Saint-Etienne, September 8, 2005

First Half 2005 Results

Current operating income: -11.0%

Attributable current net income: -7.9%

Cash flow stable

Net debt reduced by €1 billion over the past 12 months

Assertive marketing strategy in France

International growth drivers put in place

Provisional unaudited figures (IFRS), in € millions	**H1 2005**	H1 2004	Change in €	At constant exchange rates
Total business volume excl. VAT	**16,901.8**	16,442.2	+2.8%	+1.6%
Consolidated net sales	**10,363.4**	10,207.6	+1.5%	+1.8%
France	***8,202.0***	*8,145.6*	*+0.7%*	
International	***2,161.4***	*2,062.0*	*+4.8%*	*+6.0%*
EBITDA[1]	**657.7**	704.7	-6.7%	-6.6%
France	***547.4***	*585.0*	*-6.4%*	
International	***110.3***	*119.7*	*-7.8%*	*-7.3%*
Current operating income	**422.7**	474.9	-11.0%	-10.6%
France	***378.5***	*421.7*	*-10.2%*	
International	***44.2***	*53.2*	*-16.9%*	*-13.7%*
Profit before tax	**322.5**	351.3	-8.2%	
Attributable net income	**191.8**	215.6	-11.1%	
Attributable net income[2]	**187.8**	203.8	-7.9%	
Cash flow	**521.9**	522.8	-0.2%	
Net debt	**5 443.5**	6,445.2		
Gearing	**107%**	186%		

[1] *EBITDA = Current operating income + current amortisation expense*

[2] *Attributable current net income = attributable net income less other operating income and expense, net financial income and expense, and non-recurring taxes, after minority interests.*

1) Firm sales in France and strong growth in international business

In **France**, consolidated net sales were €8,202.0 million, an increase of 0.7% in an environment shaped by sluggish consumer spending.

In this environment, Casino enhanced the price competitiveness of its traditional hypermarket and supermarket formats by:

- Repositioning national brand prices by more than the 2% called for in the Sarkozy agreements,
- Lowering prices on private label products,
- Shifting the sales mix towards private label and low price products, thereby enhancing the Group's price image.

Although this assertive policy initially has a mechanical impact on sales, it is now driving an increase in private label and low price volumes, (+8.7% in Géant hypermarkets over the half and +10.7% in Casino supermarkets), and favourable development of store traffic (+0.3% and +3.5% in hypermarkets and supermarkets respectively in the second quarter).

The Group also continued to implement its strategy in “differentiating” formats - discount, Monoprix and superettes:

- FP/LP confirmed the growth potential of its discount and city concepts with the opening of 24 LP and 12 FP stores over the past year,
- Superettes strengthened their leadership thanks to an active store opening strategy, with a total of 5,000 stores now operating under four complementary banners,
- Monoprix enhanced its unique marketing identity and tested new concepts (Daily Monop’ and Monop’…).

In **international markets**, strong performance in the Group’s three main operating regions—Latin America, Asia and the United States—drove sales growth of 6.0% at constant exchange rates.

In addition, two first-half transactions had a major impact on the Group’s growth profile: the acquisition of a co-controlling interest in CBD, the Brazilian market leader, and an increased stake in Vindémia, the leading retailer in the Indian Ocean. These two transactions, which had no impact in the first half, will strengthen the Group’s presence in fast growing regions and will contribute to sales growth from the second half of the year. CBD will be 34.3% proportionally consolidated as from 1 July and Vindémia fully consolidated as from 1 October 2005.

2) Profitability down in an environment shaped by sluggish consumer spending in France and a one-off reduction in contributions from US operations

In **France**, current operating income was €378.5 million, down 10.2%. Current operating margin was 4.6%, down 57 basis points versus the first half of 2004. This decrease reflects price repositioning undertaken in hypermarkets and supermarkets, as well as the €15 million increase in pre-opening expenses due to the Group’s accelerated expansion programme, which accounted for 35% of the decline in current operating income.

International current operating income declined €9.0 million versus the first half of 2004. Within international activities, Smart & Final’s current operating income decreased by €6.3 million (€19.2 million in the first half of 2005 versus €25.5 million in the first half of 2004). This one-off decline stemmed mainly from comparison with a high first quarter 2004, which benefited from the strike at competing supermarkets.

CBD and Vindémia saw very satisfactory performance over the period, with respective increases of their current operating income of 34.7% and 38.9%. Had CBD been 34.3% proportionally consolidated and Vindémia fully consolidated in the first half, total Group international current operating income would have been €98.9 million, with pro forma growth of 1.6%. The full year impact of the recent CBD and Vindémia transactions is expected to increase current operating income by approx 90% internationally and approx 10% on a Group level.

Profit before tax was €322.5 million, down 8.2% versus the first half of 2004. After tax, the contribution of companies accounted by the equity method (€24.8 million in the first half of 2005, versus €15.3 million in the first half of 2004) and minority interests (€44.8 million in the first half of 2005 versus €51.7 million in the first half of 2004), attributable net income was €191.8 million, down 11.1% from the first half of 2004.

3) Financial structure strengthened through a €1 billion reduction in net debt over 12 months and an improvement in gearing to 107%

Despite a sustained programme of capital expenditure (€344 million in the first half 2005 versus €324 million in the first half of 2004), the Group reduced net debt by €1 billion between 30 June 2004 and 30 June 2005.

At the end of June 2005, net debt was therefore €5,443 million (versus €6,445 million at 30 June 2004), bringing gearing down to 107%. This significant reduction was facilitated particularly by financial transactions carried out since the beginning of the year (notably the January 2005 issue of undated deeply subordinated notes) and the resilience of cash flow for the period, stable at €521.9 million.

In addition, Casino has grouped its shopping centres in France into a dedicated retail property subsidiary, Mercialys, whose property portfolio has an appraised value of €957.5 million. Scheduled for the fourth quarter 2005, the company's IPO will provide it with resources needed to expand, thanks to a capital increase expected to raise €200-230 million. Casino will retain majority control of Mercialys, whose IPO will help to increase the Group's equity and reduce its debt.

4) Casino's development has 3 priorities: growth, financial strength and profitability

The Group has three strategic goals:

I. Revive organic sales growth in France and international markets

In **France**, Casino is accelerating its expansion programme and should open 160,000 square metres in 2005 (versus 150,000 in 2004 and 120,000 in 2003). In addition, the Group is continuing to deploy the hypermarket and supermarket sales and marketing strategy introduced in the first half, with a focus on increasing the proportion of private label and low price products in sales, revamping non-food assortments and testing new discount hypermarket, supermarket and superette concepts.

In **international markets**, after increasing its stakes in CBD and Vindémia, Casino has strong positions in fast-growing regions such as the United States, Latin America, South-east Asia and the Indian Ocean. High growth in these regions, combined with the Group's revived expansion strategy, will drive sustained organic growth in international operations in the coming years.

II. Keep gearing below 100% on a sustainable basis

Casino confirms its target of gearing of less than 100% at 31 December 2005 and intends to maintain gearing below this level beyond 2005.

III. Strengthen the Group's profitability profile

In **France**, Casino benefits from good levels of profitability from discount, superette and Monoprix formats. In addition, the Group is improving the competitiveness of its traditional hypermarket and supermarket formats by optimising the supply chain, making cross-banner adjustments and increasing the proportion of private label and low price products in the mix, which will drive profitable growth in sales.

Internationally, targeted expansion of countries with the highest profitability (the United States, Thailand and Latin America) and additional contributions from CBD and Vindémia will significantly increase the proportion of profits generated outside France. International operations are therefore expected to account for approximately 30% of consolidated Group sales and around 25% of consolidated EBITDA in 2006.

Provisional financial calendar
Third quarter 2005 sales: Wednesday, 26 October 2005 (after market close)
Fourth quarter 2005 revenue: Thursday, 26 January 2006 (after market close)

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