0.1%	+1.5%
Consolidated net sales	<b>11,102.9</b>	11,012.8	+0.8%	+2.7% <sup>(1)</sup>
EBITDA <sup>(2)</sup>	<b>734.7</b>	689.3	+6.6%	+7.9%
Operating income	<b>481.6</b>	442.9	+8.7%	+9.4%
Income from continuing operations before tax	<b>395.6</b>	352.9	+12.1%	
Income from continuing operations after tax	<b>255.1</b>	224.6	+13.6%	
Attributable net income (Group)	<b>219.8</b>	199.0	+10.5%	
<b>Per share, in euros</b>				
Attributable net income (Group)	<b>2.03</b>	1.83	+10.6%	
Average shares outstanding over the period	<b>108,495,133</b>	108,658,015		

<sup>(1)</sup> Organic sales growth (at constant exchange rates and scope of consolidation) = +4.6%

<sup>(2)</sup> EBITDA: Earnings before interest, tax, depreciation and amortisation

### **1 French sales growth ahead of the market : +2.2% Strong rebound in international operations : organic growth +14.6%**

*Group organic sales  
growth : +4.6%*

*French sales : +2.2%*

*FP/LP sales : +7.9%*

*International organic  
sales growth: +14.6%*

Robust organic sales growth (+4.6%) in the first half illustrates the effective positioning of the Group in France and its international markets.

**In France**, sales continued to outpace the competition, rising 2.2% over the period and vindicating the Group's unique positioning in convenience and discount formats and controlled products (own brand and low price products), which are increasingly popular with consumers.

In a difficult economic climate, all the Group's banners reported good performance in each of their segments. Géant hypermarkets continued to reap the benefits of their favourable positioning (customer-friendly hypermarkets located in mid-sized cities with a strong food offering), while the convenience formats (Casino supermarkets, Monoprix and Superettes) all enjoyed favourable sales over the period. Leader Price once again posted very strong same-store sales, with growth of +6.9% for the half.

**In international markets**, organic sales rose 14.6% in the first half. Smart & Final saw strong momentum, with same-store sales rising 17.5%; sustained performance continued in Thailand, with organic growth of 11.6%; operations in Poland recovered, with organic growth of 8.2% and sales in Latin America rebounded, rising 29.6% organically.

## 2 Growth in operating income : +8.7% driven by good operating performance in France and a doubling of international operating income

Operating income rose 8.7% to €481.6 million in the first half, with an operating margin of 4.3%, compared with 4.0% in the first half of 2003.

**In France**, where an aggressive marketing policy has been adopted since the beginning of the year, operating income increased by 3.8% to €443.6 million, with an operating margin of 5.0% reflecting firm margins across all activities. The improvement was driven both by successful marketing policies and by the effectiveness of the Group's positioning centred around discount and convenience formats.

*French operating margin: 5.0%*

*75% of operating income generated from discount and convenience formats, with little sensitivity to competitive pressure*

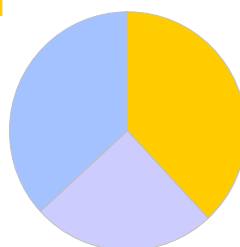
*Géant is cutting prices more than competitors (Opus Géant index: - 0.8 point)*

*Strong growth in convenience formats*

*FP/LP operating income: +10.7%*

<b>CONVENIENCE</b>		<b>37% of op. income</b>
<i>(Casino SM, Monoprix, Superettes)</i>		
<b>Organic growth</b>	=	<b>+1.4%</b>
<b>Operating margin</b>	=	<b>5.0%</b>

<b>DISCOUNT</b>		<b>38% of op. income</b>
<i>(Franprix, Leader Price)</i>		
<b>Organic growth</b>	=	<b>+7.9%</b>
<b>Operating margin</b>	=	<b>8.1%</b>



<b>HYPERMARKETS</b>		<b>25% of op. income</b>
<i>(Géant)</i>		
<b>Organic growth</b>	=	<b>-0.2%</b>
<b>Operating margin</b>	=	<b>3.3%</b>

Since the beginning of the year, Géant hypermarkets have been implementing an aggressive pricing policy, with greater price cuts than competitors (the Opus index, which measures relative pricing of different banners showed a fall of 0.8 points). The marketing policy, which focuses on cutting prices rather than increasing advertising spend, is very popular with customers. The cost reduction policy adopted by Géant has allowed it to maintain its operating margin in the highly competitive hypermarket segment, and even to report a slight increase in operating income to €110.0 million.

Among the convenience formats:

- **Casino supermarkets** (*operating income: €56.3 million*) have undertaken a campaign to drive faster sales growth with, in particular, the launch of a range of low price products and price cuts on both national brands and own brand products. Like Géant hypermarkets, Casino supermarkets have cut prices more than their competitors since the beginning of the year (Opus index down 0.2 points).
- **Monoprix** (*operating income: €38.4 million*) continues to achieve sustained growth in sales and profitability thanks to its popular "city-market" concept and the successful launch of its loyalty programme (630,000 cardholders recruited in less than six months).
- **Superettes** (*operating income: €67.1 million*) further improved operating performance and pursued their expansion programme.

Franprix/Leader Price maintained strong profit growth, with operating income rising 10.7% to €166.4 million, underpinned, in particular, by dynamic organic growth (+12.2%). These figures confirm both the momentum of discount retailing in France and the effectiveness of the Leader Price business model.

*International operating income rose 2.4 times*

**In international markets**, the doubling of operating income to €38.0 million confirmed the role played by international operations as growth drivers. The performance was driven by:

- Smart & Final's new growth/profitability profile in the United States, with its contribution rising to €22.4 million from €6.3 million in the first half of 2003.
- Sustained improvement in Big C's performance in Thailand, with contributions up 30% to €23.9 million
- A recovery in business at Géant Polska, whose new marketing strategy is beginning to pay off.

*Good management of interest expense*

**Income from current operations after tax** amounted to €255.1 million, up 13.6% due to lower interest expense and a slight decline in the tax rate.

Attributable net income (Group) rose 10.5% to €219.8 million, while earnings per share increased by 10.6% over the period.

*Sustained organic growth in France*

### ③ **Casino is confident of meeting its 2004 targets**

**In France**, organic growth is expected to remain strong in the second half, led by the Group's unique positioning in discount and convenience formats and acceleration of the store expansion programme (175,000 square metres over the full year). Sustained application of the aggressive pricing policy will also drive momentum across all banners.

**International operations** should further increase their contribution in the second half, thanks to a rebound in US activities, sustained good performance in Thailand, the recovery of Géant Polska and the improving economic environment in Latin America.

#### **2004 Targets**

- > 10% growth in operating income and income from current operations
- Cash flow exceeding capital expenditure by over €400 million

*Sharp improvement in International operating income*

#### **Provisional calendar of forthcoming financial announcements**

Third quarter sales	Tuesday, October 26, 2004
Fourth quarter sales	Tuesday, January 25, 2005