

NET SALES – Q2 2018

Acceleration in growth for the Group in Q2:

+5.2% on an organic basis and +3.2% on a same-store basis
(versus +3.1% and +1.8% in Q1 2018)

In France, sequential improvement of same-store growth

In Latin America, significant organic growth in net sales thanks to Brazil

- **In France**, same-store sales rose +1.8% in Q2 2018 yoy, with food sales increasing +2.5% on the back of a +0.7% growth in customer traffic:
 - **Monoprix**: growth of +2.1% on an organic basis and +1.4% on a same-store basis, benefiting from a good momentum in food and Parisian stores.
 - **Franprix**: growth of +1.0% on an organic basis and +1.3% on a same-store basis, thanks to the banner's innovations and the roll-out of new in-store services.
 - **Casino Supermarkets**: organic and same-store sales up +1.4% each; good performance among franchisees.
 - **Géant hypermarkets**: organic growth of +3.2% and same-store growth of +2.8%, of which +4.3% in food; rise in customer traffic and further market share gains⁽¹⁾; continued recovery in the non-food categories thanks to Cdiscount corners.
 - **Convenience**: organic growth of +3.0% and same-store growth of +0.2%, driven by the good dynamic of the franchisees.
 - **Leader Price**: ongoing improvement in sales, with same-store growth of +2.2% led by the new Next concept. Organic sales, impacted by store closures relating mainly to renovation work, contracted by -0.7%.
- **Cdiscount**: growth of +9.0%⁽²⁾ in gross merchandise volume (GMV) and +6.4%⁽²⁾ in organic sales; increased contribution to GMV from the marketplace and from "Cdiscount à volonté" loyalty programme customers.
- **In Latin America**, sales were up +9.7% organically and +4.4% on a same-store basis:
 - **GPA Food**: organic growth of +11.7% led by Multivarejo's sharp recovery and Assai's good performance.
 - **Éxito Group (excluding GPA Food)** sequential improvement in organic and same-store sales vs Q1.
- In view of the estimated and unaudited results for the first semester 2018, the Group already confirms all its annual objectives.

CHANGE IN NET SALES

BY SEGMENT (in € millions)	Q1 2018 / Q1 2017 change				Q2 2018 / Q2 2017 change			
	Q1 2018	Total growth	Organic growth ⁽³⁾	Same-store growth ⁽³⁾	Q2 2018	Total growth	Organic growth ⁽³⁾	Same-store growth ⁽³⁾
France Retail	4,551	+1.5%	+1.3%	+1.3%	4,759	+0.8%	+1.3%	+1.8%
Cdiscount	473	+4.5%	+4.4%	+4.7%	403	+5.4%	+5.3%	+5.1%
Total France	5,024	+1.7%	+1.6%	+1.7%	5,162	+1.1%	+1.6%	+2.1%
Latam Retail	3,876	-10.1%	+4.9%	+1.9%	3,754	-8.1%	+9.7%	+4.4%
TOTAL GROUP	8,900	-3.8%	+3.1%	+1.8%	8,916	-3.0%	+5.2%	+3.2%

Changes in net sales take into account the application of IFRS 15 retroactive to 2017

Pursuant to the 2016 decision to dispose of Via Varejo and in accordance with IFRS 5, Via Varejo (including Cnova Brazil) is still accounted for as a discontinued operation.

In Q2 2018, net sales totalled €8.9bn, down -3.0% overall compared with Q2 2017, including a -7.6% unfavourable currency effect.

Sales increased +5.2% in organic terms and +3.2% on a same-store basis, yoy. The scope and fuel effects came to +0.3% and +0.4%, respectively, and the calendar effect was -1.2%.

(1) Kantar market share data, in value, measured over the P06 2018 period.

(2) Organic growth: figures exclude sales realized in Casino Group's hypermarkets and supermarkets on technical goods and home category (total exclusion impact of -5.3 pts and -7.5 pts on GMV and net sales growth, respectively) but take into account showroom sales.

(3) Excluding fuel and calendar effects.

■ France Retail

BY BANNER	Q1 2018 / Q1 2017 change				Q2 2018 / Q2 2017 change			
	Q1 2018	Total growth	Organic growth ⁽¹⁾	Same-store growth ⁽¹⁾	Q2 2018	Total growth	Organic growth ⁽¹⁾	Same-store growth ⁽¹⁾
Monoprix	1,110	+2.7%	+2.6%	+1.2%	1,129	+2.9%	+2.1%	+1.4%
Franprix	401	+1.5%	+1.9%	+1.0%	416	+0.0%	+1.0%	+1.3%
Supermarkets	744	-0.8%	+0.6%	+1.3%	805	+1.0%	+1.6%	+1.5%
<i>o/w Casino Supermarkets⁽²⁾</i>	711	-0.4%	+1.2%	+1.4%	762	+1.0%	+1.4%	+1.4%
Hypermarkets	1,090	+4.5%	+2.9%	+1.6%	1,174	+3.0%	+2.8%	+2.5%
<i>o/w Géant⁽²⁾</i>	1,040	+4.2%	+2.5%	+2.1%	1,117	+3.5%	+3.2%	+2.8%
<i>o/w food</i>	722	+6.0%	+4.2%	+4.2%	772	+2.0%	+4.0%	+4.3%
<i>o/w non-food</i>	123	-7.1%	-8.9%	-8.9%	122	-7.4%	-5.4%	-5.2%
Convenience & Other⁽³⁾	588	-0.2%	-0.5%	+0.7%	593	-2.5%	-1.0%	+0.7%
<i>o/w Convenience⁽⁴⁾</i>	303	+4.1%	+4.0%	+1.1%	319	+1.2%	+3.0%	+0.2%
Leader Price	618	-1.3%	-1.0%	+0.9%	642	-3.2%	-0.7%	+2.2%
FRANCE RETAIL	4,551	+1.5%	+1.3%	+1.3%	4,759	+0.8%	+1.3%	+1.8%

Total sales in France came to €4,759m in Q2 2018, up +1.3% on an organic basis and +1.8% on a same-store basis yoy, of which +2.5% in food, led by growth in customer traffic and in average basket. Over two years, same-store growth is up +3.7%. Business was buoyed by the steady growth of hypermarkets and the good performance of Monoprix, Casino Supermarkets and Franprix. Géant gained +0.1 point in market share over the last measured period⁽⁵⁾. The Casino Max mobile app, introduced in the first quarter in hypermarkets, supermarkets and most recently, convenience stores, has continued its ramp-up, recording an aggregate 1.1 million downloads, 2 million visits and 750,000 monthly coupons as of end of June 2018.

- **Monoprix** reported same-store growth of +1.4% in the second quarter, in line with its first-quarter performance, and a rise in same-store customer traffic of +1.6%. Food sales, up +2.7%, were lifted notably by the roll-out of the new organic brand. The Paris stores outperformed the rest of the store network. The organic banner, Naturalia, posted double-digit growth. Net sales generated online, which now account for 5% of Monoprix's total sales, saw another double-digit increase in the second quarter. The banner continues to implement its multi-channel strategy, with the gradual roll-out of one-hour delivery and the click & collect service. Its partnerships with Ocado and Amazon Prime are advancing in line with objectives. The acquisition of Sarenza was completed on 30 April 2018 and its operations are now contributing to Monoprix's total growth of +2.9%.
- **Franprix** had a good performance in this quarter, with sales up +1.0% organically and +1.3% on a same-store basis. Customer traffic rose +2.0% and the banner's market share held steady⁽⁵⁾. The banner continued to innovate and updated its concept to further develop its restaurant and service solutions for urban consumers. The Franprix mobile app, downloaded more than 830,000 times as of end-June, won a prize at the LSA Awards⁽⁶⁾. Two stores with the new "drugstore parisien" concept were inaugurated during the period, offering a beauty and well-being line-up, complete with a range of accessories and snacking.

(1) Excluding fuel and calendar effects.

(2) Excluding Codim stores in Corsica: eight supermarkets and four hypermarkets.

(3) Other: mainly Vindémia and Cafeterias.

(4) Convenience excluding Leader Price Express. Net sales on a same-store basis include the same-store performance of franchised stores.

(5) Kantar data, in value, measured over the P06 2018 period.

(6) Winner of the mobile shopping app prize at the 2018 LSA Awards for cross-channel companies.

- Casino Supermarkets** saw a +1.4% increase in sales on an organic and same-store basis, driven by the robust performance of service counters and fresh. The banner retained its market share. The loyalty programme strengthened: net sales driven by cardholders rose +3.5 pts to 62%. The offering was extended to include more organic products and sales of private-label products increased. Franchisees net sales rose by +3.9%, attesting to the banner's attractiveness.
- Géant** hypermarkets reported their fifth consecutive quarter of growth, with same-store sales up +2.8% and organic sales up +3.2%; the banner gained +0.1 pt in market share⁽¹⁾. Growth was led by a good performance in food retail (up +4.3%), especially in the organic segment, as well as successful commercial operations and strong growth of drive-throughs. The non-food category, still in decline, continued to improve, boosted by the success of Cdiscount corners (21 installed as of end-June), which benefited all categories.
- In **Convenience**, sales advanced +3.0% organically and +0.2%⁽²⁾ on a same-store basis, with a good performance from franchisees, up +6.4% overall. In the integrated store network, improvements to the offering continued, in particular with the addition of more organic products. The Casino Max app was gradually rolled out by the convenience stores for the benefit of their customers, covering 40% of the integrated store network by end-June 2018.
- Leader Price** reported +2.2% growth in same-store sales in the second quarter (and improved sequentially over three consecutive quarters) and saw a sequential customer traffic improve. Organic sales, down -0.7%, and market share continued to be impacted by store closures. Work in progress related to the ongoing deployment of the Next concept, continues with now 70 renovated stores. Within renovated stores, the performance of fresh foods and service counters has been excellent. The offer is being gradually revamped, with the development of the organic range and introduction of the beauty and well-being brand, Sooa. As part of the Group's multi-channel strategy, the banner is also working on integrating digital promotions in its Leader Price app.

(1) Kantar market share, in value, measured over the P06 2018 period.

(2) Convenience excluding Leader Price Express. Net sales on a same-store basis include the same-store performance of franchised stores.

■ Cdiscount

Cdiscount's gross merchandise volume (GMV) totalled €760m in the second quarter, representing growth of +14.3%⁽¹⁾, of which +9.0%⁽¹⁾ was organic. Net sales expanded by +14.0%⁽¹⁾, of which +6.4%⁽¹⁾ in organic growth. Traffic, up +4.5%⁽¹⁾, was led by growth in the mobile channel, which accounted for 64.0% of all visits.

Cdiscount launched several innovative marketing initiatives, such as "French Days" in April. The Audio Visual categories enjoyed an improvement over the quarter. Cdiscount saw a +29.4% increase in monetisation revenues generated by its B2B operations – through advertising, commissions on energy, mobile and travel offers, and financial and marketplace services.

The marketplace now represents 36.0% of GMV and continues to expand, supported by growth in the "Fulfillment by Cdiscount" service.

The CDAV loyalty programme is enjoying good momentum and now accounts for 34.8% of GMV. Central to the site's marketing strategy, this programme is helping to strengthen the base of loyal customers, who make purchases three times more often than other customers.

As part of the Group's multi-channel strategy, 21 Cdiscount corners were rolled-out in Géant stores as of 30 June 2018. Other corners are expected to open across the rest of the hypermarket network and within other Group banners by the end of 2018. In addition to the revenue they generate, the corners are helping to improve perception and visibility for the Cdiscount brand.

Services put in place in late 2017 continued to progress steadily. Cdiscount Voyage and Cdiscount Assistance, two new services launched this quarter, are already proving very successful with customers. With its "on demand" delivery service, Cdiscount is also the first e-tailer to provide delivery within a 30-minute slot in Paris.

Lastly, in early July, Cdiscount announced it was launching delivery of products under 30 kilograms to international destinations (Italy, Germany, Spain and Belgium) and setting up partnerships to sell Cdiscount products in European marketplaces.

Key figures ⁽¹⁾	Q2 2017	Q2 2018	Reported growth ⁽²⁾	Organic growth ⁽³⁾
GMV⁽⁴⁾⁽⁵⁾ including tax	665	760	+14.3%	+9.0%
Marketplace contribution	34.8%	36.0%	+123 bp	
CDAV contribution	32.0%	34.8%	+282 bp	
Net sales⁽⁵⁾ (in €m)	390	445	+14.0%	+6.4%
Traffic (millions of visits)	203	212	+4.5%	
Mobile traffic contribution (%)	59.5%	64.0%	450 bp	
Active customers ⁽⁶⁾ (millions)	8.4	8.7	+3.4%	
Orders ⁽⁷⁾ (millions)	5.7	5.8	+2.2%	

Cnova provided a detailed report on its Q2 net sales on 12 July 2018.

(1) Unaudited data published by Cnova NV.

(2) The data published by the subsidiary include all sales generated by Cdiscount, including its sales of technical products to hypermarket and supermarket customers, further to the multi-channel agreement in effect since 19 June 2017.

(3) The organic changes exclude sales of technical products and household equipment generated with hypermarket and supermarket customers (impact of -5.3 pt and -7.5 pt on GMV and net sales, respectively), but include sales generated in corners.

(4) Gross merchandise volume (GMV) includes sales of merchandise, other revenues and the marketplace's sales volume based on confirmed and shipped orders, including tax, and the sales volume of services that contributed to GMV growth, for 1.2 pt in Q2 2018 and 0.01 pt in Q2 2017.

(5) After entry into effect of the new accounting standard IFRS 15 – Revenue from Contracts with Customers, 2017 GMV and net sales were restated by -24m and -20m, respectively, in order to present comparable data.

(6) Active customers at 30 June 2018 who made at least one purchase on the Cdiscount websites and app during the previous 12 months.

(7) Total number of orders placed before cancellation due to detection of fraud and/or lack of customer payment.

■ Latam Retail

Sales at the Group's businesses in **Latin America** (Éxito Group and GPA Food) increased +9.7% yoy on an organic basis and +4.4% on a same-store basis in Q2 2018, a sharp improvement on Q1 2018 (+4.9% and +1.9% in organic and same-store growth, respectively). Consolidated net sales were impacted by an unfavourable currency effect of -17.1%.

- **GPA Food** posted organic growth in sales of +11.7% and same-store growth of +4.7% yoy, despite -2.8% deflation in the food categories⁽¹⁾:
 - Sales at **Assaí** surged +23.7% on an organic basis, benefiting from the good performances of converted stores and despite persistently steep deflation in the food categories and the truckers' strike in Brazil. Same-store sales climbed +4.7%⁽²⁾. The banner saw growth in customer traffic and Assaí gained around +2.0 pts in market share in April and in May⁽²⁾. Its Q2 performance was lifted by the success of commercial operations and the Passaí store card, which is now held by 335,000 customers. Sales in stores recently converted to the new format were 2.3 times higher and Assaí's sales now represent 45% of GPA Food sales.
 - **Multivarejo** has been enjoying a sharp recovery since March and reported in Q2 same-store growth of +5.8%⁽²⁾ and a +100 bp gain in market share⁽²⁾. Volumes were up across all formats. Within the Extra banners, business was buoyed by the new management commercial strategy, the rise of the "My Discount" personalized promotions tools and the "My rewards" digital loyalty program. The "My discount" app was downloaded 6 million times and the average basket among loyal customers increased by +35%. Non-food sales grew double digits, driven by the FIFA World Cup and commercial operations. Extra Supermarkets plan to convert 20 stores to the "Compre Bem" format. This new format aims to compete more directly with regional players, by providing more fresh produce, for example. Pão de Açúcar driven by its unique qualitative positioning, also benefits from an excellent commercial momentum and the success of store renovations. As part of its digital transformation strategy, the banner is gradually developing an in-store mobile payment solution. Lastly, convenience stores delivered an excellent performance in same-store sales (up +5.3%⁽²⁾) and in volumes, which made a double-digit improvement, lifted by a renewed assortment and revised prices.
 - A total of two Assaí stores were opened during the quarter and an additional one was converted. The banner is targeting 20 new stores in 2018, for a total of 146 stores. At Multivarejo, nine stores have been closed since the beginning of the year: four Extra hypermarkets, four drugstores and one Extra supermarket. There were 874 stores in the Multivarejo network at the end of June.
- Sales at **Éxito Group** (excluding GPA Food) were up on both an organic and same-store basis, with a sequential improvement on same-store basis in Colombia.

*GPA provided a detailed report on its Q2 net sales on 13 July 2018.
Éxito Group will provide a detailed report on its Q2 net sales on 14 August 2018.*

(1) IPCA Food at home index.
(2) Data published by the subsidiary.
(3) Nielsen Market share as for April and May

APPENDICES

Main changes in consolidation scope

- Integration of Sarenza as of 30 April 2018 (Monoprix)

Exchange rate

AVERAGE EXCHANGE RATES	Q2 2017	Q2 2018	Currency effect
Brazil (EUR/BRL)	3.5441	4.2943	-17.5%
Colombia (EUR/COP) (x 1000)	3.2235	3.3822	-4.7%
Uruguay (EUR/UYP)	31.1418	35.8390	-13.1%
Argentina (EUR/ARS)	17.3770	28.0465	-38.0%

Implementation of IFRS 15

In the first half of 2018, the Casino Group applied IFRS 15 – *Revenue from Contracts with Customers* retroactively to 2017.

The application of IFRS 15 has led to reclassifications between net sales, other revenues, cost of goods sold and selling expenses. The following table describes the standard's impact on 2017 net sales.

Net Sales (in € millions)	Q1 2017 reported	Q1 2017 restated	Q2 2017 reported	Q2 2017 restated
France Retail	4,504	4,485	4,757	4,723
E-commerce	469	453	402	382
Latam Retail	4,348	4,310	4,118	4,087
TOTAL	9,321	9,248	9,277	9,192

Gross sales under banner

TOTAL ESTIMATED GROSS FOOD SALES UNDER BANNER (in €m, excluding fuel)	Q2 2018	Change (excl. calendar effects)	
		Q2 2018	H1 2018
Monoprix	1,142	+4.6%	+3.7%
Franprix	474	+2.7%	+3.5%
Supermarkets	751	+2.1%	+1.3%
Hypermarkets	838	+4.5%	+4.9%
Convenience and Other	683	-0.7%	-0.4%
of/which Convenience	389	+3.9%	+5.3%
Leader Price	749	+0.3%	-0.2%
FRANCE RETAIL	4,637	+2.6%	+2.2%

TOTAL ESTIMATED GROSS NON-FOOD SALES UNDER BANNER (in €m, excluding fuel)	Q2 2018	Change (excl. calendar effects)	
		Q2 2018	H1 2018
Hypermarkets	133	-4.9%	-6.3%
Cdiscount	708	+8.0%	+6.3%
FRANCE RETAIL	841	+5.7%	+3.1%

Store network at period-end

FRANCE	31 Dec. 2017	31 March 2018	30 June 2018
Géant Casino hypermarkets	122	123	124
o/w French franchised affiliates	7	8	8
International affiliates	5	5	6
Casino Supermarkets	433	435	436
o/w French franchised affiliates	106	108	111
International franchised affiliates	17	17	17
Monoprix	789	790	794
o/w franchised affiliates	211	214	213
Naturalia	161	162	166
Naturalia franchises	7	7	7
Franprix	893	901	902
o/w franchises	399	413	420
Leader Price	777	773	776
o/w franchises	377	449	454
Convenience	5,392	5,362	5,260
Other activities (Restaurants, Drive, etc.)	606	609	610
Indian Ocean	209	214	223
TOTAL France	9,221	9,207	9,125
INTERNATIONAL	31 Dec. 2017	31 March 2018	30 June 2018
ARGENTINA	29	29	29
Libertad hypermarkets	15	15	15
Mini Libertad and Petit Libertad mini-supermarkets	14	14	14
URUGUAY	88	86	87
Géant hypermarkets	2	2	2
Disco supermarkets	29	29	29
Devoto supermarkets	24	24	24
Devoto Express mini-supermarkets	33	31	32
BRAZIL	1,081	1,072	1,074
Extra hypermarkets	117	113	113
Pão de Açúcar supermarkets	186	186	186
Extra supermarkets	188	187	187
Assaí (cash & carry)	126	127	130
Mini Mercado Extra & Minuto Pão de Açúcar mini-supermarkets	265	265	265
Drugstores	127	123	123
+ Service stations	72	71	70
COLOMBIA	1,852	1,847	1,912
Éxito hypermarkets	90	90	90
Éxito and Carulla supermarkets	162	163	160
Super Inter supermarkets	71	71	73
Surtimax (discount)	1,409	1,410	1,477
o/w "Aliados"	1,278	1,286	1,353
B2B ⁽¹⁾	9	9	13
Éxito Express and Carulla Express mini-supermarkets	111	104	99
CAMEROON			1
Cash & carry			1
TOTAL International	3,050	3,034	3,103

(1) Formerly included in the Surtimax line.

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