

Further improvement in the Group's profitable growth profile in first-half 2007

- ✓ **Robust 6.2% sales growth, led by international operations**
- ✓ **Significant 14% rise in trading profit**
- ✓ **Tighter integration of subsidiaries**

2007 objectives confirmed

- Further growth in trading profit**
- Net debt-to-EBITDA ratio less than 2.5 at end-2007**

Profitable growth in first-half 2007

The Group's good first-half performance attests to the effectiveness of the differentiation strategy in France and to the enhanced growth profile of the remodelled international business portfolio.

In France, sales rose 2.9% excluding Franprix-Leader Price, reflecting the retail businesses' good sales momentum and the other businesses' continued rapid pace of growth. Trading profit rose significantly, leading to a 34-basis point increase in trading profit margin. The improvement was attributable to a progression in gross margin, fuelled by higher private label sales and expanded fresh produce counters, combined with a limited increase in costs.

- ✓ The **hypermarkets** improved their competitiveness in a challenging environment, through double-digit private label sales growth, price cuts optimised by the cooperation with dunnhumby and the rollout of new food and non-food concepts.
- ✓ The **convenience formats** reported sustained sales growth and improved margins. **Supermarché Casino and Monoprix** reaped the benefits of their differentiation strategy, while the **superettes'** trading profit margin was boosted by further optimization of the store network.
- ✓ **Franprix/Leader Price** turned in another disappointing sales performance. Trading profit margin was 6.9% in first-half 2007 (compared to 7% in first-half 2006).
- ✓ The **other businesses** (property, Cdiscount, Banque Casino, cafeterias) continued to report rapid sales growth.

International operations confirmed their role as a growth driver, with double-digit organic sales growth, and benefited from the contribution of Exito, which was fully consolidated from 1 May 2007.

- ✓ The two priority host regions enjoyed strong sales momentum, with organic growth reaching 14.1% in South America and 9.9% in Asia.
- ✓ Profitability in South America has been strengthened by the full consolidation of Exito, which has lifted the Group to the position of leading food retailer in South America.
- ✓ Asia has become the most profitable region, following disposal of operations in Taiwan.

International operations now account for just under 30%⁽¹⁾ of consolidated sales.

Net debt stood at €6,015 million at 30 June 2007 (versus €5,795 million a year earlier), before taking into account the €200 million favourable impact of the share issue carried out by Exito in July. The additional divestments of non-strategic assets will further strengthen the Group's financial position at the end of the year.

⁽¹⁾ Including Exito on a full-year basis.

First-half 2007 results

In line with IFRS 5, results from the Polish and US operations have been recognised in discontinued operations and the first-half 2006 figures have been adjusted accordingly

Continuing operations (in € millions)	H1 2007	H1 2006	%
Net sales	11,547	10,872	+6.2%
Of which France	8,601	8,497	+1.2%
Of which International	2,946	2,375	+24.1%
Trading profit	492	431	+14.0%
Of which France	378	344	+9.8%
Of which International	114	87	+30.5%
Other operating income and expense	(17)	95	n.m.
Operating profit	475	527	-9.9%
Net profit from continuing operations attributable to equity holders*	208	254	-18.3%
Net profit from discontinued operations attributable to equity holders	159	3	n.m.
Net profit attributable to equity holders	367	258	+42.5%

* Underlying net profit attributable to equity holders rose 22% to €220 million from €180 million in first-half 2006.

Ongoing deployment of the profitable growth model

The Group is continuing to deploy its profitable growth model, by:

- ✓ **Accentuating** banner differentiation in France;
- ✓ **Integrating subsidiaries more tightly**, with in particular the implementation of plans to revitalize sales at Franprix and Leader Price.
- ✓ **Pursuing expansion** in high-growth regions.
- ✓ **Developing promising businesses** in retailing-related sectors, such as property, financial services and e-commerce.

The Group confirms its 2007 objectives:

- ✓ Further growth in trading profit
- ✓ Continued improvement in financial position, to reach a net debt-to-EBITDA ratio of less than 2.5 by year-end.

2007 Investor Calendar

Tuesday, 23 October 2007 (after the close of trading):
Third quarter 2007 sales announcement
Thursday, 24 January 2008 (after the close of trading):
Fourth quarter 2007 sales announcement

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