INTERIM FINANCIAL REPORT AT 30 JUNE 2019

This document is a free translation into English of the original French "Rapport Financier Semestriel au 30 Juin 2019", hereafter referred to as the "Interim Financial Report at 30 June 2019". It is not a binding document. In the event of a conflict in interpretation, reference should be made to the French version, which is the authentic text.

Financial highlights

Financial highlights of the first half of 2019 were as follows:

Excluding IFRS 16 *(€ millions)*	**H1 2018**	**H1 2019**	Reported change	Organic change
Consolidated net sales	**17,787**	**17,841**	+0.3%	+3.5%(1)
Gross margin	4,504	4,427	-1.7%	
EBITDA(2)	**772**	**663**	**-14.0%**	**-8.6%(3)**
Net depreciation and amortisation	(334)	(316)	-5.3%	
Trading profit	**437**	**347**	-20.7%	-12.1%(3)
Other operating income and expenses	**(137)**	**(308)**	n.m.	
Net financial expense, o/w:	**(249)**	**(166)**	**+33.2%**	
Net finance costs	*(155)*	*(159)*	-2.4%	
Other financial income and expenses	*(94)*	*(7)*	+92.4%	
Profit/(loss) before tax	**51**	**(127)**	**n.m.**	
Income taxes	(24)	(47)	-98.9%	
Share of profit of equity-accounted investees	11	(0)	n.m.	
Net profit/(loss) from continuing operations	**39**	**(174)**	**n.m.**	
o/w Group share	*(68)*	*(226)*	n.m.	
o/w attributable to minority interests	*107*	*52*	-51.7%	
Net profit/(loss) from discontinued operations	**48**	**(17)**	**n.m.**	
o/w Group share	*4*	*(6)*	n.m.	
o/w attributable to minority interests	*44*	*(10)*	n.m.	
Consolidated net profit/(loss)	**88**	**(191)**	**n.m.**	
o/w Group share	**(64)**	**(232)**	n.m.	
o/w attributable to minority interests	**152**	**41**	-72.7%	
Underlying net profit/(loss), Group share(4)	**46**	**(16)**	**n.m.**	n.m.

Note: The data in the report on the consolidated financial statements are presented excluding the effect of applying IFRS 16. Details of the effects of applying IFRS 16 are provided notably on page 19 of this report.

(1) Based on a comparable scope of consolidation and constant exchange rates, excluding fuel and calendar effects.
(2) EBITDA = Trading profit + amortisation and depreciation expense.
(3) Based on a comparable scope of consolidation and constant exchange rates, excluding the effect of hyperinflation.
(4) Underlying net profit corresponds to net profit/(loss) from continuing operations adjusted for the impact of other operating income and expenses, the impact of non-recurring financial items, and income tax expense/benefits related to these adjustments (see page 18).

Significant events of the period

- On **19 January 2019**, the Casino Group announced that it had signed agreements to sell six Géant Hypermarkets in France to Leclerc members for a total consideration of €100.5 million covering both the hypermarket properties and the businesses. The stores represented combined net sales of around €150 million in 2018 and a total trading loss of around €8 million.

- On **21 January 2019**, the Casino Group announced that it had signed an agreement with funds managed by Fortress for the sale of 26 hypermarket and supermarket properties (13 Géant Hypermarkets, 3 Casino Hypermarkets and 10 Casino Supermarkets) worth €501 million. The 26 assets represent annual rent of €31.8 million. The Casino Group will be involved in the value creation of this operation through a participation in the specific entity constituted by funds managed by Fortress, to acquire the portfolio in order to enhance its value and sell it on the market under the best possible conditions. Depending on the entity's performance, the Casino Group could receive up to an additional €150 million in the next few years. This transaction brought the aggregate disposal of non-strategic assets up to €1.5 billion and therefore achieved, in January 2019, the Group's initial objective, which was set out on 11 June 2018. The transaction was completed on 11 March 2019.

- On **14 February 2019**, the Casino Group announced that it had signed an agreement with Compass Group providing for the sale of Casino's contract catering services, R2C. The casino Group announced that it had completed the transaction on 1 July 2019.

- On **15 February 2019**, the Casino Group signed agreements for the sale of integrated stores and stores operated by master-franchisees for a total consideration of €42 million. In the case of the integrated stores, these commitments represent sale proceeds of €25 million. They relate to 17 stores (8 Leader Price, 8 Casino Supermarkets and 1 Casino Hypermarket) to be sold to Lidl, and the Géant Hypermarket business in Roubaix to be sold to a Leclerc member, with the hypermarket property to be sold to the owner of the shopping mall. These 18 stores represented net sales of €88 million and a trading loss of €12 million in 2018. At the same time, Group's master-franchisees signed agreements to sell 16 stores (9 Leader Price and 7 Casino Supermarkets) to Lidl for a total of €17 million. These 16 stores represented net sales of €60 million and a trading loss of €9 million in 2018.

- On **28 February 2019,** the Casino Group signed unilateral purchase agreements with a view to sell 2 Géant Hypermarkets located in the French towns of Nevers and Montauban to Groupement Les Mousquetaires for a total consideration of €23.4 million covering the real estate and business assets. The stores represented net sales of some €36 million and a trading loss of around €3.5 million in 2018. The operation was finalised on 27 June 2019.

- On **6 March 2019**, the Casino Group officially launched Horizon International Services, its alliance with Auchan Retail, METRO and DIA, announced in June 2018. Horizon International Services is dedicated to selling services to suppliers that operate internationally. It is up and running and covers the 47 countries in Europe, Asia and South America in which these companies operate.

- On **2 April 2019**, Moody's downgraded Casino's credit rating from Ba1/negative outlook to Ba3/negative outlook.

- On **12 April 2019**, the Casino Group signed unilateral purchase commitments related to 4 structurally loss-making stores: the Carcassonne Cité 2 Hypermarket, with business assets and real estate to be sold to a Leclerc member; the Château d'Olonne Hypermarket, with business assets to be sold to an experienced professional in the retail sector, whose project is to operate it under the Système U brand, and real estate to be sold to a private investor; and 2 Leader Price stores to be sold to Lidl. These stores represented net sales of €42 million and a trading loss of €1.5 million in 2018. The disposals are expected to be completed in the third quarter of 2019, subject to prior consultation with the relevant employee representative bodies and fulfilment of the usual conditions precedent.

- On **20 April 2019**, Standard & Poor's downgraded Casino's credit rating from BB/negative outlook to BB-/negative outlook.

- On **22 April 2019**, the Casino Group signed an agreement with funds managed by affiliates of Apollo Global Management on the sale of 32 store properties (12 Géant Casino and 20 Monoprix and Casino Supermarkets stores) valued at €470 million. Located primarily outside Paris, these 32 properties represent €26.6 million in annual rent, including €14.2 million from hypermarkets and €12.4 million from Monoprix and supermarkets. Nearly 80% of the assets value after deduction of registration fees, i.e. €374 million, will be paid to the Casino Group at closing of the proposed transaction. The proposed transaction is subject to the provision of financing, the terms of which have been agreed in principle. The Apollo Funds will create a specific entity to acquire the portfolio in order to enhance its value and sell it on the market under the best possible conditions. The Casino Group will receive an interest in this new entity, enabling it to benefit from the value created by the transaction. Depending on the entity's performance, the Casino Group could receive up to an additional €110 million in the next few years. This operation is part of the additional €1 billion of non-core asset disposals to be completed by the first quarter of 2020.

- On **23 April 2019**, the Casino Group announced the expansion of its partnership with Amazon, with i) the installation of Amazon Lockers in 1,000 Casino Group stores by the end of the year, (ii) the Casino private-label products (organic, fresh, premium, wine, etc.) being made available on Amazon, in addition to Monoprix products, and (iii) the extension of delivery services to a further 35 large French cities in the next 12 months.

- On **23 May 2019**, Casino was informed by its reference shareholder, Rallye, of the opening of safeguard proceedings related to respectively Rallye and its subsidiaries Cobivia and HMB, as well as Foncière Euris, Finatis and Euris. The safeguard proceedings were initiated after the court aknowledged the financial difficulties experienced by the holding companies. They have the effect of freezing these companies' financial liabilities. Each proceeding only concerns the entity for which it was initiated and none of them applies to either Casino, Guichard-Perrachon or its subsidiaries. The Casino Group therefore continues to operate in the normal course of business and remains focused on executing the strategic plan announced to the market in June 2018, including the €2.5 billion disposal plan of non-strategic assets, a sharp reduction in the Group's debt in France and the achievement of the business objectives communicated to the market.
  To date, the initiation of safeguard proceedings at Rallye lvel has had two impacts at the level of Casino, Guichard-Perrachon:
  i) Rating downgrades by Standard & Poor's and Moody's. On 28 May 2019, Standard & Poor's downgraded the Group's credit rating to B/negative watch (from BB/negative outlook). On 31 May 2019, Moody's downgraded Casino's credit rating to B1/negative outlook (from Ba3/negative outlook). These rating downgrades had no impact on the cost or availiability of Casino's existing financial resources.
  ii) A reduction in borrowings under the commercial paper programme. Outstanding commercial paper amounted to €167 million at 30 June 2019, compared with €450 million before the Rallye safeguard proceedings was initiated.
  The Casino Group has not observed any change in supplier payment terms or any reduction in its available overdraft facilities.
  As announced by Rallye and its holding companies on 12 July 2019, structured financing arrangements with certain financial institutions are secured by pledges over the shares of their subsidiaries. These financial institutions would have the option to exercise these share during the existing safeguard proceedings (Article L.211-40 of the French Monetary and Financial Code). Casino confirms that such transactions would have no impact on the control held over Casino by Rallye and its holding companies. In addition, Casino reiterates that should Rallye or its holding companies lose control over Casino, this would have no legal impact on Casino's debt and would not constitute an event of default, whether in respect of bank financing documentation or Casino's bond financing documentation. The Group's approach to managing liquidity risk in normal or impaired market conditions is presented in Note 9.5 to the interim consolidated financial statements. The Group continuously examines and discusses its various options to refinance or to extend maturity of its bank and bond debt, especially following its recent rating downgrades.

- On **29 May 2019**, the Casino Group announced that it had completed the sale of 3 hypermarkets to Leclerc members and received €38 million.

- On **7 June 2019**, the Casino Group entered into unilateral purchase commitments concerning the Barberey-Saint-Sulpice hypermarket, with a view to sell the business and real estate to a Leclerc member, and 5 stores (4 Casino Supermarkets and 1 Leader Price), with a view to their sale to Groupement Les Mousquetaires. Together, these stores represented net sales of approximately €43 million and a trading loss of around €3 million in 2018. The disposals are expected to be completed in the second half of 2019, subject to prior consultation with the employee representative bodies and fulfilment of the usual conditions precedent.

- On **27 June 2019**, the Casino Group announced that, the Board of Directors of GPA, subsidiary of Casino Group in Brazil on 26 June 2019, had approved the formation of an ad hoc committee of independent directors in order to study a project to simplify the Casino Group's structure in Latin America through i) an all-cash tender offer launched by GPA on 100% of Éxito's shares, to which Casino would tender all of its stake (55.3%), ii) the acquisition by Casino of the shares held by Éxito in Segisor (which itself holds 99.9% of the voting rights and 37.3% of the economic rights of GPA), iii) the migration of GPA shares to the Novo Mercado B3 listing segment, with the conversion of preferred shares into ordinary shares at an exchange ratio of 1:1, bringing an end to the existence of two classes of shares and giving GPA access to a broader base of international investors. After implementation of the project, the Casino Group would hold alone 41.4% of GPA, which would itself control Éxito and its subsidiaries in Uruguay and Argentina. This operation will be subject to the corporate approvals of the governance bodies of the three companies concerned.

- On **27 June 2019**, the Casino Group also completed the sale of 3 hypermarkets, 11 Casino supermarkets and 16 Leader Price stores and received €58 million.

Business report

The comments in the Interim Financial Report reflect comparisons with first-half 2018 results from continuing operations. The Group has applied IFRS 16 effective from 1 January 2019. In first-half 2019, application of IFRS 16 added €463 million to EBITDA and €90 million to trading profit, and reduced consolidated net profit by €87 million excluding Via Varejo. For the majority of leases, IFRS 16 requires recognition of an asset (the right to use the leased item) and a financial liability (representing discounted future lease payments). Operating lease expense is replaced with depreciation on the right-of-use asset and interest expense relating to the lease liability. The Group elected to apply the "full retrospective" transition method, which led to the restatement of the 2018 financial statements, allowing them to be compared with the 2019 financial statements. The impact of applying IFRS 16 is discussed in detail on page 19.

IAS 29 on the treatment of hyperinflation in Argentina has been applied since the second half of 2018, with limited retrospective application in first-half 2018. Previously reported data for the period from 1 January to 30 June 2018 have therefore been restated. In light of the decision made in 2016 to sell Via Varejo, this business was classified as a discontinued operation in 2018, in accordance with IFRS 5. The sale was completed on 14 June 2019.

Organic changes are calculated based on a comparable scope of consolidation and at constant exchange rates, excluding fuel and calendar effects. Same-store changes exclude fuel and calendar effects.

Main changes in the scope of consolidation

- Acquisition of Sarenza on 30 April 2018 (Monoprix)
- Various store disposals and acquisitions during 2018 and first-half 2019 within Franprix-Leader Price
- Disposals and closures of loss-making stores during 2018 and first-half 2019
- Disposal of Via Varejo on 14 June 2019

Currency effects

	Average exchange rates			Closing exchange rates		
	30 June 2018	**30 June 2019**	**% change**	**30 June 2018**	**30 June 2019**	**% change**
Colombia (EUR/COP) (x1000)	3.4470	3.6008	-4.3%	3.4154	3.6369	-6.1%
Brazil (EUR/BRL)	4.1415	4.3435	-4.7%	4.4876	4.3511	+3.1%

First-half 2019 highlights

Consolidated net sales amounted to €17.8 billion in first-half 2019, representing an increase of 0.3% after taking into account the negative impact of currency movements and 3.5% on an organic basis. Exchange rate fluctuations and hyperinflation had a 2.5% negative impact.

In France, retail operations saw same-store growth of 0.5% in the first half. Same-store sales accelerated in second-quarter 2019 compared to the first quarter of the year (respectively 0.7% versus 0.0% in same-store growth). On a two year basis, in the second-quarter 2019, same-store sales in France were up 2.5% (versus a first-quarter 2019 increase of 1.3%).

The Group continued to enjoy strong momentum in the most buoyant formats and categories.

- It pursued efforts to reduce its exposure in the hypermarket segment, selling 56 loss-making stores (including 15 hypermarkets) and closing 118 others under the plan to optimise the store base (Rocade plan).
- Some 30 new premium and convenience stores (Monoprix, Naturalia, Franprix and Casino Supermarkets) were opened during the period.
- Same-store sales of organic products were up 7.8%.
- The E-commerce business continued to accelerate, with net sales up 11.5%[(1)] compared with first-half 2018. Growth was led by robust momentum at Cdiscount, with the marketplace accounting for 40.1% of gross merchandise volume (GMV) in the second quarter of 2019, and by the expanded partnership between Monoprix and Amazon Prime Now. Food E-commerce GMV totalled €187 million in first-half 2019, up 28%.
- Casino Max continued to expand rapidly, with the deployment of service offers and the launch of the Leader Price app.
- Development of new businesses also continued during the period. The energy subsidiary GreenYellow has a pipeline of solar projects representing over 350 MWp (150 MWp at end-2018) with industrial customers and local authorities in France and in international markets. 3w.relevanC reported net sales for the period of €24 million, up 38%. ScaleMax is deploying its first data centre. 10,000 cores (representing around 1,000 servers) had already been deployed for external customers at end-June 2019.

The Group is continuing to implement the asset disposal plan announced in June 2018 and increased to €2.5 billion on 14 March 2019. €2.1 billion worth of disposals have been signed since June 2018, including €1.5 billion for which the proceeds have already been received. The sale of store properties to the Apollo funds is due to be completed in October 2019.

Outside France, in Latin America, first-half sales grew by 10.1% on an organic basis and by 4.9% on a same-store basis. **GPA** reported organic sales growth of 12.0% and same-store growth of 5.3%.

Via Varejo was sold by GPA on 14 June 2019 for a total disposal price of €615 million.

On 27 June 2019, a project was launched to simplify the Group's structure in Latin America, notably by combining all of its activities in the region within GPA and migrating GPA shares to the Novo Mercado. After the project had been studied by a committee of independent directors, on 24 July 2019, GPA's Board of Directors approved the launch of an all-cash tender offer for Éxito shares at a price of COP 18,000. The offer will be filed by GPA once Éxito has approved the agreements giving Casino exclusive control over Segisor (the holding company that controls GPA) and allowing Casino to acquire Éxito's stake in Segisor at a price that values GPA shares at BRL 109. On the same day, Casino's Board of Directors approved the purchase offer at a price of BRL 109 per share, which was submitted to Éxito's Board of Directors for review.

Éxito's net sales (excluding GPA Food) rose by 4.7% on an organic basis in first-half 2019.

Note: Organic and same-store changes exclude fuel and calendar effects.

[(1)] Organic sales under the banners and Cdiscount's GMV.

Consolidated trading profit came to €347 million, a decrease and of 20.7% including the negative impact of currency movements and a decrease of 12.1% on an organic basis. Excluding tax credits, trading profit was up 2.9% as reported and up 12.9% on an organic basis.

- **France Retail's trading profit** in first-half 2019 was €151 million, up 11.3% as reported and up 22.3% on an organic basis compared with the same period of 2018. This included €121 million in trading profit for the retail business, an increase of 6.1% as reported and 19.5% on an organic basis. Trading margin for the retail business stood at 1.3% in first-half 2019 versus 1.2% in the year-earlier period, an increase of 11 bps. The cost saving plan and the improvement in the format mix related to the Rocade plan more than offset the negative impacts related to rent, the one-off "purchasing power bonus" and cost inflation.
- The **E-commerce trading loss** continued its sequential improvement to reach a €18 million loss (versus the €23 million loss in first-half 2018), represented a 19.5% improvement, led by the marketplace and B2C revenues.
- **Latam Retail trading profit** totalled €214 million in first-half 2019 compared with €324 million in the year-earlier period, a 33.9% decline affected by the high basis of tax credits in first-half 2018. Excluding tax credits, trading profit was up 2.1% on an organic basis.

• At 30 June 2019, Casino in France[1] had €4.4 billion in liquidity, composed of a gross cash position of €1.7 billion and confirmed undrawn lines of credit of €2.7 billion. At end-June 2019, Casino Group consolidated net debt stood at €4.7 billion versus €3.4 billion at end-December 2018. For Casino in France[1], net debt came to €2.9 billion at end-June 2019, versus €2.7 billion as at end-December 2018. Free cash flow before dividends and interest plus the net proceeds from the asset disposal and Rocade plans totalled €133 million in first-half 2019.

[1] Casino Group holding company scope, including the French businesses and the wholly-owned holding companies.

FRANCE RETAIL

(€ millions)	H1 2018	H1 2019
Net sales	**9,310**	**9,044**
EBITDA	**307**	**296**
EBITDA margin	*3.3%*	*3.3%*
Trading profit	**136**	**151**
Trading margin	*1.5%*	*1.7%*

France Retail net sales totalled €9,044 million in first-half 2019 versus €9,310 million in the same period of 2018, representing a decrease of 1.6% on an organic basis and an increase of 0.5% on a same-store basis.

Sales performances by format were as follows:

- **Monoprix** reported organic growth of 0.3% and same-store growth of 0.2%, led by food sales. On a two year basis, in the second-quarter 2019, sales were up 1.6%. Sales of organic products were up 5.9% on a same-store basis. The banner continued to rapidly develop the E-commerce business, up 47.7%, led by the successful partnership with Amazon Prime Now, which was extended in March 2019. In the second half of 2019, the service will be accelerated and extended in Paris, its suburbs and France's other major cities. Amazon Lockers will be installed in 1,000 of the Group's stores. Sixteen new stores were opened during the period, including four Naturalia stores. Inter-banner synergies will be leveraged in the second half of 2019, especially with Franprix. Monoprix will benefit from the Ocado solution as from early 2020.

- **Casino Supermarkets** reported 0.7% same-store growth. On a two years ago, in the second-quarter 2019, sales were up 2.8%. Same-store sales of organic products were up by a strong 10.7%. The banner continued to deploy stores that are 100% autonomous for part of the week. There were 81 such stores as of end-June 2019. Casino Max continued to expand, with users of the app accounting for 19% of Casino Supermarkets and Géant Hypermarkets sales in the first half of 2019 (versus 15% in end-March 2019).

- Organic growth at **Franprix** was affected by changes in the store base. Net sales of the buoyant segments accelerated during the period, with organic products up 16.7% and catering up 10.7% on a same-store basis. Franprix considerably expanded on E-commerce, which grew 62.6% during the period. In March, the new "Bibi!" loyalty programme was deployed, featuring real-time personalised offers. As of end-June 2019, Franprix opened 43 stores operated on an autonomous basis during part of the week, and adapted its model to lower income urban areas. The Group is also planning to open 50 premium and convenience stores[1] in the second half of the year.

- **Convenience** sales rose by 3.5% on an organic basis and 3.1% on a same-store basis, reflecting commercial dynamic. The franchisees continued to enjoy strong momentum during the period. Same-store sales of organic products were up 46.1% in the integrated store network. The Convenience segment has also deployed 3 stores operating on an autonomous basis.

- At **Leader Price**, the store base optimisation process continued. The banner continued to add to its organic product range and deployed its new Leader Price Max app based on the Casino Max model. Leader Price Max got off to a strong start, with 280,000 downloads within the first month of its launch. The banner now has 42 stores operating autonomously during part of the week.

Note: Organic and same-store changes exclude fuel and calendar effects.
[1] Franprix, Monoprix, Naturalia and Casino Supermarkets.

- **Géant Hypermarkets** delivered 2.1% organic growth and 1.0% same-store growth. Non-food sales returned to growth in the second quarter of 2019, led by the good performance of the in-store Cdiscount corners. New specialist “shops-in-shop” are being developed, along with the Casino Optique service. The E-commerce business is continuing to grow, with first-half 2019 sales up 8.4%.

France Retail’s trading profit in first-half 2019 was €151 million, up 11.3% as reported and 22.3% on an organic basis compared with the same period of 2018. This included €121 million in trading profit for the retail business versus €114 million in first-half 2018, an increase of 6.1% as reported and 19.5% on an organic basis. Property development trading profit stood at €30 million, compared with €21 million in first-half 2018. Trading margin for the retail business improved by 11 bps to 1.3% from 1.2% in first-half 2018. The cost saving plan (+€60 million) and the improvement in the format mix driven by the Rocade plan more than offset the negative impacts related to rent (-€29 million), the one-off “purchasing power bonus” (-€10 million) and cost inflation (payroll and energy, -€10 million).

The Rocade plan represents a full-year gain of €52 million on trading profit for the integrated stores, of which €6 million in the first half 2019 and €19 million in the second half 2019. The full-year impact on net sales will be around €500 million for the stores that have already been closed or sold. This impact is partially offset by the many independent retailers who have joined the network, including the Quattrucci family. The disposal proceeds represent €233 million. Non-recurring cash costs related to the plan amount to €85 million.
For the franchise network, the full-year gain on trading profit will be €27 million (gain of €13 million to consolidated net profit, Group share).

New businesses

GreenYellow

GreenYellow, the Casino Group’s energy subsidiary, continued to consolidate its leadership in the photovoltaic systems market, with a pipeline of solar projects representing over 350 MWp at 30 June 2019 (150 MWp at end-2018) with industrial customers and local authorities in France (including installation of photovoltaic systems on the buildings owned by the Saint Etienne city authority, representing 150 sites), Thailand, Colombia, Morocco and Brazil. The company aims to have a 450MWp solar project pipeline by the end of the year.
GreenYellow continues to develop its energy performance contracts both internally and with external customers.
At the same time, in the second half of 2019, it plans to enter the electrical mobility market through a partnership with Allego (a wholly-owned subsidiary of Méridiam) for the deployment of the first national network of ultra-fast electric vehicle charging stations, to be located on Group sites. Around a dozen stations will be installed between now and end-2020.

Data and Data Centres

3w.relevanC reported net sales of €24 million in first-half 2019, representing an increase of 38% that was attributable to the advertising campaign activation business. The subsidiary outperformed[(1)] its competitors.

ScaleMax is deploying its first data centre in a Cdiscount warehouse in the Paris region, with a deployed processing power of over 10,000 cores (equivalent to around 1,000 servers) for external customers. Further centres are due to be installed at new sites in the second half of the year. Close to 16,000 additional cores will be signed or deployed in the second half.

Note: Organic and same-store changes exclude fuel and calendar effects.
[(1)] Source: SRI.

E-COMMERCE (CDISCOUNT)

(€ millions)	**H1 2018**	**H1 2019**
GMV (Gross Merchandise Volume) as published by Cnova	**1,614**	**1,752**
EBITDA	(7)	2
Trading profit	**(23)**	**(18)**

E-commerce gross merchandise volume (GMV) amounted to €1,752 million, an 11.0%(1) organic increase led by the rapid expansion of the Cdiscount à Volonté customer base, which has topped the 2 million subscriber mark, and by robust growth in the number of unique visitors (up 5% in the first four months of the year), strengthening Cdiscount's number 2 position in France(2).

Margins improved thanks to the increased marketplace share, which represented 40.1% in second-quarter 2019 (versus 36.6% in the same period of 2018). This was supported by the significant 6.3-point growth in the Fullfilment by Cdiscount service and the dynamism of B2C revenues.

During the second half of 2019, Cdiscount plans to step up development of its marketplace and its international expansion.

(1) Data published by the subsidiary. The organic changes include sales and services at "corners" (shops-in-shop) but exclude sales made in the Casino Group's hypermarkets and supermarkets.
(2) Médiamétrie study, April and May 2019.

LATAM RETAIL

(€ millions)	**H1 2018**	**H1 2019**
Net sales	**7,601**	**7,908**
EBITDA excluding tax credits	**372**	**366**
EBITDA margin excluding tax credits	*4.9%*	*4.6%*
Trading profit excluding tax credits	**224**	**214**
Trading margin excluding tax credits	*2.9%*	*2.7%*
Trading profit	**324**	**214**

Via Varejo was sold by GPA on 14 June 2019 for a total disposal price of €615 million.
On 27 June 2019, a project was launched to simplify the Group's structure in Latin America, notably by combining all of its activities in the region within GPA and migrating GPA shares to the Novo Mercado. After the project had been studied by a committee of independent directors, on 24 July 2019, GPA's Board of Directors approved the launch of an all-cash tender offer for Éxito shares at a price of COP 18,000. The offer will be filed by GPA once Éxito has approved the agreements giving Casino exclusive control over Segisor (the holding company that controls GPA) and allowing Casino to acquire Éxito's stake in Segisor at a price that values GPA shares at BRL 109. On the same day, Casino's Board of Directors approved the purchase offer at a price of BRL 109 per share, which was submitted to Éxito's Board of Directors for review.

Latam Retail net sales came to €7,908 million in first-half 2019, up 10.1% on an organic basis and 4.9% on a same-store basis excluding fuel and calendar effects.

Sales by **GPA Food in Brazil** rose 12.0% on an organic basis and 5.3% on a same-store basis. Sales have been trending upwards for several quarters, despite the depressed consumer environment.

- **Within Multivarejo**, Pão de Açucar was affected by a high basis of comparison in second-quarter 2018 reflecting notably the FIFA World Cup. The hypermarkets increased their market shares over the 12 months to end-June 2019 and saw positive trends in food sales. Non-food sales were affected in the second quarter by the high basis of comparison in the year-earlier period. Sales by Extra Supermarkets were boosted by double-digit growth at stores converted to the new Compre Bem and Mercado Extra concepts, and the Convenience format continued to perform well, enjoying strong momentum while also leveraging the synergies with the Extra and Pão de Açucar banners and reinforcing its private-label lines. Multivarejo also continued to build its E-commerce business and to develop its express delivery and click & collect solutions, available in 94 Pão de Açucar and Extra stores as of end-June 2019[(1)]. The "My Discount" loyalty app has been downloaded more than 9.2 million times[(1)].

- **Assaí** reported same-store growth of 9.4%[(1)] and organic growth of 24.5%. The banner accounted for over 50% of GPA Food sales for the first time in second-quarter 2019, reflecting the success of the business model and expansion of the store base.

Éxito saw organic growth in sales of 4.7% and same-store growth of 3.9%.

Latam Retail trading profit totalled €214 million in first-half 2019 compared with €324 million in first-half 2018, affected by the high basis of tax credits in first-half 2018. Excluding tax credits, trading profit was up 2.1% on an organic basis.

Note: Organic and same-store changes exclude fuel and calendar effects.
[(1)] *Data published by the subsidiary.*

Overview of the consolidated financial statements

Pursuant to European Commission Regulation No. 1606/2002 of 19 July 2002, the consolidated financial statements of the Casino Group have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as adopted by the European Union as of the date of approval of the financial statements by the Board of Directors and applicable at 30 June 2019.

These standards are available on the European Commission's website: https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting_en.

The accounting policies set out in the notes to the consolidated financial statements have been applied consistently in all periods presented, after taking account of the new standards, amendments to existing standards and interpretations and the application of IAS 29 to Libertad as from 1 January 2018 following the classification of Argentina as a hyperinflationary economy.

Net sales

Consolidated net sales for first-half 2019 amounted to €17,841 million, versus €17,787 million in first-half 2018, a total rise of 0.3%, including organic growth of 3.5% and same-store growth of 2.6%. The currency effect and hyperinflation had a negative impact of 2.5%.
A more detailed review of changes in net sales can be found above in the review of each of the Group's three business segments.

Trading profit

Consolidated trading profit amounted to €347 million in first-half 2019 versus €437 million in the same period of 2018, down 20.7% in total and 12.1% on an organic basis. Excluding tax credits, trading profit was up 2.9% as reported and 12.9% on an organic basis.

Changes in scope of consolidation had a 5.5% negative impact on consolidated trading profit for the period, while the currency effect and hyperinflation had a 3.1% negative impact. A more detailed review of changes in trading profit can be found above in the review of each of the Group's three business segments.

Operating profit

Other operating income and expenses amounted to a net expense of €308 million in first-half 2019 versus a net expense of €137 million in the year-earlier period.

The total included a net expense of €53 million for the Latin America and E-commerce segments, down from a net expense of €61 million in first-half 2018.

In France, other operating income and expenses represented a net expense of €254 million (versus a net expense of €75 million in first-half 2018), corresponding mainly to:

- Asset impairment losses in the amount of €99 million in first-half 2019 versus €1 million in first-half 2018, relating primarily to the disposal plan.
- Restructuring costs (excluding the Rocade plan) for €28 million in first-half 2019 compared with €49 million in first-half 2018.
- Net costs of €67 million related to the Rocade plan.

Net financial expense and profit before tax

Net financial expense for the period totalled €166 million (versus €249 million in first-half 2018), comprising:

- Net finance costs of €159 million (versus €155 million in first-half 2018).
- Other financial income and expenses, representing a net expense of €7 million (compared with a net expense of €94 million in first-half 2018).

The Group ended the period with a **loss before tax** of €127 million, compared with a profit of €51 million in first-half 2018.

Net profit/(loss), Group share

Income tax expense amounted to €47 million compared with €24 million in first-half 2018, mainly due to CICE tax credits being requalified as taxable expenses.

The **Group's share of profit of equity-accounted investees** represented a zero amount in first-half 2019 compared with €11 million in the year-earlier period.

Minority interests in profit from continuing operations came to €52 million compared with €107 million in first-half 2018. Minority interests in underlying net profit amounted to €76 million in first-half 2019 versus €133 million in the same period of 2018.

Consolidated net profit/(loss) from continuing operations, Group share came to a loss of €226 million in first-half 2019, versus a loss of €68 million in first-half 2018.

Underlying net profit/(loss), Group share represented a loss of €16 million in first-half 2019 versus a profit of €46 million in first-half 2018. The unfavourable swing was due to the period-on-period decline in trading profit as a result of the high basis of tax credits in first-half 2018 and the evolution in income tax expenses notably related to the requalification of CICE tax credits as taxable expenses.

Financial position

At end-June 2019, **Casino Group consolidated net debt** stood at €4.7 billion versus €3.4 billion at 31 December 2018. Net debt in Brazil improved following completion of the sale of the stake in Via Varejo. **Net debt in France**[1] amounted to €2.9 billion at end-June 2019 from €2.7 billion at end-December 2018, with the impact of the asset disposal plan.

First-half free cash flow in France, in € millions. Excluding IFRS 16	**H1 2019**
EBITDA	**296**
Other items (head office expenses, dividends from equity-accounted investees)	*(73)*
Non-recurring items (excl. the Rocade plan)	*(76)*
Cash flow from continuing operations	**146**
Change in working capital	(247)
Income taxes	(52)
Net cash from (used in) operating activities (excl. Rocade)	**(153)**
Investments (Gross Capex)	(199)
Asset disposals (excluding asset disposal plan)	49
Net Capex	(150)
Asset disposal plan (real estate, catering business)	380
Rocade plan	55
Free cash flow[1] + net proceeds from disposal and Rocade plans	**133**

[1] Before dividends paid to owners of the parent and holders of TSSDI deeply-subordinated notes, and excluding financial expenses. See note on alternative performance indicators, page 18

Cash flow from operations (cash flow from continuing operations less gross CAPEX) **in France** improved by €46 million, driven by cost reductions and lower CAPEX. The trajectory puts the Group on track to meet the full-year target of €500 million in free cash flow excluding the disposal plan and Rocade plan.

[1] Casino Group holding company scope, including the French businesses and wholly-owned holding companies.

Consolidated equity, Group share totalled €6,243 million at 30 June 2019 compared with €6,731 million at 31 December 2018.

As at 30 June 2019, Casino in France[1] had €4.4 billion in liquidity, composed of a gross cash position of €1.7 billion and confirmed undrawn lines of credit of €2.7 billion. Confirmed lines are available at any time (€150 million had been drawn down at 30 June 2019). Drawing down a fraction of the credit lines offsets the decline in outstanding commercial paper.

[1] *Casino Group holding company scope, including the French businesses and wholly-owned holding companies.*

Outlook

2019 financial guidances

(excluding IFRS 16)

France

- +10% growth in trading profit (excluding property development)
- At least €2.5 billion from the disposal plan by first-quarter 2020 and reduction in debt
- €0.5bn in free cash flow(1) excluding disposal plan and Rocade plan

Cdiscount

- Strong improvement in EBITDA

GPA

- Assaí: 30-40bps improvement in EBITDA margin
- Multivarejo: 30bps improvement in EBITDA margin

Éxito

- Improvement in EBITDA margin

Acceleration of the debt reduction plan

- The Board of Directors will propose to the 2020 Annual General Meeting **the non-payment of dividend in 2020 for the 2019 fiscal year and has decided not to pay a 2020 interim dividend for the 2020 fiscal year.**
  - This would represent a **total cash saving of around €500 million at end-2020**(2), taking into account the absence of interim dividend decided for the 2019 fiscal year.
- In light of its cash flow objectives, its €2.5bn disposal plan, which is expected to be completed by first-quarter 2020, and the absence of dividend, **the Group is targeting net debt in France of less than €1.5 billion at end-2020** and foresees to maintain it under this level over time.
- Coupon payments to holders of TSSDI deeply-subordinated bonds will be maintained.

(1) Before financial expenses and dividends
(2) Based on 2018 dividends

Subsequent events

- On **2 July 2019**, the Casino Group announced that it had completed the sale of 3 hypermarkets, 4 Casino supermarkets and 1 Leader Price store for €39 million.

- On **22 July 2019**, the Casino Group and GBH announced the signing of a unilateral purchase agreement to sell Vindémia for an enterprise value of €219 million.

- On **24 July 2019**, the Casino Group announced that it had signed new agreements as part of its strategy to dispose of structurally loss-making stores (hypermarkets, supermarkets, Leader Price stores). The transaction total proceeds amounted to €42 million and relate to the sale of the real estate and business of the Marmande Hypermarket to an experienced retailer that intends to convert the store to the U banner, the sale of the real estate and business of the Onet-le-Château Hypermarket to an associate of the Système U network, and the sale of the real estate and business of the Béziers Hypermarket to a Leclerc member. Together, these stores represented net sales of approximately €76 million and a trading loss of around €2 million in 2018. The signed agreements provide for the transfer of the employment contracts of the stores' employees to the buyers in accordance with French rules. The transactions are expected to be completed at the end of 2019, after the prior consultation of employee representatives and fulfilment of the customary conditions precedent.

- On 27 June 2019, a project was launched to simplify the Group's structure in Latin America, notably by combining all of its activities in the region within GPA and migrating GPA shares to the Novo Mercado. After the project had been studied by a committee of independent directors, on **24 July 2019**, GPA's Board of Directors approved the launch of an all-cash tender offer for Éxito shares at a price of COP 18,000. The offer will be filed by GPA once Éxito has approved the agreements giving Casino exclusive control over Segisor (the holding company that controls GPA) and allowing Casino to acquire Éxito's stake in Segisor at a price that values GPA shares at BRL 109. On the same day, Casino's Board of Directors approved the purchase offer at a price of BRL 109 per share, which was submitted to Éxito's Board of Directors for review.

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Appendix: Alternative performance indicators

The definition of key non-GAAP indicators are available on the Group's website (https://www.groupe-casino.fr/en/investors/regulated-information/), particularly the underlying net profit as shown below.

Underlying net profit corresponds to net profit/(loss) from continuing operations, adjusted for (i) the impact of other operating income and expenses, as defined in the "Significant accounting policies" section in the notes to the consolidated financial statements, (ii) the impact of non-recurring financial items, as well as (iii) income tax expense/benefits related to these adjustments.

Non-recurring financial items include fair value adjustments to equity derivative instruments (such as total return swaps and forward instruments related to GPA shares) and the effects of discounting Brazilian tax liabilities.

Underlying profit is a measure of the Group's recurring profitability.

(€ millions)	H1 2018	Restated items	H1 2018 underlying	**H1 2019**	**Restated items**	**H1 2019 underlying**
Trading profit	**437**	**0**	**437**	**347**	**0**	**347**
Other operating income and expenses	**(137)**	137	0	(308)	308	**0**
Operating profit	**301**	**137**	**437**	**39**	**308**	**347**
Net finance costs	(155)	0	(155)	(159)	0	(159)
Other financial income and expenses[1]	(94)	43	(51)	(7)	(47)	(54)
Income tax[2]	(24)	(39)	(63)	(47)	(27)	(74)
Share of profit of equity-accounted investees	11	0	11	(0)	0	(0)
Net profit (loss) from continuing operations	**39**	**141**	**180**	**(174)**	**234**	**60**
Attributable to minority interests[3]	107	26	133	52	24	76
Group share	**(68)**	**115**	**46**	**(226)**	**210**	**(16)**

[1] Other financial income and expenses have been restated, primarily for the impact of discounting tax liabilities, as well as for changes in the fair value of total return swaps and forwards.
[2] Income taxes have been restated for the tax impact of the restated items listed above.
[3] Minority (non-controlling) interests have been restated for the amounts relating to the restated items listed above.

Appendix 2: IFRS 16 impact

P&L and balance sheet impacts of applying IFRS 16 in first-half 2019

P&L impacts (in € millions) and balance sheet impacts[1] (in € billions)

	EBITDA	Depreciation	Trading profit	Other operating income and expenses	Interest expense on lease liability	Profit before taxes	Consolidated net profit/(loss)[2]	Right-of-use assets	Lease liabilities	Equity
France	310	(270)	40	(79)	(52)	(90)	(68)	3.2	3.1	(0.2)
E-commerce (Cdiscount)	12	(11)	2	-	(2)	(1)	(1)	0.2	0.2	0.0
Latin America	141	(93)	48	4	(81)	(25)	(18)	1.7	1.5	(0.2)
Total	**463**	**(374)**	**90**	**(75)**	**(135)**	**(116)**	**(87)**	**5.0**	**4.8**	**(0.4)**

[1] *Impact at 30 June 2019.*
[2] *Impact on profit/(loss) from continuing operations. Impacts excluding Via Varejo.*

Consolidated income statement including IFRS 16 impact

(€ millions)	**H1 2018**	IFRS 16 impact	**H1 2018 incl. IFRS 16**	**H1 2019**	IFRS 16 impact	**H1 2019 incl. IFRS 16**
Trading profit	**437**	**79**	**517**	**347**	**90**	**437**
Other operating income and expenses	(137)	1	(136)	(308)	(75)	(383)
Operating profit	301	80	381	39	14	54
Net finance costs	(155)	4	(151)	(159)	3	(157)
Other financial income and expenses	(94)	(116)	(210)	(7)	(134)	(141)
Income taxes	(24)	9	(15)	(47)	29	(18)
Share of profit of equity-accounted investees	11	(0)	11	(0)	(0)	(0)
Profit/(loss) from continuing operations, Group share	(68)	(10)	(79)	(226)	(75)	(302)
Profit/(loss) from discontinued operations, Group share	4	2	6	(6)	(4)	(2)
Net profit/(loss), Group share	**(64)**	**(8)**	**(72)**	**(232)**	**(72)**	**(304)**

[1] *EBITDA = Trading profit + amortisation and depreciation expense.*
[2] *Underlying net profit corresponds to net profit/(loss) from continuing operations adjusted for the impact of other operating income and expenses, the impact of non-recurring financial items, and income tax expense/benefits related to these adjustments.*

Appendix 3: Governance structure set up following initiation of safeguard proceedings at the level of the Group's parent companies

At its meeting on 13 June 2019, the Board of Directors decided to follow the recommendation of the Governance and Social Responsibility Committee by setting up a specific governance framework in response to the initiation of safeguard proceedings at the level of the Group's parent companies.
The Board of Directors decided to give the Governance and Social Responsibility Committee, chaired by the Senior Independent Director, responsibility for dealing with issues arising from the safeguard proceedings, including:

- Exchanging information with Rallye and the Group's other parent companies concerning the preparation, negotiation and implementation of the parent companies' safeguard plans.
- Reviewing any Board decisions related to the implementation of the safeguard plans or that could potentially be affected by the safeguard proceedings applicable to the parent companies (for example, implementation of the current disposal plan and possible plan adjustments, any decision to pay a dividend, or any related-party agreements with companies concerned by the safeguard proceedings).

These arrangements are designed to ensure that the Casino Group's governance mechanisms are appropriate and that the Board of Directors:

- is in a position to continue to provide its members with full and accurate information, and to make impartial and objective decisions, in order to protect Casino's corporate interests; and
- remains in a position to identify and manage Board members' potential conflicts of interest.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AT 30 JUNE 2019

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Condensed Consolidated Financial Statements

CONSOLIDATED INCOME STATEMENT

(€ millions)	Notes	For the six months ended 30 June 2019	For the six months ended 30 June 2018 (restated)(i)
CONTINUING OPERATIONS			
Net sales	5/6.2	**17,841**	17,787
Other revenue	6.2	**327**	238
Total revenue	**6.2**	**18,168**	**18,024**
Cost of goods sold		**(13,749)**	(13,508)
Gross margin		**4,419**	**4,516**
Selling expenses	6.3	**(3,247)**	(3,306)
General and administrative expenses	6.3	**(735)**	(694)
Trading profit	**5.1**	**437**	**517**
As a % of net sales		***2.4%***	*2.9%*
Other operating income	6.5	**217**	102
Other operating expenses	6.5	**(601)**	(238)
Operating profit		**54**	**381**
As a % of net sales		***0.3%***	*2.1%*
Income from cash and cash equivalents	9.3.1	**11**	23
Finance costs	9.3.1	**(167)**	(174)
Net finance costs	**9.3.1**	**(157)**	**(151)**
Other financial income	9.3.2	**105**	51
Other financial expenses	9.3.2	**(245)**	(261)
Profit/(loss) before tax		**(244)**	**19**
As a % of net sales		***-1.4%***	*0.1%*
Income tax expense	7	**(18)**	(15)
Share of profit of equity-accounted investees	3.3.1	**-**	11
Net profit/(loss) from continuing operations		**(262)**	**16**
As a % of net sales		***-1.5%***	*0.1%*
Attributable to owners of the parent		**(302)**	(79)
Attributable to non-controlling interests		**40**	94
DISCONTINUED OPERATIONS			
Net profit/(loss) from discontinued operations		**13**	**74**
Attributable to owners of the parent		**(2)**	6
Attributable to non-controlling interests		**15**	68
CONTINUING AND DISCONTINUED OPERATIONS			
Consolidated net profit/(loss)		**(249)**	**90**
Attributable to owners of the parent		**(304)**	(72)
Attributable to non-controlling interests		**55**	162

Earnings per share

(€)	Notes	For the six months ended 30 June 2019	For the six months ended 30 June 2018 (restated)(i)
From continuing operations, attributable to owners of the parent			
▪ Basic		**(3.15)**	(1.11)
▪ Diluted		**(3.15)**	(1.11)
From continuing and discontinued operations, attributable to owners of the parent			
▪ Basic		**(3.17)**	(1.05)
▪ Diluted		**(3.17)**	(1.05)

(i) Previously published comparative information has been restated to reflect the retrospective application of IFRS 16 – *Leases*, and the application of IAS 29 – *Financial Reporting in Hyperinflationary Economies* in Argentina (Note 1.3).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€ millions)	For the six months ended 30 June 2019	For the six months ended 30 June 2018 (restated)[(i)]
Consolidated net profit/(loss)	**(249)**	**90**
Items that may subsequently be reclassified to profit or loss	**60**	**(829)**
Cash flow hedges and cash flow hedge reserve[(ii)]	**(36)**	18
Foreign currency translation adjustments[(iii)]	**83**	(839)
Debt instruments at fair value through other comprehensive income (OCI)	**4**	3
Share of items of equity-accounted investees that may be subsequently reclassified to profit or loss	**(2)**	(4)
Income tax effects	**12**	(7)
Items that will never be reclassified to profit or loss	**(1)**	**3**
Equity instruments at fair value through other comprehensive income	**(2)**	(2)
Actuarial gains and losses	**1**	8
Share of items of equity-accounted investees that will never be subsequently reclassified to profit or loss	**(1)**	-
Income tax effects	**-**	(2)
Other comprehensive income/(loss) for the period, net of tax	**59**	**(826)**
Total comprehensive income/(loss) for the period, net of tax	**(190)**	**(736)**
Attributable to owners of the parent	***(302)***	*(461)*
Attributable to non-controlling interests	***112***	*(275)*

(i) Previously published comparative information has been restated to reflect the retrospective application of IFRS 16 – *Leases*, and the application of IAS 29 – *Financial Reporting in Hyperinflationary Economies* in Argentina (Note 1.3).

(ii) The change in the cash flow hedge reserve in first-half 2019 and 2018 was not material.

(iii) The €83 million positive net translation adjustment in first-half 2019 arose mainly from the appreciation of the Brazilian real for a positive €112 million, partially offset by the depreciation of the Uruguayan peso for a negative €37 million. The €839 million negative translation adjustment in first-half 2018 reflected the depreciation of the Brazilian real for a negative €815 million.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS (€ millions)	Notes	30 June 2019	31 December 2018 (restated)[(i)]	1 January 2018 (restated)[(i)]
Goodwill	8	**8,734**	8,682	9,092
Intangible assets	8	**2,192**	2,114	2,136
Property, plant and equipment	8	**5,527**	5,848	7,329
Investment property	8	**508**	497	494
Right-of-use assets	8/1.3	**4,982**	4,811	4,529
Investments in equity-accounted investees	3.3.1	**514**	500	563
Other non-current assets		**1,386**	1,263	1,191
Deferred tax assets		**671**	652	606
Total non-current assets		**24,514**	**24,368**	**25,938**
Inventories		**3,922**	3,842	3,814
Trade receivables		**902**	905	888
Other current assets		**1,532**	1,424	1,263
Current tax assets		**124**	165	138
Cash and cash equivalents	9.1	**3,195**	3,730	3,391
Assets held for sale	3.2	**1,330**	8,347	7,545
Total current assets		**11,005**	**18,414**	**17,040**
TOTAL ASSETS		**35,519**	**42,781**	**42,978**

EQUITY AND LIABILITIES (€ millions)	Notes	30 June 2019	31 December 2018 (restated)[(i)]	1 January 2018 (restated)[(i)]
Share capital	10.1	**166**	168	170
Additional paid-in capital, treasury shares, retained earnings and consolidated net profit/(loss)		**5,825**	6,385	7,255
Equity attributable to owners of the parent		**5,991**	**6,553**	**7,425**
Non-controlling interests		**4,531**	**5,211**	**5,379**
Total equity		**10,522**	**11,763**	**12,803**
Non-current provisions for employee benefits		**367**	366	358
Other non-current provisions	11.1	**477**	480	512
Non-current financial liabilities	9.2	**6,302**	6,782	7,202
Non-current lease liabilities	1.3	**4,074**	3,771	3,529
Non-current put options granted to owners of non-controlling interests		**63**	63	28
Other non-current liabilities		**235**	465	478
Deferred tax liabilities		**513**	667	740
Total non-current liabilities		**12,032**	**12,594**	**12,848**
Current provisions for employee benefits		**11**	11	11
Other current provisions	11.1	**170**	151	160
Trade payables		**5,806**	6,668	6,644
Current financial liabilities	9.2	**2,924**	2,199	1,475
Current lease liabilities	1.3	**692**	666	634
Current put options granted to owners of non-controlling interests		**118**	126	143
Current tax liabilities		**105**	124	88
Other current liabilities		**2,812**	2,613	2,483
Liabilities associated with assets held for sale	3.2	**327**	5,868	5,689
Total current liabilities		**12,965**	**18,424**	**17,328**
TOTAL EQUITY AND LIABILITIES		**35,519**	**42,781**	**42,978**

(i) Previously published comparative information has been restated to reflect the retrospective application of IFRS 16 – *Leases* (Note 1.3). The 2018 consolidated financial statements have been restated further to the allocation of the Sarenza purchase price to the fair value of assets acquired and liabilities assumed (Note 1.3).

CONSOLIDATED STATEMENT OF CASH FLOWS

(€ millions)	Notes	For the six months ended 30 June 2019	For the six months ended 30 June 2018 (restated)(i)
Profit/(loss) before tax from continuing operations		**(244)**	19
Profit before tax from discontinued operations		**65**	125
Consolidated profit/(loss) before tax		**(179)**	**144**
Depreciation and amortisation expense	6.4	**690**	684
Provision and impairment expense	4.1	**131**	(6)
Losses/(gains) arising from changes in fair value	9.3.2	**(36)**	43
Expenses/(income) on share-based payment plans		**8**	13
Other non-cash items		**(18)**	(23)
(Gains)/losses on disposals of non-current assets	4.4	**(14)**	(4)
(Gains)/losses due to changes in percentage ownership of subsidiaries resulting in acquisition/loss of control		**61**	(1)
Dividends received from equity-accounted investees	3.3.1	**24**	27
Net finance costs	9.3.1	**157**	151
Interest paid on leases, net	9.3.2	**133**	115
Non-recourse factoring and associated transaction costs	9.3.2	**36**	38
Gain on disposal of discontinued operations		**(38)**	-
Adjustments related to discontinued operations	3.2	**78**	90
Net cash from operating activities before change in working capital, net finance costs and income taxes		**1,031**	**1,271**
Income taxes paid		**(119)**	(107)
Change in operating working capital	4.2	**(1,234)**	(848)
Income taxes paid and change in operating working capital: discontinued operations	3.2	**(623)**	(402)
Net cash used in operating activities		**(945)**	**(87)**
O/w continuing operations		***(426)***	***101***
Cash outflows related to acquisitions of:			
▪ Property, plant and equipment, intangible assets and investment property	4.3	**(516)**	(528)
▪ Non-current financial assets		**(27)**	(22)
Cash inflows related to disposals of:			
▪ Property, plant and equipment, intangible assets and investment property	4.4	**414**	223
▪ Non-current financial assets		**59**	20
Effect of changes in scope of consolidation resulting in acquisition or loss of control	4.5	**129**	(74)
Effect of changes in scope of consolidation related to equity-accounted investees		**(16)**	(4)
Change in loans and advances granted		**16**	3
Net cash from/(used in) investing activities of discontinued operations	3.2	**464**	(58)
Net cash from/(used in) investing activities		**524**	**(440)**
O/w continuing operations		***60***	***(381)***
Dividends paid:			
▪ to owners of the parent	10.4	**(169)**	(168)
▪ to non-controlling interests		**(62)**	(36)
▪ to holders of deeply-subordinated perpetual bonds	10.4	**(42)**	(42)
Increase/(decrease) in the parent's share capital		**-**	-
Transactions between the Group and owners of non-controlling interests	4.6	**(32)**	44
(Purchases)/sales of treasury shares		**(58)**	(143)
Additions to borrowings	4.7	**556**	1,739
Repayments of borrowings	4.7	**(225)**	(236)
Repayment of lease liabilities		**(368)**	(343)
Interest paid, net	4.8	**(387)**	(401)
Net cash used in financing activities of discontinued operations	3.2	**(242)**	(386)
Net cash from/(used in) financing activities		**(1,028)**	**27**
O/w continuing operations		***(786)***	***413***
Effect of changes in exchange rates on cash and cash equivalents of continuing		**47**	(152)
Effect of changes in exchange rates on cash and cash equivalents of discontinued		**19**	(54)
Change in cash and cash equivalents		**(1,383)**	**(705)**
Net cash and cash equivalents at beginning of period		**4,514**	**4,137**
• Of which net cash and cash equivalents of continuing operations	9.1	3,592	3,236
• Of which net cash and cash equivalents of discontinued operations		922	901
• **Net cash and cash equivalents at end of period**		**3,131**	**3,432**
• Of which net cash and cash equivalents of continuing operations	9.1	3,078	3,218
• Of which net cash and cash equivalents of discontinued operations		54	214

(i) Previously published comparative information has been restated to reflect the retrospective application of IFRS 16 – *Leases*, and the application of IAS 29 – *Financial Reporting in Hyperinflationary Economies* in Argentina (Note 1.3).

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(€ millions) (before appropriation of profit)	Share capital	Additional paid-in capital[(i)]	Treasury shares	Deeply-subordinated perpetual bonds (TSSDI)	Retained earnings and profit for the period	Other reserves[(ii)]	Equity attributable to owners of the parent[(iii)]	Non-controlling interests	Total equity
As at 1 January 2018 (reported)	**170**	**3,992**	**(5)**	**1,350**	**4,177**	**(2,114)**	**7,570**	**5,493**	**13,063**
Effects of applying IFRS 16 (Note 1.3)	-	-	-	-	(145)		(145)	(114)	(259)
As at 1 January 2018 (restated)[(*)]	**170**	**3,992**	**(5)**	**1,350**	**4,031**	**(2,114)**	**7,425**	**5,379**	**12,803**
Other comprehensive income/(loss) for the period (restated)[(*)]	-	-	-	-	-	(389)	(389)	(437)	(826)
Net profit/(loss) for the period (restated)[(*)]	-	-	-	-	(72)	-	(72)	162	90
Consolidated comprehensive income/(loss) for the period (restated)[(*)]	**-**	**-**	**-**	**-**	**(72)**	**(389)**	**(461)**	**(275)**	**(736)**
Issue of share capital	-	-	-	-	-	-	-	-	-
Purchases and sales of treasury shares	(1)	(32)	(84)		(21)	-	(138)	-	(138)
Dividends paid/payable to shareholders[(v)]	-	-	-	-	(168)	-	(168)	(33)	(201)
Dividends paid/payable to holders of deeply-subordinated perpetual bonds[(v)]	-	-	-	-	(42)	-	(42)	-	(42)
Share-based payments	-	-	-	-	5	-	5	7	12
Changes in percentage interest resulting in the acquisition/loss of control of subsidiaries	-	-	-	-	-	-	-	-	-
Changes in percentage interest not resulting in the acquisition/loss of control of subsidiaries[(vi)]	-	-	-	-	(18)	-	(18)	39	21
Other movements	-	-	-	-	(5)	-	(5)	(4)	(8)
As at 30 June 2018 (restated)[(*)]	**169**	**3,960**	**(89)**	**1,350**	**3,709**	**(2,503)**	**6,597**	**5,114**	**11,710**

(€ millions) (before appropriation of profit)	Share capital	Additional paid-in capital[(i)]	Treasury shares	Deeply-subordinated perpetual bonds (TSSDI)	Retained earnings and profit for the period	Other reserves[(ii)]	Equity attributable to owners of the parent[(iii)]	Non-controlling interests	Total equity
As at 31 December 2018 (reported)	**168**	**3,939**	**(33)**	**1,350**	**3,759**	**(2,452)**	**6,731**	**5,288**	**12,019**
Effects of applying IFRS 16 (Note 1.3)	-	-	-	-	(184)	5	(178)	(77)	(255)
As at 31 December 2018 (restated)[(*)]	**168**	**3,939**	**(33)**	**1,350**	**3,575**	**(2,447)**	**6,553**	**5,211**	**11,763**
Effects of applying IFRIC 23 (Note 1.1)	**-**	**-**	**-**	**-**	**(7)**	**-**	**(7)**	**-**	**(7)**
As at 1 January 2019	**168**	**3,939**	**(33)**	**1,350**	**3,568**	**(2,447)**	**6,545**	**5,211**	**11,756**
Other comprehensive income/(loss) for the period	-	-	-	-	**-**	**2**	**2**	**57**	**59**
Net profit/(loss) for the period	-	-	-	-	**(304)**	**-**	**(304)**	**55**	**(249)**
Consolidated comprehensive income/(loss) for the period	**-**	**-**	**-**	**-**	**(304)**	**2**	**(303)**	**112**	**(190)**
Issue of share capital	-	-	-	-	-	-	**-**	**-**	**-**
Purchases and sales of treasury shares[(iv)]	**(2)**	**(38)**	**(12)**	**-**	**(5)**	-	**(58)**	**-**	**(58)**
Dividends paid/payable to shareholders[(v)]	-	-	-	**-**	**(169)**	-	**(169)**	**(67)**	**(237)**
Dividends paid/payable to holders of deeply-subordinated perpetual bonds[(v)]	-	-	-	**-**	**(39)**	-	**(39)**	**-**	**(39)**
Share-based payments	-	-	-	**-**	**2**	-	**2**	**9**	**12**
Changes in percentage interest resulting in the acquisition/loss of control of subsidiaries[(vii)]	-	-	-	**-**	**3**	-	**3**	**(749)**	**(747)**
Changes in percentage interest not resulting in the acquisition/loss of control of subsidiaries[(vi)]	-	-	-	**-**	**(8)**	-	**(8)**	**4**	**(4)**
Other movements	-	-	-	**-**	**17**	-	**17**	**12**	**29**
As at 30 June 2019	**166**	**3,901**	**(46)**	**1,350**	**3,064**	**(2,445)**	**5,991**	**4,531**	**10,522**

(*) Previously published comparative information has been restated to reflect the retrospective application of IFRS 16 – *Leases*, and the application of IAS 29 – *Financial Reporting in Hyperinflationary Economies* in Argentina (Note 1.3).
(i) Additional paid-in capital includes (a) premiums on shares issued for cash or for contributions in kind, or in connection with mergers or acquisitions, and (b) legal reserves.
(ii) See Note 10.2.
(iii) Attributable to the shareholders of Casino, Guichard-Perrachon.
(iv) See Note 10.1 for information about treasury share transactions.
(v) See Note 10.4 for dividends paid and payable to holders of ordinary shares and deeply-subordinated perpetual bonds. Dividends paid and payable to non-controlling interests in first-half 2019 concern mainly GPA and Éxito in the amounts of €24 million and €21 million, respectively (first-half 2018: Éxito and GPA for €18 million and €12 million, respectively).
(vi) The €6 million negative impact in equity primarily relates to the acquisition of non-controlling interests in Mayotte de Vindémia, offset by the acquisition of controlling interests in Franprix-Leader Price stores, as described in Note 3.1. In the first half of 2018, the €21 million positive impact primarily related to (a) the additional contribution of €36 million made by the private equity fund Fondo Inmobiliaro Colombia to the Viva Malls real estate trust created by Éxito in 2016, less (b) the impact of the sale of Franprix-Leader Price and Distribution Casino France stores for €7 million and €4 million, respectively.
(vii) The negative amount of €747 million mainly corresponds to the loss of control in Via Varejo (Note 2).

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

DETAILED SUMMARY OF NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

INFORMATION ABOUT THE CASINO, GUICHARD-PERRACHON GROUP

Casino, Guichard-Perrachon ("the Company") is a French *société anonyme* listed in compartment A of Euronext Paris. The Company and its subsidiaries are hereinafter referred to as "the Group" or "the Casino Group". The Company's registered office is at 1, Cours Antoine Guichard, 42008 Saint-Étienne, France.

The interim consolidated financial statements for the six months ended 30 June 2019 reflect the accounting position of the Company and its subsidiaries as well as the Group's interests in joint ventures and associates. The Group was informed by its main shareholder, Rallye, of the initiation of safeguard proceedings concerning Rallye and its subsidiaries Cobivia and HMB, as well as Foncière Euris, Finatis and Euris, as announced by those companies on 23 May 2019. The safeguard proceedings do not concern the Casino Group, its businesses or employees and have no impact on the continued implementation of the Group's current strategic plan (Note 2).

The consolidated financial statements of Casino, Guichard-Perrachon for the six months ended 30 June 2019 were approved for publication by the Company's Board of Directors on 24 July 2019.

Note 1 Significant accounting policies

1.1 Accounting standards

Pursuant to European Commission Regulation No. 1606/2002 of 19 July 2002, the consolidated financial statements of the Casino Group have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as adopted by the European Union as of the date of approval of the financial statements by the Board of Directors and applicable at 30 June 2019.

These standards are available on the European Commission's website: https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting_en.

The interim consolidated financial statements, presented here in condensed form, have been prepared in accordance with IAS 34 – Interim Financial Reporting. They do not contain all the information and notes included in the annual financial statements. They should therefore be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2018, which are available upon request from the Company's head office, or can be downloaded from the Group's website, https://www.groupe-casino.fr/en/.

The accounting principles used to prepare these condensed consolidated financial statements for the six months ended 30 June 2019 are identical to those applied to the annual consolidated financial statements for the year ended 31 December 2018, with the exception of the accounting changes related to the following new standards and interpretations applicable from 1 January 2019.

- IFRS 16 – *Leases*
- IFRIC 23 – *Uncertainty over Income Tax Treatments*
- Amendments to IFRS 9 – *Prepayment Features with Negative Compensation*
- Amendments to IAS 19 – *Plan Amendment, Curtailment or Settlement*
- Amendments to IAS 28 – *Long-term Interests in Associates and Joint Ventures*
- IFRS Annual Improvements – *2015-2017 Cycle*

The effects of applying IFRS 16 are presented in Note 1.3. The adoption of the other new standards has no material impact on the consolidated financial statements.

1.2 Basis of preparation and presentation of the consolidated financial statements

1.2.1 Basis of measurement

The consolidated financial statements are presented in euros, which is the functional currency of the Group's parent company. The figures in the tables have been rounded to the nearest million euros and include individually rounded data. Consequently, the totals and sub-totals shown may not correspond exactly to the sum of the reported amounts.

1.2.2 Use of estimates and judgements

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that may affect the reported amounts of assets and liabilities and income and expenses, as well as the disclosures made in certain notes to the consolidated financial statements. Due to the inherent uncertainty of assumptions, actual results may differ from the estimates. Estimates and assessments are reviewed at regular intervals and adjusted where necessary to take into account past experience and any relevant economic factors.

The main judgements, estimates and assumptions are based on the information available when the financial statements are drawn up and concern the following:

- classification and measurement of France Retail segment assets in accordance with IFRS 5 (Note3.2) ;
- valuation of non-current assets and goodwill (Note 8);
- assumptions used to measure deferred tax assets (Note 7);
- recognition, presentation and measurement of the recoverable amounts of tax credits or taxes (mainly ICMS, PIS and COFINS in Brazil) (Notes 5.1 and 11);
- IFRS 16 transition method, notably the determination of discount rates and the lease term for the purpose of measuring the lease liability for leases with renewal or termination options (Note 1.3);
- provisions for risks (Note 11), particularly tax and employee-related risks in Brazil.

1.3 Changes in accounting methods

1.3.1 Impact on the consolidated financial statements

The following tables show the impact on the previously published consolidated income statement, statement of comprehensive income, consolidated statement of financial position and consolidated statement of cash flows, resulting from:

- full retrospective application of IFRS 16 – *Leases* (Note 1.3.2);
- limited retrospective application at 1 January 2018 (cumulative catch-up without restating prior periods) of IAS 29 – *Financial Reporting in Hyperinflationary Economies* in Argentina. IAS 29 requires that the statements of financial position and income statements of subsidiaries operating in hyperinflationary economies should be (i) restated by applying a general price index so that they are stated in terms of the measuring unit current at the end of the reporting period, and (ii) converted into euros at the period-end exchange rate;
  Since the Group applied IAS 29 from the second half of 2018 with retroactive effect at 1 January 2018, the impacts of applying this standard in first-half 2019 solely concern published information for the first six months of 2018;
- the main impact of the final allocation of the purchase price for Sarenza, acquired in 2018, was the recognition of the Sarenza trademark.

Impact on the main consolidated income statement indicators

(€ millions)	For the six months ended 30 June 2018 (reported)	IFRS 16 adjustments	IAS 29 adjustments	For the six months ended 30 June 2018 (restated)
Net sales	17,816	-	(29)	**17,787**
Other revenue	241	-	(3)	**238**
Total revenue	**18,057**	**-**	**(32)**	**18,024**
Cost of goods sold	(13,541)	12	20	**(13,508)**
Selling expenses	(3,381)	67	8	**(3,306)**
General and administrative expenses	(695)	-	1	**(694)**
Trading profit	**439**	**79**	**(2)**	**517**
Operating profit	**303**	**80**	**(2)**	**381**
Net finance costs	(158)	4	3	**(151)**
Other financial income and expenses	(91)	(116)	(2)	**(210)**
Profit before tax	**53**	**(32)**	**(2)**	**19**
Income tax (expense)/benefit	(23)	9	-	**(15)**
Share of profit of equity-accounted investees	11	-	-	**11**
Net profit from continuing operations	**42**	**(23)**	**(2)**	**16**
Attributable to owners of the parent	*(67)*	*(10)*	*(1)*	***(79)***
Attributable to non-controlling interests	*108*	*(13)*	*(1)*	***94***
Net profit from discontinued operations	**48**	**26**(i)	**-**	**74**
Attributable to owners of the parent	*4*	*2*	-	***6***
Attributable to non-controlling interests	*44*	*24*	-	***68***
Consolidated net profit	**90**	**2**	**(2)**	**90**
Attributable to owners of the parent	*(63)*	*(8)*	*(1)*	***(72)***
Attributable to non-controlling interests	*153*	*11*	*(1)*	***162***

(i) The positive amount reflects the discontinuation of the depreciation of Via Varejo right-of-use in connection with its classification as held-for-sale in accordance with IFRS 5.

Impact on the main consolidated statement of comprehensive income indicators

(€ millions)	For the six months ended 30 June 2018 (reported)	IFRS 16 adjustments	IAS 29 adjustments	For the six months ended 30 June 2018 (restated)
Consolidated net profit	**90**	**2**	**(2)**	**90**
Items that may subsequently be reclassified to profit or loss	(843)	*14*	-	(829)
O/w foreign currency translation adjustment	*(853)*	*14*	-	*(839)*
Items that will never be reclassified to profit or loss	3	-	-	3
Total comprehensive income/(loss) for the period, net of tax	**(750)**	**17**	**(3)**	**(736)**
Attributable to owners of the parent	*(456)*	*(4)*	*(2)*	*(461)*
Attributable to non-controlling interests	*(294)*	*21*	*(1)*	*(275)*

Impact on the main consolidated statement of cash flows indicators

(€ millions)	For the six months ended 30 June 2018 (reported)	IFRS 16 adjustments	IAS 29 adjustments	For the six months ended 30 June 2018 (restated)
Net cash used in operating activities	**(623)**	**541**	**(4)**	**(87)**
O/w consolidated profit before tax	*128*	*18*	*(2)*	***144***
O/w other components of cash flow	*626*	*506*	*(4)*	***1,127***
O/w change in operating working capital and income taxes paid	*(1,377)*	*17*	*3*	***(1,358)***
Net cash used in investing activities	**(440)**	**-**	**1**	**(440)**
Net cash from financing activities	**561**	**(541)**	**7**	**27**
Effect of changes in exchange rates on cash and cash equivalents	(202)	-	(3)	**(206)**
Change in cash and cash equivalents	**(705)**	**-**	**-**	**(705)**
Net cash and cash equivalents at beginning of period	4,137	-	-	**4,137**
Net cash and cash equivalents at end of period	3,432	-	-	**3,432**

Impact on the main consolidated statement of financial position indicators

Impact of first-time application of IFRS 16 at 1 January 2018

(€ millions)	1 January 2018 (reported)(i)	IFRS 16 adjustments	1 January 2018 (restated)
Goodwill	9,092	**-**	**9,092**
Intangible assets, property, plant and equipment, and investment property	10,732	**(774)**	**9,958**
Right-of-use assets	-	**4,529**	**4,529**
Investments in equity-accounted investees	563	**-**	**563**
Other non-current assets	1,199	**(9)**	**1,191**
Deferred tax assets	523	**83**	**606**
Total non-current assets	**22,110**	**3,829**	**25,938**
Inventories	3,815	**(1)**	**3,814**
Trade receivables	888	**-**	**888**
Other current assets	1,282	**(18)**	**1,263**
Current tax assets	138	**-**	**138**
Cash and cash equivalents	3,391	**-**	**3,391**
Assets held for sale	6,551	**995**	**7,545**
Total current assets	**16,064**	**976**	**17,040**
Total assets	**38,174**	**4,805**	**42,978**
Equity attributable to owners of the parent	7,570	(145)	**7,425**
Non-controlling interests	5,493	(114)	**5,379**
Total equity	**13,063**	**(259)**	**12,803**
Non-current provisions for employee benefits	358	**-**	**358**
Other non-current provisions	514	**(2)**	**512**
Non-current financial liabilities	7,249	**(47)**	**7,202**
Non-current lease liabilities	-	**3,529**	**3,529**
Non-current put options granted to owners of non-controlling interests	28	**-**	**28**
Other non-current liabilities	486	**(8)**	**478**
Deferred tax liabilities	725	16	**740**
Total non-current liabilities	**9,360**	**3,488**	**12,848**
Current provisions for employee benefits	11	**-**	**11**
Other current provisions	162	**(2)**	**160**
Trade payables	6,664	**(20)**	**6,644**
Current financial liabilities	1,493	**(17)**	**1,475**
Current lease liabilities	-	**634**	**634**
Current put options granted to owners of non-controlling interests	143	**-**	**143**
Current tax liabilities	88	**-**	**88**
Other current liabilities	2,513	**(30)**	**2,483**
Liabilities associated with assets held for sale	4,678	**1,011**	**5,689**
Total current liabilities	**15,751**	**1,576**	**17,328**
Total equity and liabilities	**38,174**	**4,805**	**42,978**

(i) Since Argentina has been considered as a hyperinflationary economy since July 2018, the statement of financial position at 1 January 2018 presented in the 2018 consolidated financial statements already included the impact of applying IAS 29.

Impacts of the retrospective application of IFRS 16 and the changes in the Sarenza purchase price allocation at 31 December 2018

(€ millions)	31 December 2018 (reported)	IFRS 16 adjustments	Sarenza PPA adjustment	31 December 2018 (restated)
Goodwill	8,690	-	(8)	**8,682**
Intangible assets, property, plant and equipment, and investment property	9,281	(832)	10	**8,459**
Right-of-use assets	-	4,811	-	**4,811**
Investments in equity-accounted investees	500	-	-	**500**
Other non-current assets	1,275	(12)	-	**1,263**
Deferred tax assets	553	99	-	**652**
Total non-current assets	**20,299**	**4,066**	**3**	**24,368**
Inventories	3,843	(1)	-	**3,842**
Trade receivables	905	-	-	**905**
Other current assets	1,437	(13)	-	**1,424**
Current tax assets	165	-	-	**165**
Cash and cash equivalents	3,730	-	-	**3,730**
Assets held for sale	7,061	1,287	-	**8,347**
Total current assets	**17,141**	**1,273**	**-**	**18,414**
Total assets	**37,440**	**5,339**	**3**	**42,781**
Equity attributable to owners of the parent	6,731	(178)	-	**6,553**
Non-controlling interests	5,288	(77)	-	**5,211**
Total equity	**12,019**	**(255)**	**-**	**11,763**
Non-current provisions for employee benefits	366	-	-	**366**
Other non-current provisions	483	(3)	-	**480**
Non-current financial liabilities	6,817	(35)	-	**6,782**
Non-current lease liabilities	-	3,771	-	**3,771**
Non-current put options granted to owners of non-controlling interests	63	-	-	**63**
Other non-current liabilities	472	(7)	-	**465**
Deferred tax liabilities	636	28	3	**667**
Total non-current liabilities	**8,837**	**3,754**	**3**	**12,594**
Current provisions for employee benefits	11	-	-	**11**
Other current provisions	154	(3)	-	**151**
Trade payables	6,688	(20)	-	**6,668**
Current financial liabilities	2,211	(12)	-	**2,199**
Current lease liabilities	-	666	-	**666**
Current put options granted to owners of non-controlling interests	126	-	-	**126**
Current tax liabilities	124	-	-	**124**
Other current liabilities	2,643	(30)	-	**2,613**
Liabilities associated with assets held for sale	4,628	1,240	-	**5,868**
Total current liabilities	**16,584**	**1,840**	**-**	**18,424**
Total equity and liabilities	**37,440**	**5,339**	**3**	**42,781**

1.3.2 Impact of the first-time adoption of IFRS 16 – *Leases*

IFRS 16 supersedes IAS 17 and the related interpretations as from 1 January 2019 and removes the distinction between operating and finance leases, introducing a single lessee accounting model and requiring lessees to recognise assets (right to use the underlying leased asset for the estimated term of the lease) and liabilities (lease liability representing the obligation to make lease payments) for substantially all leases. Operating lease expense in the consolidated income statement is replaced by depreciation of the right-of-use asset presented in "Cost of goods sold" or "Selling expenses", and interest expense on the financial liability presented in "Other financial expenses". Previously, the Group classified most of its leases as operating leases and recognised rental expense on a straight-line basis over the lease term. No asset or liability was recognised except to reflect any timing difference between the rental payment period and the period in which the related expense is recognised.

Compared to IAS 17, applying IFRS 16 has a positive impact on EBITDA (as defined in Note 5.1) as well as, to a lesser extent, on trading profit, and a negative impact on finance costs.
Consolidated net profit may be reduced progressively over successive periods because total rental expense is generally higher at the beginning of the lease and decreases over time, unlike the straight-line charge recognised under the previous standard (IAS 17). Additionally, net cash from operating activities is higher as

cash outflows corresponding to the repayment of the principal amount of the lease liability and related interest payments as classified within cash flows from financing activities.
Right-of-use assets and lease liabilities are presented on separate lines of the consolidated statement of financial position. Lease liabilities are not included in the calculation of net debt, the definition of which remains unchanged. Accordingly, applying IFRS 16 has the effect of decreasing net debt due to the restatement of finance lease liabilities, which were included within "Borrowings and financial liabilities" under IAS 17.

The Group has decided to apply IFRS 16 from 1 January 2019 using the retrospective transition approach, by restating all comparative information presented in accordance with IAS 8 – *Accounting Policies, Changes in Accounting Estimates and Errors*.

The Group has chosen to apply the recognition exemptions in IFRS 16 concerning:
- short-term leases (less than 12 months); and
- leases for which the underlying asset is of low value (value of underlying leased asset less than €5,000).

Lease payments not included in the initial measurement of the financial liability (for example, variable lease payments) are recorded in operating expense, together with payments for short-term leases and leases for which the underlying asset is of low value.

The assets and finance lease liabilities previously classified under IAS 17 within property, plant and equipment and borrowings and financial liabilities have been reclassified to right-of-use assets and lease liabilities, respectively, except for those related to short-term leases and leases for which the underlying asset is of low value.

Lease premiums previously classified within intangible assets have been reclassified to "Right-of-use assets". Right-of-use assets relating to lease premiums are not generally amortised and are tested for impairment whenever there is an indication that they may be impaired.

Sale-and-leaseback transactions prior to 1 January 2019 have not been restated, in accordance with IFRS 16.

A net differed tax effect has been recorded for the difference between the right-of-use assets and the lease liabilities within the scope of IFRS 16, as was previously the case for finance lease liabilities.

The lease term corresponds to the non-cancellable period, and takes account of the period covered by any option to terminate or extend the lease, if the Group is reasonably certain to exercise that option. The Group applies the position of the French accounting standard-setter (*Autorité des normes comptables* – ANC) concerning the lease term to be applied to standard 3/6/9-year commercial leases and other similar leases. In the absence of explicit guidance, the Group amortises leasehold improvements and the right of use of the underlying leased asset over different periods. Aligning these amortisation periods would have a material impact on the consolidated financial statements, which would be recognised retrospectively. The ESMA has requested clarification from the IFRS Interpretation Committee on the interaction between the amortisation period of leasehold improvements and fixtures that cannot be dissociated from the leased asset (within the meaning of IAS 16) and the lease term (determined in accordance with IFRS 16), and whether these two periods should be aligned. The Group will monitor any developments in this area during the second half of 2019.

The discount rate used to calculate the value of right-of-use assets and the lease liabilities is determined on a country-by-country basis, depending on the lease term. It is calculated for each asset according to the lease term, using the incremental borrowing rate at inception of the lease.

The impacts on the consolidated statement of financial position at 1 January 2018 and 31 December 2018 are presented above, and mainly concern the recognition of right-of-use assets and lease liabilities in respect of operating property leases on stores and warehouses. The other leases restated by the Group chiefly concern cooling systems, vehicles and logistics equipment.

Note 2 Significant events of the period

Significant events during the period are the following:

Initiation of safeguard proceedings concerning the Casino Group's reference shareholders Rallye and Foncière Euris, Finatis and Euris

On 23 May 2019, the Casino Group's controlling shareholder Rallye and its parent companies announced that they had each requested and obtained the initiation of safeguard proceedings (*procédure de sauvegarde*) for a six-month period which may be extended by 6-12 months by decision of the relevant commercial court. The proceedings were initiated after the court acknowledged the financial difficulties experienced by the holding companies. They result in the freez of these companies' financial liabilities.

Each proceeding only concerns the entity for which it was initiated and none of them applies to either Casino, Guichard-Perrachon or its subsidiaries. Therefore, the Casino Group continues to run its operations as usual and remains focused on executing the strategic plan announced to the market in June 2018, including the €2.5 billion disposal plan of non-strategic assets, a sharp reduction in the Group's debt in France and the achievement of the business objectives communicated to the market.

To date, the initiation of safeguard proceedings for Rallye has had two notable impacts at the level of Casino, Guichard-Perrachon:

- Rating downgrades by Standard & Poor's and Moody's. On 28 May 2019, Standard & Poor's downgraded the Group's credit rating to B/negative watch (from BB/negative outlook). On 31 May 2019, Moody's downgraded the Group's rating to B1/negative outlook (from Ba3/negative outlook). These rating downgrades had no impact on the cost or availability of Casino's existing financial resources.
- A reduction in the outstanding amount under the commercial paper programme. Outstanding commercial paper amounted to €167 million at 30 June 2019 compared with €450 million before the Rallye safeguard proceedings were initiated.

The Casino Group has not observed any change in supplier payment terms or any reduction in its available overdraft facilities.

As announced by Rallye and its holding companies on 12 July 2019, structured financing arrangements with certain financial institutions are secured by pledges over the shares of their subsidiaries. These financial institutions would have the option to exercise these share pledges during the safeguard proceedings (Article L. 211-40 of the French Monetary and Financial Code [*Code monétaire et financier*]). Casino confirms that such transactions would have no impact on the control held over Casino by Rallye and its holding companies. In addition, Casino reiterates that should Rallye or its holding companies lose control over Casino, this would have no legal impact on Casino's debt and would not constitute an event of default, whether in respect of bank financing documentation or Casino's bond financing documentation.

The Group's approach to managing liquidity risk in normal or impaired market conditions is presented in Note 9.5 to the interim consolidated financial statements. Together with its banking partners, the Group continuously examines its various options to refinance or to extend the maturity of its bank and bond debt, especially following its recent rating downgrades.

Sale of Via Varejo

In line with its long-term strategy to focus on developing its food retailing business, on 14 June 2019 GPA completed the process begun on 23 November 2016 to sell its entire stake in its subsidiary, Via Varejo. The transaction was carried out through a block sale on the market at the price of BRL 4.90 per share, representing a total sale price of BRL 2.3 billion (€517 million). Taking into account the two total return swaps (TRS) entered into during the first half of 2019, the total proceeds received from the sale of the stake in Via Varejo amounted to BRL 2.7 billion (€615 million). These transactions led to the recognition of a capital gain after tax of BRL 55 million (€12 million), presented under "Net profit from discontinued operations". The sale decreased non-controlling interests by €750 million (see note (vii) to the consolidated statement of changes in equity).

Excluding the gain on the sale of Via Varejo, net profit from discontinued operations, mainly corresponding to the Via Varejo business between 1 January 2019 and the disposal date, amounted to €1 million.

Disposal plan of non-strategic assets

On 11 June 2018, the Group announced that it was launching an asset disposal plan to support ongoing transformation of its business model and accelerate the deleveraging process in France. The plan relates to non-strategic real estate and other assets identified by the Group with an initially estimated total realisable value of €1.5 billion. The plan objective was raised in March 2019 to €2.5 billion.

On 30 June 2019, transactions carried out under the plan amounted to €1,871 million, of which €1,105 million in 2018 (the sale of 15% of Mercialys through an equity swap for €213 million (Note 3.1.2), the acquisition by Tikehau Capital and Bpifrance of shares in GreenYellow for €150 million and the sale-leaseback of Monoprix real estate assets for €742 million). The main transactions in first-half 2019 included:

- The sale-leaseback on 8 March 2019 of 13 Géant Casino, 3 Hyper Casino and 10 Casino Supermarkets store properties to funds managed by Fortress for a sale price of €392 million plus a variable component whereby the Casino Group could receive up to an additional €150 million depending mainly on the future yield on the properties sold; this variable component has not been recognised in the financial statements. The Group will continue to operate the stores under leases representing annual rent of €32 million. The sale-leaseback transaction generated a capital gain before tax of €15 million presented in “Other operating income”, taking into account the impact of IFRS 16.
- The signing of an agreement with funds managed by companies affiliated with Apollo Global Management for the sale-leaseback of 32 store properties (12 Géant Casino and 20 Monoprix and Casino Supermarkets stores) worth €470 million. The operation is expected to be concluded by end of October 2019. The sale price is €374 million and is expected to include a positive variable component representing up to €110 million. These properties are presented at 30 June 2019 in “Assets held for sale” in accordance with IFRS 5, for €338 million. The Group expects to continue operating the stores under leases representing annual rent of €27 million.

In addition, following an agreement signed in February 2019 with Compass Group PLC, the Casino Group sold its contract catering services subsidiary R2C at the end of June 2019. This transaction had no material impact on the financial statements.

Lastly, on 22 July 2019 the Casino Group announced the signing of an agreement to sell Vindémia for €219 million (Note 13).

Closure and disposals of loss-making stores

The Group continues to implement the plan announced in 2018 to close or dispose of loss-making stores. In first-half 2019, agreements were signed to sell 36 integrated stores (including 12 hypermarkets) for a combined consideration of €191 million; as of 30 June 2019, the Group had completed the sale of 27 stores (including 8 hypermarkets), mainly in June, and received proceeds of €105 million.
In addition, the Casino Group announced on 24 July that it had signed agreements to sell 3 hypermarkets for a total consideration of €42 million (Note 13).
Also, 56 loss-making integrated stores have been closed since 2018.
Together, these stores represented net sales of around €500 million in 2018 for a trading loss of €52 million.
All of these streamlining transactions gave rise to the recognition of a €67 million expense in "Other operating expenses" for the six months ended 30 June 2019 (Note 6.5).

Project to simplify the Casino Group’s structure in Latin America (Note 13)

On 26 June 2019, the Board of Directors of GPA, a subsidiary of the Casino Group in Brazil, approved the formation of an ad hoc committee of independent directors to study a project that would simplify the Casino Group’s structure in Latin America.
The Board of Directors of Casino reviewed the project, which would include the following steps:

- an all-cash tender offer launched by GPA for 100% of Éxito’s shares, to which Casino would tender all of its stake (55.3%);
- the acquisition by Casino of the shares held by Éxito in Segisor (which itself holds 99.9% of the voting rights and 37.3% of the economic rights of GPA);
- the migration of GPA shares to the Novo Mercado B3 listing segment, with the conversion of preferred shares (PN) into ordinary shares (ON) at an exchange ratio of 1:1, bringing an end to the existence of two classes of shares and giving GPA access to a broader base of international investors.

The tender price offered by GPA and the acquisition price offered by Casino for the shares held by Éxito in Segisor would include a premium on the current share prices.

After implementation of the project, the Casino Group would hold 41.4% of GPA, which would itself control Éxito and its subsidiaries in Uruguay and Argentina.

This operation will be subject to the corporate approvals of the governance bodies of the three companies concerned. As the transaction is in the project stage, it had no impact on the interim financial statements.

Note 3 Scope of consolidation

3.1 Transactions affecting the scope of consolidation

3.1.1 Franprix-Leader Price

Franprix-Leader Price acquired control of 36 stores during the period from two master-franchisees, for a non-material acquisition price. Only a small portion (€8 million) of the acquisition price was recognised in goodwill due to the negative net worth of some of the acquired companies.
If the acquisitions had been completed on 1 January 2019, the impact on the Group's consolidated net sales, trading profit and net profit would not have been material.

3.1.2 Mercialys TRS

On 26 July 2018, in connection with the announced asset disposal plan, the Group reduced its stake in Mercialys from 40.3% of the voting rights to 25.3% (i.e. 15% of the capital), through the block sale to a bank via a total return swap (TRS). Under the terms of the transaction, the Group received immediate proceeds amounting to €213 million before disposal costs (€209 million after disposal costs).

Under IFRS 9, the block sale is only effective once the shares are actually sold on the market by the bank. Consequently, the Group's number of shares remained unchanged at 31 December 2018. The underlying sale was not recorded in the financial statements and a liability was recorded for €198 million corresponding to the value of the shares not yet sold on the market (at the price sold to the bank). The sale of the shares and the related capital gains or losses are recognised when the bank sells the shares on the market. The 1% of shares sold by the bank over 2018 and recognised in the income statement was not material at 31st December 2018.

As of 30 June 2019, 50.4% of the shares underlying the TRS had been sold. A corresponding capital loss of €13 million was recorded in "Other operating expenses" and the liability now stands at €125 million.

The consolidated financial statements include the Group's 32.7% interest in Mercialys at 30 June 2019 (39.2% at 31 December 2018) on an equity-accounted basis, of which 7.5% corresponds to the shares not sold on the market at that date by the bank.

In addition, the remaining portion of the shares unsold under the TRS continues to be classified as "Assets held for sale" in accordance with IFRS 5, recognised at their carrying amount for €59 million at 30 June 2019 (€114 million at 31 December 2018) (Note 3.2).

3.2 Assets held for sale

(€ millions)	Notes	30 June 2019		31 December 2018 (restated)	
		Assets	Liabilities	Assets	Liabilities
Via Varejo sub-group	2	**-**	**-**	6,812	5,493
Other France Retail(i)		**1,310**	**327**	1,515	375
Other Latam Retail		**20**	**-**	20	-
Total		**1,330**	**327**	**8,347**	**5,868**
Net assets		**1,003**		2,479	
Of which attributable to owners of the parent of the selling subsidiary	*9.2*	***1,000***		*1,709*	

(i) At 30 June 2019, this line corresponds primarily to stores and property assets for approximately €742 million (attributable to owners of the parent) relating to asset disposal plans (including the Vindémia sub-group) and optimisation of the store base, and Mercialys shares underlying the TRS for €59 million. At 31 December 2018, this line corresponded primarily to stores and property assets for approximately €874 million (attributable to owners of the parent) relating to asset disposal plans and optimisation of the store base, and Mercialys shares underlying the TRS for €114 million.

3.3 Investments in equity-accounted investees

3.3.1 Changes in investments in equity-accounted investees

(€ millions)	Opening balance	Impairment loss	Share of profit/(loss) for the period	Dividends	Other	Closing balance
Associates						
FIC (GPA)	39	-	18	(6)	(6)	46
Mercialys	349	-	30	(43)	(129)(i)	207
Franprix-Leader Price Group associates	4	-	(50)	-	54(ii)	8
Other	39	-	-	(5)	33	66
Joint ventures						
Banque du Groupe Casino	85	-	3	-	11	99
Tuya (Éxito)	32	-	15	-	7	55
Other	15	-	-	-	4	19
Full-year 2018 (restated)	**563**	**-**	**17**	**(55)**	**(26)**	**500**
Associates						
FIC (GPA)	**46**	-	**9**	**(2)**	**1**	**53**
Mercialys	**207**	-	**18**	**(21)**	**(4)**	**201**
Franprix-Leader Price Group associates	**8**	-	**(26)**	**-**	**26(ii)**	**7**
Other	**66**	-	**(3)**	**(2)**	**1**	**63**
Joint ventures						
Banque du Groupe Casino	**99**	-	**2**	**-**	**13**	**114**
Tuya (Éxito)	**55**	-	**(1)**	**-**	**2**	**56**
Other	**19**	-	**1**	**-**	**0**	**21**
First-half 2019	**500**	**-**	**-**	**(24)**	**39**	**514**

(i) The €129 million negative movement in 2018 mainly reflects the reclassification as “Assets held for sale” in accordance with IFRS 5 of the shares underlying a total return swap (TRS) and not yet sold on the market, for €114 million. It also includes the previously eliminated share of margin on transactions between Mercialys and the Group now recorded in trading profit for €5 million following the sale on the market of Mercialys shares representing 1% of the capital that were included in the TRS.

(ii) The amount of €26 million in 2019 related to the reclassification of the share of losses from associates of Franprix-Leader Price that exceeds the book value of the investments, when Franprix-Leader Price has an obligation to cover its share in the losses of those associates. The amount of €54 million in 2018 mainly related to (i) the same type of reclassification concerning the share of these losses from associates for an amount of €20 million; and (ii) and an amount of €20 million subscribed by Franprix-Leader Price to the capital increase of a master-franchisee.

3.3.2 Share of contingent liabilities of equity-accounted investees

At 30 June 2019 and 31 December 2018, none of the Group’s associates or joint ventures had any material contingent liabilities.

3.3.3 Related-party transactions (equity-accounted investees)

The related-party transactions shown below mainly concern transactions carried out in the normal course of business with companies over which the Group exercises significant influence (associates) or joint control (joint ventures) that are accounted for in the consolidated financial statements using the equity method. These transactions are carried out on arm's length terms.

(€ millions)	2019		2018 (restated)	
	Associates	Joint ventures	Associates	Joint ventures
Closing balance at 30 June 2019 and 31 December 2018				
Loans	**26**	**11**	28	11
o/w impairment	***(20)***	**-**	*(44)*	-
Receivables	**146**	**60**	139	48
o/w impairment	**-**	**-**	-	-
Payables	**25**	**381**	30	549
First-half-year transactions				
Expenses	**6(i)**	**828(ii)**	**10(i)**	**987(ii)**
Income	**463(iii)**	**19**	**519 (iii)**	**12**

(i) Following the application of IFRS 16, the above amounts do not include the lease payments associated with the 66 leases signed with Mercialys. These payments represented €27 million in first-half 2019 (first-half 2018: 71 leases for €26 million).

(ii) Including €574 million in fuel purchases from Distridyn and €229 million in goods purchases from CD Supply Innovation in the first half of 2019 (first-half 2018: €576 million and €400 million respectively). The partnership with CD Supply Innovation was unwound during the period.

(iii) Income of €463 million in first-half 2019 (first-half 2018: €519 million) also includes sales of goods by Franprix-Leader Price and Distribution Casino France to master-franchisees accounted for by the equity method, for €352 million (first-half 2018: €440 million). It also includes income related to property development transactions with Mercialys reported under "Other revenue" for €53 million in first-half 2019 (first-half 2018: €8 million), generating a margin of €30 million (Note 5.1). The decline in Casino's stake in Mercialys during the first half of 2019 led to the recognition of previously eliminated past property development transactions.

Note 4 Additional cash flow disclosures

4.1 Reconciliation of provision expense

(€ millions)	Notes	For the six months ended 30 June 2019	For the six months ended 30 June 2018 (restated)
Goodwill impairment		**-**	-
Impairment of intangible assets		**-**	3
Impairment of property, plant and equipment		**(27)**	(12)
Impairment of investment property		**-**	-
Impairment of right-of-use assets		**(7)**	(3)
Impairment of other assets(i)		**(96)**	(2)
Net (additions to)/reversals of provisions for risks and charges	11.1	**(1)**	19
Provision expense adjustment in the statement of cash flows		**(131)**	**6**

(i) Mainly concerns net assets classified as held for sale in accordance with IFRS 5.

4.2 Reconciliation of changes in working capital to the statement of financial position

(€ millions)	1 January 2019	Cash flows from operating activities	Other cash flows	Changes in scope of consolidation	Effect of movements in exchange rates	Reclassifications and other	30 June 2019
Goods inventories	**(3,664)**	**39**	**-**	**(8)**	**(29)**	**9**	**(3,653)**
Property development inventories	**(179)**	**(84)**	**-**	**(2)**	**(2)**	**(3)**	**(269)**
Trade payables	**6,668**	**(920)**	**-**	**14**	**51**	**(7)**	**5,806**
Trade receivables	**(905)**	**(56)**	**-**	**55**	**1**	**2**	**(902)**
Other (receivables)/payables	**391**	**(213)**	**(161)**	**75**	**(21)**	**59**	**130**
TOTAL	**2,311**	**(1,234)**	**(161)**	**133**	**1**	**61**	**1,111**

(€ millions)	1 January 2018 (restated)	Cash flows from operating activities	Other cash flows	Changes in scope of consolidation	Effect of movements in exchange rates	Reclassifications and other	30 June 2018 (restated)
Goods inventories	(3,688)	(131)	-	(50)	147	(2)	(3,724)
Property development inventories	(126)	(21)	-	(1)	4	(12)	(155)
Trade payables	6,644	(534)	-	26	(183)	21	5,974
Trade receivables	(888)	75	-	4	24	(4)	(789)
Other (receivables)/payables	507	(238)	(70)	(6)	64	1	257
TOTAL	**2,449**	**(848)**	**(70)**	**(27)**	**56**	**4**	**1,563**

4.3 Reconciliation of acquisitions of non-current assets

(€ millions)	For the six months ended 30 June 2019	For the six months ended 30 June 2018 (restated)
Additions to and acquisitions of intangible assets	**(103)**	(88)
Additions to and acquisitions of property, plant and equipment	**(375)**	(357)
Additions to and acquisitions of investment property	**(9)**	(25)
Changes in amounts due to suppliers of non-current assets	**(31)**	(64)
Capitalised borrowing costs (IAS 23)[(i)]	**2**	6
Cash used in acquisitions of intangible assets, property, plant and equipment and investment property	**(516)**	**(528)**

(i) Non-cash movements.

4.4 Reconciliation of disposals of non-current assets

(€ millions)	For the six months ended 30 June 2019	For the six months ended 30 June 2018 (restated)
Disposals of intangible assets	**5**	4
Disposals of property, plant and equipment	**91**	73
Disposals of investment property	**-**	-
Gains/(losses) on disposals of non-current assets	**72**	4
Changes in receivables related to non-current assets	**(69)**	4
Reclassification of non-current assets as "Assets held for sale"	**316**	137
Cash from disposals of intangible assets, property, plant and equipment and investment property	**414**	**223**

4.5 Effect on cash and cash equivalents of changes in scope of consolidation resulting in acquisition or loss of control

(€ millions)	For the six months ended 30 June 2019	For the six months ended 30 June 2018
Amount paid for acquisitions of control	**(14)**	(70)
Cash acquired/(bank overdrafts assumed) in acquisitions of control	**7**	(19)
Proceeds from losses of control	**139**	15
(Cash sold)/bank overdrafts transferred in losses of control	**(3)**	-
Effect of changes in scope of consolidation resulting in acquisition or loss of control	**129**	**(74)**

In first-half 2019, the net impact of these transactions on the Group's cash position was mainly due to the loss of control of loss-making stores in connection with the plan to optimise the store base, for €105 million (Note 2).

4.6 Effect on cash and cash equivalents of transactions with non-controlling interests

(€ millions)	Notes	For the six months ended 30 June 2019	For the six months ended 30 June 2018
Vindémia – purchase of the minority interests in the Mayotte subsidiary		**(18)**	-
GreenYellow – Costs related to the disposal without loss of control in 2018		**(10)**	-
Éxito – Additional contribution of FIC to Viva Malls		**3**	36
Distribution Casino France – Disposal without loss of control		**-**	20
Other		**(7)**	(12)
Effect on cash and cash equivalents of transactions with non-controlling interests		**(32)**	**44**

4.7 Reconciliation between change in cash and cash equivalents and change in net debt

(€ millions)	Notes	For the six months ended 30 June 2019	For the six months ended 30 June 2018 (restated)
Change in cash and cash equivalents		**(1,383)**	**(705)**
Additions to borrowings[(i)]		**(556)**	(1,739)
Repayments of borrowings[(i)]		**225**	236
Non-cash changes in debt[(i)]		**100**	210
Change in net assets held for sale attributable to owners of the parent		***(111)***	*114*
Change in other financial assets		***77***	-
Effect of changes in scope of consolidation		***70***	-
Change in fair value hedges		***(24)***	*20*
Change in accrued interest		***64***	*63*
Other		***24***	*13*
Effect of movements in exchange rates[(i)]		**(45)**	84
Change in debt of discontinued operations		**314**	619
Change in net debt		**(1,344)**	**(1,295)**
Net debt at beginning of period[(ii)]		**3,354**	4,088
Net debt at end of period	9.2	**4,698**	5,383

(i) These impacts relate exclusively to continuing operations.
(ii) Taking into account the impact of IFRS 16 for a negative €57 million at 1 January 2018 and a negative €67 million at 1 January 2019.

4.8 Reconciliation of net interest paid

(€ millions)	Notes	For the six months ended 30 June 2019	For the six months ended 30 June 2018 (restated)
Net finance costs reported in the income statement	**9.3.1**	**(157)**	**(151)**
Neutralisation of unrealised exchange gains and losses		**7**	(12)
Neutralisation of amortisation of debt issuance/redemption costs and premiums		**10**	16
Capitalised borrowing costs		**(2)**	(6)
Change in accrued interest and in fair value hedges of borrowings		**(77)**	(95)
Interest paid on lease liabilities	9.3.2	**(133)**	(115)
Non-recourse factoring and associated transaction costs	9.3.2	**(36)**	(38)
Interest paid, net as presented in the statement of cash flows		**(387)**	**(401)**

Note 5 Segment information

5.1 Key indicators by reportable segment

The segment information presented below is based on the internal reporting used by General Management (the chief operating decision maker) to assess performance and allocate resources, and includes the impacts arising on application of IFRS 16. It includes in particular the allocation of the holding company costs to all of the Group's Business Units.

(€ millions)	France Retail	Latam Retail	E-commerce	For the six months ended 30 June 2019
External net sales (Note 6.2)	**9,044**	**7,908**	**889**	**17,841**
EBITDA(i)	**606(ii)**	**507**	**14**	**1,127**
Recurring depreciation and amortisation expense (Notes 6.3 and 6.4)	**(415)**	**(245)**	**(30)**	**(690)**
Trading profit/(loss)	**191(ii)**	**262**	**(16)**	**437**
Including effect of applying IFRS 16 on EBITDA	***310***	***141***	***12***	***463***
Including effect of applying IFRS 16 on trading profit/(loss)	***40***	***48***	***2***	***90***

(i) EBITDA (earnings before interest, taxes, depreciation and amortisation) is defined as trading profit plus recurring depreciation and amortisation expense.
(ii) Of which €30 million in respect of property deals carried out in France, corresponding in first-half 2019 to the recognition of previously eliminated margins on property development transactions involving Casino and Mercialys following the decrease in Casino's stake in Mercialys (Note 3.3.3).

(€ millions)	France Retail	Latam Retail	E-commerce	For the six months ended 30 June 2018 (restated)
External net sales (Note 6.2)	9,310	7,601	876	17,787
EBITDA(i)	586(ii)	610(iii)	4	1,200
Recurring depreciation and amortisation expense (Notes 6.3 and 6.4)	(422)	(237)	(25)	(684)
Trading profit/(loss)	164(ii)	373(iii)	(20)	517
Including effect of applying IFRS 16 on EBITDA	*279*	*139*	*11*	*429*
Including effect of applying IFRS 16 on trading profit/(loss)	*28*	*49*	*2*	*79*

(i) EBITDA (earnings before interest, taxes, depreciation and amortisation) is defined as trading profit plus recurring depreciation and amortisation expense.
(ii) Of which €21 million for property development transactions carried out in France.
(iii) Of which BRL 414 million (€100 million) recognised in respect of tax credits by GPA during the period (mainly reversal of the valuation allowance on Assaí's ICMS-ST tax credit following a change in the law).

5.2 Key indicators by geographical area

(€ millions)	France	Latin America	Other regions	Total
External net sales for the six months ended 30 June 2019	**9,931**	**7,902**	**8**	**17,841**
External net sales for the six months ended 30 June 2018 (restated)	10,184	7,599	4	17,787

(€ millions)	France	Latin America	Other regions	Total
Non-current assets at 30 June 2019(i)	**12,638**	**9,889**	**59**	**22,586**
Non-current assets at 31 December 2018 (restated)(i)	12,826	9,694	60	22,581

(i) Non-current assets include goodwill, intangible assets and property, plant, and equipment, investment property, right-of-use assets, investments in equity-accounted investees, contract assets and prepaid expenses beyond one year.

Note 6 Activity data

6.1 Seasonality of operations

Across all businesses, seasonal fluctuations on the income statement are minor in terms of net sales (first-half 2018 represented 49% of full-year 2018, or 48% based on the average 2018 exchange rate), but are more significant in terms of trading profit (first-half 2018 represented 37% of full-year 2018, or 36% based on the average 2018 exchange rate).

These seasonal fluctuations have an even greater impact on the cash flows generated by the Group. The change in working capital observed in the first half of the year is structurally negative as a result of the large payments made to suppliers at the beginning of the financial year in return for purchases made to meet strong demand in December of the previous year.

6.2 Breakdown of total revenue

The following tables present a breakdown of revenue:

(€ millions)	France Retail	Latam Retail	E-commerce	For the six months ended 30 June 2019
Net sales	**9,044**	**7,908**	**889**	**17,841**
Other revenue	**244**	**83**	**-**	**327**
Total revenue	**9,288**	**7,991**	**889**	**18,168**

(€ millions)	France Retail	Latam Retail	E-commerce	For the six months ended 30 June 2018 (restated)
Net sales	9,310	7,601	876	**17,787**
Other revenue	163	75	-	**238**
Total revenue	**9,473**	**7,676**	**876**	**18,024**

6.3 Expenses by nature and function

(€ millions)	Logistics costs[i]	Selling expenses	General and administrative expenses	For the six months ended 30 June 2019
Employee benefits expense	**(272)**	**(1,513)**	**(418)**	**(2,203)**
Other expenses	**(415)**	**(1,211)**	**(224)**	**(1,850)**
Depreciation and amortisation expense (Notes 5.1/6.4)	**(74)**	**(523)**	**(94)**	**(690)**
Total	**(761)**	**(3,247)**	**(735)**	**(4,743)**

(€ millions)	Logistics costs[i]	Selling expenses	General and administrative expenses	For the six months ended 30 June 2018 (restated)
Employee benefits expense	(270)	(1,555)	(406)	**(2,230)**
Other expenses	(396)	(1,223)	(203)	**(1,823)**
Depreciation and amortisation expense (Notes 5.1/6.4)	(71)	(528)	(85)	**(684)**
Total	**(737)**	**(3,306)**	**(694)**	**(4,736)**

(i) Logistics costs are reported under "Cost of goods sold".

6.4 Depreciation and amortisation

(€ millions)	Notes	For the six months ended 30 June 2019	For the six months ended 30 June 2018 (restated)
Amortisation of intangible assets		**(70)**	(61)
Depreciation of property, plant and equipment		**(239)**	(265)
Depreciation of investment property		**(6)**	(4)
Depreciation of right-of-use assets		**(375)**	(354)
Total depreciation and amortisation expense	**5.1/6.3**	**(690)**	**(684)**

6.5 Other operating income and expenses

(€ millions)	For the six months ended 30 June 2019	For the six months ended 30 June 2018 (restated)
Total other operating income	**217**	102
Total other operating expenses	**(601)**	(238)
	(383)	**(136)**
Breakdown by type		
Gains and losses on disposal of non-current assets[(i) (vi)]	**(4)**	10
Net asset impairment losses[(ii) (vi)]	**(118)**	(1)
Net income/(expense) related to changes in scope of consolidation[(iii) (vi)]	**(113)**	(33)
Gains and losses on disposal of non-current assets, net impairment losses on assets and net income/(expense) related to changes in scope of consolidation	**(235)**	**(24)**
Restructuring provisions and expenses[(iii) (iv) (vi)]	**(96)**	(96)
Provisions and expenses for litigation and risks[(v)]	**(43)**	(16)
Other	**(9)**	-
Sub-total	**(148)**	**(112)**
Total net other operating income (expenses)	**(383)**	**(136)**

(i) The net gain on disposal of non-current assets in the first half of 2019 primarily concerned the France Retail segment.
(ii) The impairment loss recognised in first-half 2019 mainly concerns the France Retail segment and relates to the asset disposal plan.
(iii) The expense relating to the store optimisation plan in the France Retail segment, including employee costs, store closure costs, inventory reduction costs and impairment totalled €67 million in first-half 2019 (of which €21 million corresponding to changes in scope and €46 million to restructuring). Other changes in scope of consolidation mainly concern the France Retail segment. The €33 million expense recorded first-half 2018 primarily concerned fees related to various projects for changes in the scope of consolidation.
(iv) Excluding the impact of the store optimisation plan, restructuring provisions and expenses for first-half 2019 mainly concerned the France Retail and Latam Retail segments for €28 million and €20 million, respectively. Restructuring expenses for first-half 2018 related chiefly to the France Retail segment for €49 million (including employee-related costs and store closure costs for €41 million, and store conversion costs of €8 million) and to Latam Retail for €37 million.
(v) Provisions and expenses for litigation and risks represented a net expense of €43 million in first-half 2019, including €24 million for tax risks at GPA. In the first half of 2018, the net expense of €16 million concerned the France Retail and Latam Retail segments in the amounts of €6 million and €8 million respectively.
(vi) Reconciliation of the breakdown of asset impairment losses:

(€ millions)	For the six months ended 30 June 2019	For the six months ended 30 June 2018 (restated)
Goodwill impairment losses	**-**	-
Impairment (losses)/reversals on intangible assets, net	**-**	3
Impairment (losses)/reversals on property, plant and equipment, net	**(27)**	(12)
Impairment (losses)/reversals on investment property, net	**-**	-
Impairment (losses)/reversals on right-of-use assets, net	**(7)**	(3)
Impairment (losses)/reversals on other assets, net (IFRS 5 and other)	**(96)**	(2)
Net impairment losses of continuing operations	**(130)**	**(13)**
o/w presented under "Restructuring provisions and expenses"	***(10)***	*(2)*
o/w presented under "Net impairment (losses)/reversals on assets"	***(118)***	*(1)*
o/w presented under "Net income/(expense) related to changes in scope of consolidation"	***(1)***	*(3)*
o/w presented under "Gains and losses on disposal of non-current assets"	***-***	*(9)*

Note 7 Income taxes

The effective tax rate for the half-year ended 30 June 2019 was 7.4% versus -77.5% for first-half 2018. The tax proof is presented below:

(€ millions)	For the six months ended 30 June 2019		For the six months ended 30 June 2018 (restated)	
Profit/(loss) before tax	**(244)**		**19**	
Theoretical income tax benefit/(expense)[(i)]	**78**	**-32.02%**	**(7)**	**-34.43%**
Reconciliation of theoretical income tax expense to actual income tax expense				
Impact of differences in foreign tax rates	**(7)**	**2.9%**	2	12.5%
Recognition of previously unrecognised tax benefits on tax losses and other deductible temporary differences[(ii)]	**12**	**-4.9%**	27	141.8%
Unrecognised deferred tax assets/valuation allowances on recognised deferred tax assets on tax loss carryforwards or other deductible temporary differences[(iii)]	**(28)**	**11.3%**	(22)	-116.7%
CVAE net of income tax	**(24)**	**9.7%**	(20)	-102.7%
Non-deductible interest expense[(iv)]	**(4)**	**1.8%**	(13)	-69.0%
Non-taxable CICE[(v)]	**-**	**-**	16	83.3%
Non-deductible asset impairment losses	**(21)**	**8.8%**	-	-
Tax effect of Brazilian dividends[(vi)]	**9**	**-3.8%**	11	57.5%
Other taxes on distributed earnings[(vii)]	**(10)**	**4.2%**	(3)	-13.2%
Deductible interest on deeply-subordinated perpetual bonds	**6**	**-2.3%**	8	42.8%
Taxation of Mercialys shares	**-**	**-**	(6)	-32.0%
Reduced-rate asset disposals and changes in scope of consolidation	**(14)**	**5.8%**	(4)	-20.5%
Other	**(15)**	**6.2%**	(5)	-26.8%
Actual income tax (expense)/benefit/Effective tax rate	**(18)**	**7.4%**	**(15)**	**-77.5%**

(i) The reconciliation of the effective tax rate paid by the Group is based on the current French rate of 34.43% in 2018 and 32.02% in 2019.

(ii) In the first half of 2019, it related to the France Retail segment in the amount of €13 million. In the first half of 2018, it related to the France Retail segment in the amount of €25 million.

(iii) In first-half 2019, this concerned mainly the E-commerce segment for -€15 million and the France Retail segment for -€8 million. In the first half of 2018, this concerned mainly the E-commerce segment in the amount of -€19 million.

(iv) Tax laws in some countries cap the deductibility of interest paid by companies. In France, since the 2012 amended Finance Act, companies are required to add back 25% of interest expense to their taxable profit. The resulting income tax amounts disclosed for the periods presented mainly concern French entities.

(v) France's third amended 2012 Finance Act introduced a competitiveness and employment tax credit (CICE). This is a tax credit (repayable from the end of the third year) of 6% in 2018 (9% for Vindémia) based on salaries equal to or less than 2.5x the French minimum wage. In first-half 2018, the Group recognised this CICE income of €46 million as a reduction of its employee benefits expense. The CICE has been abolished with effect from 1 January 2019 and replaced by a reduction in social security contributions.

(vi) This concerns dividends paid by Brazilian subsidiaries in the form of interest on equity.

(vii) Corresponding to taxation of intra-group dividends.

Note 8 Goodwill, intangible assets, property, plant and equipment, investment property and right-of-use assets

Acquisitions of intangible assets, property, plant and equipment and investment property totalled €487 million in first-half 2019, compared with €470 million for the same period in 2018. In addition, right-of-use assets recognised in first-half 2019 in respect of new leases amounted to €492 million versus €449 million in the prior-year period.

The Group carried out a review of goodwill and other non-current assets at 30 June 2019 to determine whether there was any evidence of impairment, as defined in the notes to the 2018 consolidated financial statements. Impairment charges on intangible assets, property, plant and equipment, investment property and right-of-use assets were recognised in a total amount of €40 million for the period (Note 6.5), mainly in relation to the France Retail segment.

Concerning goodwill, the main tests carried out on CGUs with impairment indicators concerned the Argentina segment; those tests did not result in the recognition of an impairment loss at 30 June 2019.

Note 9 Financial structure and finance costs

9.1 Net cash and cash equivalents

(€ millions)	30 June 2019	31 December 2018
Cash equivalents	**1,273**	1,184
Cash	**1,922**	2,546
Cash and cash equivalents	**3,195**	**3,730**
Bank overdrafts	**(117)**	(138)
Net cash and cash equivalents	**3,078**	**3,592**

At 30 June 2019, cash and cash equivalents were not subject to any material restrictions.

9.2 Financial liabilities

9.2.1 Breakdown of financial liabilities

Financial liabilities amounted to €9,227 million as at 30 June 2019 (31 December 2018: €8,980 million), breaking down as follows:

(€ millions)	30 June 2019			31 December 2018 (restated)		
	Non-current portion	Current portion	Total	Non-current portion	Current portion	Total
Bonds[i]	**5,009**	**1,688**	**6,697**	5,470	939	6,409
Other borrowings and financial liabilities	**1,292**	**1,231**	**2,523**	1,311	1,257	2,568
Fair value hedges – liabilities[ii]	**1**	**6**	**6**	-	3	3
Financial liabilities	**6,302**	**2,924**	**9,227**	**6,782**	**2,199**	**8,980**
Fair value hedges – assets[iii]	**(146)**	**(31)**	**(177)**	(67)	(34)	(101)
Other financial assets	**(13)**	**(144)**	**(157)**	(8)	(78)	(86)
Net assets held for sale attributable to owners of the parent of the selling subsidiary	**-**	**(1,000)**	**(1,000)**	-	(1,709)	(1,709)
Cash and cash equivalents (Note 9.1)	**-**	**(3,195)**	**(3,195)**	-	(3,730)	(3,730)
Cash and cash equivalents, other financial assets and net assets held for sale	**(158)**	**(4,370)**	**(4,529)**	**(75)**	**(5,551)**	**(5,626)**
Net debt	**6,144**	**(1,446)**	**4,698**	**6,707**	**(3,353)**	**3,354**

(i) Of which €5,574 million in France and €1,123 million at GPA at 30 June 2019 (31 December 2018: €5,491 million in France and €919 million at GPA).
(ii) Of which €4 million in Colombia and €1 million in Brazil at 30 June 2019 (31 December 2018: of €2 million in Colombia and €1 million in Brazil).
(iii) Of which €140 million in France, €22 million in Brazil and €15 million in Colombia at 30 June 2019 (31 December 2018: €54 million in France, €20 million in Brazil and €27 million in Colombia).

BREAKDOWN OF NET DEBT BY OPERATING SEGMENT

(€ millions)	30 June 2019				31 December 2018 (restated)			
	Debt[(i)]	**Cash and cash equivalents**	**Net assets classified under IFRS 5 attributable to owners of the parent**	**Net debt**	**Debt[(i)]**	**Cash and cash equivalents**	**Net assets classified under IFRS 5 attributable to owners of the parent**	**Net debt**
France Retail	**5,542**	**(1,665)**	**(983)**	**2,894**	**5,924**	**(2,097)**	**(1,126)**	**2,700**
Latam Retail	**2,901**	**(1,436)**	**(17)**	**1,448**	**2,635**	**(1,597)**	**(20)**	**1,018**
o/w GPA Food	*1,811*	*(1,105)*	*(5)*	*701*	*1,597*	*(1,000)*	*(8)*	*589*
o/w Éxito[(ii)]	*1,071*	*(330)*	*(13)*	*729*	*1,031*	*(596)*	*(12)*	*423*
Latam Electronics	**-**	**-**	**-**	**-**	**-**	**-**	**(563)**	**(563)**
E-commerce	**449**	**(94)**	**-**	**356**	**234**	**(36)**	**-**	**199**
Total	**8,893**	**(3,195)**	**(1,000)**	**4,698**	**8,794**	**(3,730)**	**(1,709)**	**3,354**

(i) Financial liabilities net of fair value hedging derivative assets and other financial assets.
(ii) Éxito excluding GPA, including Argentina and Uruguay.

9.2.2 Change in financial liabilities

(€ millions)	30 June 2019	31 December 2018 (restated)
Financial liabilities at beginning of period	*8,980*	*8,742*
Fair value hedges – assets	*(101)*	*(98)*
Financial liabilities at opening (including hedging instruments) (reported)	**8,880**	**8,644**
Effects of applying IFRS 16 (Note 1.3)	-	*(65)*
Financial liabilities at opening (including hedging instruments) (restated)	**8,880**	**8,579**
Additions to borrowings[(i)]	**556**	1,542
Repayments of borrowings[(ii)]	**(231)**	(1,331)
Change in fair value of hedged debt	**24**	60
Change in accrued interest	**(64)**	(34)
Foreign currency translation adjustments	**49**	(165)
Change in scope of consolidation[(iii)]	**(110)**	303
Reclassification of financial liabilities associated with non-current assets held for sale	**4**	54
Other and reclassifications[(iv)]	**(59)**	(129)
Financial liabilities at end of period (including hedging instruments)	**9,049**	**8,880**
Financial liabilities at end of period (Note 9.2.1)	*9,227*	*8,980*
Fair value hedges – assets (Note 9.2.1)	*(177)*	*(101)*

(i) In the first half of 2019, additions to borrowings mainly included: (a) promissory notes issued at GPA for BRL 800 million (€184 million) as well as additions to borrowings for BRL 487 million (€112 million); (b) drawdowns on lines of credit at Éxito for COP 310 billion (€86 million); and (c) drawdowns on lines of credit in the France Retail segment for €150 million.
(ii) In first-half 2019, repayments of borrowings mainly concerned Casino, Guichard-Perrachon, GPA and Éxito for €54 million, €71 million and €92 million, respectively.
(iii) Including -€73 million and -€50 million in 2019 related to total return swaps (TRS) on Mercialys (Note 3.1.2) and Via Varejo shares respectively (Note 2). In 2018, including €198 million and €49 million related to total return swaps (TRS) set up during the year on Mercialys and Via Varejo shares respectively.
(iv) Including a €35 million reduction in bank overdrafts in first-half 2019 (2018: a €96 million reduction).

In first-half 2019, cash flows from financing activities amounted to a net outflow of €62 million, breaking down as repayments of borrowings for €231 million and net interest paid for €387 million (Note 4.8), offset by additions to borrowings for €556 million. Cash flows from financing activities in 2018 represented a net outflow of €436 million, breaking down as repayments of borrowings for €1,331 million and net interest paid for €648 million offset by additions to borrowings for €1,542 million.

9.3 Net financial income/(expense)

9.3.1 Net finance costs

(€ millions)	For the six months ended 30 June 2019	For the six months ended 30 June 2018 (restated)
Gains/(losses) on disposals of cash equivalents	**-**	-
Income from cash and cash equivalents	**11**	23
Income from cash and cash equivalents	**11**	**23**
Interest expense on borrowings after hedging	**(167)**	(174)
Finance costs	**(167)**	**(174)**
Net finance costs	**(157)**	**(151)**

9.3.2 Other financial income and expenses

(€ millions)	For the six months ended 30 June 2019	For the six months ended 30 June 2018 (restated)
Investment income	**-**	-
Foreign currency exchange gains (other than on borrowings)	**19**	16
Discounting and accretion adjustments	**1**	1
Gains on remeasurement at fair value of non-hedging derivative instruments[i]	**56**	8
Gains on remeasurement at fair value of financial assets	**-**	2
Impact of applying IAS 29 to operations in Argentina	**-**	-
Other	**29**	25
Other financial income	**105**	**51**
Foreign currency exchange losses (other than on borrowings)	**(24)**	(20)
Discounting and accretion adjustments	**(2)**	(1)
Interest expense on lease liabilities	**(133)**	(115)
Losses on remeasurement at fair value of non-hedging derivative instruments[i]	**(13)**	(51)
Losses on remeasurement at fair value of financial assets	**(6)**	(2)
Non-recourse factoring and associated transaction costs	**(36)**	(38)
Impact of applying IAS 29 to operations in Argentina	**(4)**	(7)
Other	**(26)**	(27)
Other financial expenses	**(245)**	**(261)**
Total other financial income and expenses	**(141)**	**(210)**

(i) The net gain on remeasurement at fair value of non-hedging derivative instruments reported in first-half 2019 in an amount of €43 million mainly reflects (a) fair value adjustments to the GPA TRS (positive adjustment of €36 million) and GPA forward (positive adjustment of €20 million) as well as dividend income (€1 million) and the cost of carry (€7 million) associated with these instruments, and (b) negative impacts related to other derivative instruments (€7 million).
The net loss of €43 million reported in first-half 2018 reflects mainly (a) negative fair value adjustments to the GPA TRS (€6 million) and GPA forward (€18 million) as well as the cost of carry associated with these instruments (€7 million); and (b) negative impacts related to other derivative instruments (€13 million).

9.4 Fair value of financial instruments

The tables below compare the carrying amount and fair value of consolidated financial assets and liabilities, other than those for which the carrying amount corresponds to a reasonable approximation of fair value such as trade receivables, trade payables, contract assets and liabilities, and cash and cash equivalents.

As at 30 June 2019 (€ millions)	Carrying amount	Fair value	Fair value hierarchy: Market price = Level 1	Models with observable inputs = Level 2	Models with unobservable inputs = Level 3
Assets	**257**	**257**	**5**	**217**	**36**
Financial assets at fair value through profit or loss(i)	**28**	**28**	**1**	**-**	**28**
Financial assets at fair value through other comprehensive income(i)	**41**	**41**	**4**	**37**	**-**
Fair value hedges – assets(ii)	**177**	**177**	**-**	**177**	**-**
Cash flow hedges and net investment hedges – assets(ii)	**2**	**2**	**-**	**2**	**-**
Other derivative instruments – assets	**8**	**8**	**-**	**-**	**8**
Liabilities	**14,447**	**13,882**	**5,042**	**8,659**	**180**
Bonds(iii)	**6,697**	**6,154**	**5,042**	**1,112**	**-**
Other borrowings and financial liabilities(iv)	**2,523**	**2,501**	**-**	**2,501**	**-**
Lease liabilities	**4,766**	**4,766**	**-**	**4,766**	**-**
Fair value hedges – liabilities(ii)	**6**	**6**	**-**	**6**	**-**
Cash flow hedges and net investment hedges – liabilities(ii)	**49**	**49**	**-**	**49**	**-**
Other derivative instruments – liabilities(ii)	**225**	**225**	**-**	**225**	**-**
Put options granted to owners of non-controlling interests(v)	**180**	**180**	**-**	**-**	**180**

As at 31 December 2018 (restated) (€ millions)	Carrying amount	Fair value	Fair value hierarchy: Market price = Level 1	Models with observable inputs = Level 2	Models with unobservable inputs = Level 3
Assets	**189**	**189**	**11**	**135**	**44**
Financial assets at fair value through profit or loss(i)	35	35	1	-	34
Financial assets at fair value through other comprehensive income(i)	38	38	10	28	-
Fair value hedges – assets(ii)	101	101	-	101	-
Cash flow hedges and net investment hedges – assets(ii)	6	6	-	6	-
Other derivative instruments – assets	9	9	-	-	9
Liabilities	**13,893**	**13,370**	**5,180**	**8,002**	**188**
Bonds(iii)	6,409	6,087	5,180	907	-
Other borrowings and financial liabilities(iv)	2,568	2,367	-	2,367	-
Lease liabilities	4,437	4,437	-	4,437	-
Fair value hedges – liabilities(ii)	3	3	-	3	-
Cash flow hedges and net investment hedges – liabilities(ii)	15	15	-	15	-
Other derivative instruments – liabilities(ii)	273	273	-	273	-
Put options granted to owners of non-controlling interests(v)	188	188	-	-	188

(i) Financial assets recognised at fair value are generally measured using standard valuation techniques. If their fair value cannot be determined reliably, they are not included in this note.
(ii) Derivative financial instruments are valued (internally or externally) on the basis of the widely used valuation techniques for this type of instrument. Valuation models are based on observable market inputs (mainly the yield curve) and counterparty quality. Derivatives held as fair value hedges are almost fully backed by borrowings.
(iii) The fair value of bonds is based on the latest quoted price on the reporting date.
(iv) The fair value of other borrowings has been measured using other valuation techniques such as the discounted cash flow method, taking into account the Group's credit risk and interest rate conditions at the reporting date.
(v) The fair value of put options granted to owners of non-controlling interests is measured by applying the contract's calculation formulas and is discounted, if necessary. These formulas are considered to be representative of fair value and notably use net profit or sales multiples.

9.5 Liquidity risk

As described in the notes to the 2018 consolidated financial statements, the Group's liquidity policy is to ensure that it has sufficient liquid assets to settle its liabilities as they fall due, in either normal or impaired market conditions.

On 23 May 2019, the Casino Group's controlling shareholder Rallye and its parent companies announced that they had each requested and obtained the initiation of safeguard proceedings (*procédure de sauvegarde*) for a six-month period which may be extended by 6-12 months by decision of the relevant commercial court. The proceedings were initiated after the court acknowledged the financial difficulties experienced by the holding companies. They have the effect of freezing these companies' financial liabilities.

Each proceeding only concerns the entity for which it was initiated and none of them applies to either Casino, Guichard-Perrachon or its subsidiaries. Therefore, the Casino Group continues to run its operations as usual.

To date, the initiation of safeguard proceedings for Rallye has had notably two impacts at the level of Casino, Guichard-Perrachon:

- Rating downgrades by Standard & Poor's and Moody's. On 28 May 2019, Standard & Poor's downgraded the Group's credit rating to B/negative watch (from BB/negative outlook). On 31 May 2019, Moody's downgraded the Group's rating to B1/negative outlook (from Ba3/negative outlook). These rating downgrades had no impact on the cost or availability of Casino's existing financial resources.
- A reduction in outstanding amountunder the commercial paper programme. Outstanding commercial paper amounted to €167 million at 30 June 2019 compared with €450 million before the Rallye safeguard plan was initiated.

The Casino Group has not observed any change in supplier payment terms or any reduction in its available cash facilities (overdrafts).

In addition, together with its banking partners, the Group continuously examines its various options to refinanceor to extend the maturity of its bank and bond debt, especially following its recent rating downgrades.

The main liquidity risk management methods consist in:

- diversifying sources of financing to include capital markets, private placements, banks (confirmed and unconfirmed facilities) and discounting facilities;
- diversifying financing currencies to include the euro, the Group's other functional currencies and the US dollar;
- maintaining a level of confirmed financing facilities significantly in excess of the Group's liabilities at all times;
- limiting the amount of annual repayments and proactively managing the repayment schedule;
- managing the average maturity of financing facilities and, where appropriate, refinancing them before they fall due.

The liquidity analysis is performed both at the Casino, Guichard-Perrachon holding company level (taking into account the cash pool operated with all controlled French subsidiaries) and for each of the Group's international subsidiaries.

In addition, the Group carries out non-recourse receivables discounting without continuing involvement, within the meaning of IFRS 7, as well as reverse factoring.

Most of the Group's debt is carried by Casino, Guichard-Perrachon and is not secured by collateral or any secured assets. Financing is managed by the Corporate Finance department. The main subsidiaries (GPA, Monoprix and Éxito) also have their own financing facilities, which are not secured by collateral or any security interests in assets (except for GPA loans from BNDES totalling €7 million as at 30 June 2019 that are secured by security interests in the assets) and are not guaranteed by Casino.

All subsidiaries submit weekly cash reports to the Group and all new financing facilities require prior approval from the Corporate Finance department.

As at 30 June 2019, the Group's liquidity position comprised:

- confirmed, undrawn lines of credit for a total of €3,212 million (of which €2,719 million for France);
- available cash of €3,195 million (Note 9.1).

In France, confirmed credit lines that can be used at any time break down as follows:

(€ millions)	Rate	Due		Amount of the facility	Drawdowns
		Within one year	In more than one year		
Casino, Guichard-Perrachon syndicated credit lines(i)	Floating(i)	**-**	**1,859**	**1,859**	**-**
Casino, Guichard-Perrachon bilateral credit lines	Floating(ii)	**225**	**215**	**440**	**90**
Confirmed credit lines – Monoprix	Floating(iii)	**-**	**570**	**570**	**60**
Total		**225**	**2,644**	**2,869**	**150**

(i) Syndicated credit lines comprise a €1,200 million line expiring in February 2021 and a USD 750 million line expiring in July 2022. Interest is based on Euribor (drawdowns in euros) or US Libor (drawdowns in US dollars) for the drawdown period plus a spread that depends on the amount borrowed and the Group's net debt/EBITDA ratio.

(ii) Interest on the bilateral credit lines is based on the Euribor for the drawdown period plus a spread. In some cases, the spread varies depending on the amount borrowed (lines totalling €240 million) and/or the Group's net debt/EBITDA ratio (lines totalling €250 million). For one line, the spread is partially indexed to the Group's Sustainalytics CSR rating.

(iii) Interest on these confirmed bank credit lines is based on the Euribor for the drawdown period plus a spread. The spread varies depending on the amount borrowed and/or the net debt/EBITDA ratio.

The only covenant for these credit lines is the consolidated net debt/EBITDA ratio (3.5x for the most restrictive, except for the Monoprix credit lines which are subject to a covenant related to Monoprix's net debt/EBITDA ratio). Compliance with the covenant is tested annually based on the ratio at 31 December.

Bonds issued by Casino, Guichard-Perrachon totalled €5,338 million at 30 June 2019, of which €1,171 payable within one year.

As announced by Rallye and its holding companies on 12 July 2019, structured financing arrangements with certain financial institutions are secured by pledges over the shares of their subsidiaries. These financial institutions would have the option to exercise these share pledges during the safeguard proceedings.
Casino confirms that:

- Such transactions would have no impact on the control held over Casino by Rallye and its holding companies.
- Should the exercise of these pledges lead to a loss of control over Casino by Rallye or its holding companies, this would have no legal impact on Casino's debt and would not constitute an event of default, whether in respect of bank financing documentation or Casino's bond financing documentation.

As a matter of fact:

i. Most of Casino's bank financing documentation contains change of control clauses. The notion of change of control is not defined as the loss of control over Casino by Rallye or its holding companies, but as the acquisition of control over Casino by a third party (within the meaning of Article L. 233-3 of the French Commercial Code (*Code de commerce*), other than Rallye and its affiliates, whether acting alone or in concert. Activation of the change of control clauses would trigger the early redemption of loans or the cancellation of confirmed credit lines at the individual discretion of each lender.

ii. Change of control clauses are included in all of Casino's bond financing documentation, except for the documentation relating to the €600 million deeply-subordinated perpetual bonds (TSSDI) issued in 2005, which contains no such clause. Change of control is established when two criteria are met:
    - A third party, other than Rallye and its affiliates, acting alone or in concert, acquires shares conferring more than 50% of Casino's voting rights; and
    - This change of control directly triggers a downgrade of Casino's long-term credit rating (by at least one notch in the event that Casino's rating is not investment grade).

    Should the acquisition of control over Casino by a third party lead to a rating downgrade for Casino, the consequences on Casino's bond financing would be as follows:
    - For senior bonds, representing a cumulative nominal amount of €5,338 million at 30 June 2019, each bond investor would be entitled to request from Casino the early redemption of all their bonds at par.
    - For €750 million worth of TSSDI issued in 2013, the interest would be raised by an additional spread of 5% per annum and Casino would be entitled to buy back all of the bonds at par.

Note 10 Equity

10.1 Share capital and treasury shares

At 30 June 2019, share capital amounted to €165,892,132 (31 December 2018: €167,886,006) and comprised 108,426,230 ordinary shares issued and fully paid at that date (31 December 2018: 109,729,416 shares). The change was mainly due to the cancellation of 1,303,186 shares, approved by the Board of Directors on 13 June 2019.
At 30 June 2019, a total of 831,617 shares were held in treasury, representing €29 million (31 December 2018: 961,761 shares representing €33 million). In addition, 455,000 treasury shares were held under the liquidity agreement at that date, representing €16 million (31 December 2018: 0 shares).
In total, 1.3 million treasury shares were held by the Group at 30 June 2019, representing €46 million.

Purchases and sales of treasury shares during first-half 2019 led to a €58 million reduction in equity, also corresponding to the net cash outflow for the period (of which €40 million in respect of shares purchased by Casino for cancellation and €18 million reflecting the movement in the number of treasury shares held under the liquidity agreement between 31 December 2018 and 30 June 2019).

10.2 Breakdown of other reserves

(€ millions)	Cash flow hedges	Net investment hedges	Foreign currency translation reserves	Actuarial gains and losses	Equity instruments[i]	Debt instruments[i]	Total other reserves
At 1 January 2018	**(18)**	**(1)**	**(1,997)**	**(97)**	**2**	**(2)**	**(2,114)**
Movements for the period	9	-	(402)	5	(2)	-	(389)
At 30 June 2018 (restated)	**(9)**	**(1)**	**(2,399)**	**(92)**	**-**	**(2)**	**(2,503)**
At 31 December 2018 (reported)	**(8)**	**(1)**	**(2,332)**	**(107)**	**(2)**	**(2)**	**(2,452)**
IFRS 16 adjustments	-	-	5	-	-	-	5
As at 31 December 2018 (restated)	**(8)**	**(1)**	**(2,327)**	**(107)**	**(2)**	**(2)**	**(2,447)**
Movements for the period	(29)	-	31	1	(1)	1	2
At 30 June 2019	**(38)**	**(1)**	**(2,296)**	**(106)**	**(3)**	**(1)**	**(2,445)**

(i) Financial instruments at fair value through other comprehensive income.

10.3 Material non-controlling interests

SUMMARISED FINANCIAL INFORMATION ON THE MAIN SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

The information presented in the table below is based on the IFRS financial statements, adjusted where applicable to reflect the remeasurement at fair value on the date of acquisition or loss of control, and to align accounting policies with those applied by the Group. The amounts are shown before intragroup eliminations.
The Éxito group publishes its financial statements at a date later than that of the Casino Group. Information related to that subsidiary is therefore not disclosed.

(€ millions)	**GPA**	
	2019	**2018 (restated)**
Country	*Brazil*	
% of ownership interests held by non-controlling interests[(i)]	***66.9%***	*66.9%*
% of voting rights held by non-controlling interests[(i)]	***0.06%***	*0.06%*
For the first half-year		
Net sales	**5,914**	5,561
Net profit from continuing operations	**66**	135
Net profit from discontinued operations	**20**	77
Consolidated net profit	**86**	212
Attributable to non-controlling interests in continuing operations	***44***	*90*
Attributable to non-controlling interests in discontinued operations	***15***	*68*
Other comprehensive income/(loss)	**95**	(661)
Total comprehensive income/(loss) for the period	**181**	(449)
Attributable to non-controlling interests	***124***	*(306)*
As at 30 June 2019 and 31 December 2018		
Non-current assets	**7,899**	7,603
Current assets	**2,787**	9,539
Non-current liabilities	**(2,540)**	(2,609)
Current liabilities	**(2,865)**	(8,608)
Net assets	**5,281**	**5,924**
Attributable to non-controlling interests	***3,293***	*3,908*
For the first half-year		
Net cash used in operating activities	**(808)**	(306)
Net cash from/(used in) investing activities	**250**	(216)
Net cash used in financing activities	**(226)**	(284)
Effect of changes in exchange rates on cash and cash equivalents	**92**	(153)
Change in cash and cash equivalents	**(692)**	**(959)**
Dividends paid to the Group[(ii)]	***21***	*16*
Dividends paid to owners of non-controlling interests during the period[(ii)]	***26***	*26*
Average % of ownership interests held by the Group in the first half-year	***33.1%***	*33.1%*
% of ownership interests held by the Group at 30 June	***33.1%***	*33.1%*

(i) The percentages of non-controlling interests set out in this table do not include the Group's own non-controlling interests in sub-groups.
(ii) GPA has an obligation to pay out 25% of annual net profit in dividends.

10.4 Dividends

At the Annual General Meeting of 7 May 2019, the shareholders approved the payment of a €3.12 cash dividend per ordinary share for 2018. Including the interim dividend of €170 million paid in December 2018, the total payout recorded as a deduction from equity in first-half 2019 represented €169 million.

The coupon payable on deeply-subordinated perpetual bonds is as follows:

(€ millions)	30 June 2019	30 June 2018
Coupons payable on deeply-subordinated perpetual bonds (impact on equity)	**39**	**42**
O/w amount paid during the period	37	37
O/w amount payable in the following period	3	6
Impact on the statement of cash flows for the period	**42**	**42**
O/w coupons awarded and paid during the period	37	37
O/w coupons awarded in the prior year and paid during the period	6	6

Note 11 Other provisions

11.1 Breakdown of provisions and movements

(€ millions)	1 January 2019 (restated)	Additions 2019	Reversals (used) 2019	Reversals (not used) 2019	Change in scope of consoli-dation	Effect of movements in exchange rates	Other	30 June 2019
Claims and litigation	484	60	(31)	(34)	(4)	15	(3)	**487**
Other risks and expenses	102	36	(15)	(14)	(1)	-	6	**115**
Restructuring	43	25	(24)	(2)	4	-	-	**46**
Total provisions	**630**	**121**	**(69)**	**(50)**	**(1)**	**15**	**3**	**648**
of which non-current	*480*	*54*	*(30)*	*(30)*	*(5)*	*15*	*(6)*	***477***
of which current	*151*	*66*	*(39)*	*(20)*	*4*	*-*	*9*	***170***

Provisions for claims and litigation, and for other risks and expenses are composed of a wide variety of provisions for employee-related disputes (before a labour court), property disputes (concerning construction or refurbishment work, rents, tenant evictions, etc.), tax disputes and business claims (trademark infringement, etc.).

Provisions for claims and litigation amount to €487 million and include €445 million for GPA (Note 11.2). Of this amount, additions to provisions, reversals of used provisions and reversals of surplus provisions, respectively, amounted to €52 million, a negative €10 million and a negative €45 million.

11.2 Breakdown of GPA provisions for claims and litigation

(€ millions)	PIS/COFINS/CPMF disputes[i]	Other tax disputes	Employee disputes	Civil and other litigation	Total
30 June 2019	**14**	**335**	**68**	**28**	**445**
31 December 2018 (excluding Via Varejo)	31	316	65	26	**439**

(i) VAT and similar taxes.

In the dispute presented above and below in Note 11.3, GPA Food is contesting the payment of certain taxes, contributions and payroll obligations. The legal deposits paid by GPA pending final rulings from the administrative courts on these various disputes are included in "Other non-current assets". GPA has also provided various guarantees in addition to these deposits, reported as off-balance sheet commitments.

(€ millions)	30 June 2019			31 December 2018		
	Legal deposits paid	Assets pledged as collateral	Bank guarantees	Legal deposits paid	Assets pledged as collateral	Bank guarantees
Tax disputes	**56**	**193**	**2,148**	53	189	2,033
Employee disputes	**112**	**-**	**83**	104	1	43
Civil and other litigation	**18**	**3**	**103**	17	3	97
Total	**186**	**196**	**2,333**	**175**	**192**	**2,173**

11.3 Contingent assets and liabilities

In the normal course of its business, the Group is involved in a number of legal or arbitration proceedings with third parties or with the tax authorities in certain countries (mainly involving GPA – see below).

As stated in Note 3.3.2, no associates or joint ventures have any significant contingent liabilities.

- **Arbitration between GPA and Península**

On 12 September 2017, GPA received a request for arbitration from Fundo de Investimento Inmobiliáro Península ("Península") in order to discuss the calculation of rental charges and other operational matters related to leasing agreements concerning stores owned by Peninsula and operated by GPA. The agreements have a duration of 20 years as from 2005 and are renewable for another 20-year period at the sole discretion of GPA. They set out the method for calculating rental charges.
Despite the discussions concerning application of the lease terms, the request for arbitration has no impact on the operation of the leased stores, which is contractually guaranteed. At this stage of the arbitration process, it is not possible to make a reasonable estimate of the related risk. Based on the opinion of its legal advisors, the Company considers as possible the risk of an unfavourable ruling by the arbitral tribunal.

- **Proceedings brought by the DGCCRF against AMC and INCAA and investigations by the French and European competition authorities**

On 28 February 2017, the French Ministry of the Economy, represented by the Department of Competition Policy, Consumer Affairs and Fraud Control (DGCCRF), brought an action against Casino in the Paris Commercial Court. The case involves a series of credit notes totalling €22.2 million issued in 2013 and 2014 by 41 suppliers. The DGCCRF is seeking repayment of this sum to the suppliers concerned together with a fine of €2 million.
Also, on 11 April 2017, the common purchasing entity INCA Achats, and its parent companies Intermarché and Casino, were prosecuted for economic imbalance and abusive commercial practices that allegedly took place in 2015 against 13 multinational companies in the hygiene and fragrance industry, with a fine of €2 million.
The proceedings in both cases are still in progress. The Group considers that it complied with the applicable regulations during negotiations with the suppliers concerned by both sets of proceedings. Consequently, no provision has been set aside for these matters.

Moreover, the Group is subject to regular inquiries by the French and European competition authorities.
In early February 2017, representatives of France's Competition Authority raided the premises of Vindémia Logistique and Vindémia Group and seized certain documents concerning their consumer goods supply and distribution activities on Reunion Island.
At this stage, the Competition Authority has not issued any complaint and the Casino Group's application contesting the legitimacy of the raids is still pending. The Group is not currently able to predict the outcome of the investigation.

At the end of February 2017, representatives of the European Commission raided the premises of Casino, Guichard-Perrachon Achats Marchandises Casino – A.M.C. (formerly E.M.C. Distribution) and Intermarché-Casino Achats (INCA-A), in connection with an investigation into fast-moving consumer goods supply contracts, contracts for the sale of services to manufacturers of branded products and contracts for the sale of fast-moving consumer goods to consumers.

In May 2019, representatives of the European Commission conducted additional raids of the premises of the same companies (except for INCA-A, which has since ceased operations and is in the process of being liquidated).
The European Commission has not issued any complaint at this stage. Applications filed by the Casino Group to contest the legitimacy of the European Commission's first series of raids are still pending before the General Court of the European Union and the Casino Group also intends to contest the legitimacy of the second series of raids before the same court. The Group is not currently able to predict the outcome of this matter.

In June 2018, after giving notice in accordance with French law No. 2015-990 of 6 August 2015, the French Competition Authority launched an informal investigation into the creation of joint purchasing organisations in the food retailing sector. The investigation concerns in particular the Horizon central purchasing organisation set up between Auchan, Casino, Metro and Schiever. The investigation is still in progress.

- **GPA tax, social and civil contingent liabilities**

(€ millions)	30 June 2019	31 December 2018
INSS (employer's social security contributions)	103	95
IRPJ - IRRF and CSLL (corporate income taxes)	233	224
PIS, COFINS and CPMF (VAT and similar taxes)	458	447
ISS, IPTU and ITBI (service tax, urban property tax and tax on property transactions)	34	34
ICMS (state VAT)	1,385	1,329
Civil litigation	96	115
Total	**2,308**	**2,244**

GPA employs consulting firms to advise it in tax disputes, whose fees are contingent on the disputes being settled in GPA's favour. As at 30 June 2019, the estimated amount was €43 million (31 December 2018: €38 million).

Moreover, Casino has given a specific guarantee to its Brazilian subsidiary concerning notifications of tax adjustments received from the tax administration, for a total amount of BRL 1,386 million at 30 June 2019 (31 December 2018: BRL 1,317 million), including penalties and interest. Under the terms of the guarantee, Casino has undertaken to indemnify GPA for 50% of any damages incurred, provided those damages are definitive. Based on the commitment given by Casino to its subsidiary, the risk exposure amounts to BRL 693 million (€159 million) 31 December 2018: (BRL 658 million, representing €148 million). As the risks of liability are only considered possible, Casino has not recognised a provision in its financial statements for this amount.

- **GPA contingent assets**

Exclusion of ICMS from the PIS/COFINS tax base

Since the adoption of non-cumulative regime to calculate PIS and COFINS tax credits, GPA has challenged the right to deduct ICMS taxes from the calculation basis for PIS and COFINS taxes. GPA's position was supported by a Brazilian federal supreme court (STF) ruling on 15 March 2017 that the ICMS tax should be excluded from the PIS and COFINS tax base. Based on the STF's ruling and the opinion of its internal and external advisors, GPA considered that the probability of having to settle the amounts deducted in prior periods was low. It therefore reversed in first-half 2017 the corresponding provisions set up in prior periods for an amount of BRL 117 million (€32 million).

Since the supreme court's ruling on 15 March 2017, the procedure has continued in line with the expectations of GPA and its advisors, without GPA's judgement being called into question concerning the reversal of the provisions, although the court has not yet handed down its final decision. GPA and its external legal advisors believe that this decision concerning the application method will not limit its rights under the legal proceedings brought since 2003 which are still in progress. However, an asset cannot be recognised for the tax credits until all the stages in the procedure have been completed. Based on the information available as of 30 June 2019, GPA estimates that these tax credits represent a potential asset of BRL 1,400 million (€322 million) for its Retail business.

Note 12 Related-party transactions

Casino, Guichard-Perrachon is controlled by Rallye, which in turn is owned by Foncière Euris. At 30 June 2019, the Rallye group held 52.37% of the Company's capital and 61.74% of the voting rights (based on the actual number of voting rights held excluding treasury shares).

The Company has relations with all of its subsidiaries in its day-to-day management of the Group. The Company and its subsidiaries receive strategic advice from Euris, the ultimate holding company, under strategic advice and assistance agreements. The Company also receives other recurring services from Euris and Foncière Euris (provision of staff and premises). These relations have not changed compared with the previous period. The amount expensed over the period in relation to these agreements with Casino and its subsidiaries totalled €1.9 million, of which €1.6 million for strategic advisory services and €0.3 million for the provision of staff and premises.

The main transaction in the first half of the year between Casino Group consolidated companies and the Rallye Group was the payment of a dividend for 2018 in an amount of €88 million.

In connection with the deployment of its dual model combining retail and commercial real estate activities, Casino and its subsidiaries are involved in a number of property development operations with Mercialys (Note 3.3.3).

Relations with other related parties, including remuneration of managers, remained comparable to those of financial year 2018, and there have been no unusual transactions, in terms of either nature or amount, during the period.

Note 13 Subsequent events

Completion of the sale of 8 stores in the France Retail segment

Pursuant to the purchase agreements signed in January and February with Leclerc members and Lidl, the Casino Group announced on 2 July 2019 the completion of the sale of 8 stores, including 3 hypermarkets, for which it received a total consideration of €39 million.

Agreement signed with GBH to sell Vindémia

On 22 July 2019, the Casino Group and GBH announced the signing of a unilateral purchase agreement with a view to the sale of Vindémia for an enterprise value of €219 million. The transaction is expected to be completed after consultation with employee representative bodies and is subject to approval by the French Competition Authority.

Signing of new purchase pledges for the sale of 3 hypermarkets

As part of its strategy to dispose of or close loss-making stores, the Casino Group announced on 24 July 2019 that it had signed new unilateral purchase pledges with the aim of selling 3 Géant Casino hypermarkets representing a total amount of €42 million (Note 2). Together, these stores generated net sales of approximately €76 million in 2018 for a trading loss of around €2 million. The transactions are expected to be completed at the end of 2019, after the prior consultation of employee representatives and fulfilment of the customary conditions precedent.

Project to simplify the Casino Group’s structure in Latin America

On 27 June 2019, a project was announced to simplify the Group’s structure in Latin America, notably by combining all of its activities in the region within GPA and migrating GPA shares to the Novo Mercado.
After the project had been studied by a committee of independent directors, on 24 July 2019, GPA’s Board of Directors approved the launch of an all-cash tender offer for Éxito shares at a price of COP 18,000. The offer will be filed by GPA once Éxito has approved the agreements giving Casino exclusive control over Segisor (the holding company that controls GPA) and allowing Casino to acquire Éxito’s stake in Segisor at a price that values GPA at BRL 109 per share.
On the same day, Casino’s Board of Directors approved the purchase offer at a price of BRL 109 per share, which was submitted to Éxito’s Board of Directors for review.

CASINO, GUICHARD-PERRACHON

Société Anonyme

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Statutory Auditors' Review Report on the Half-yearly Financial Information

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your shareholders' meeting and in accordance with the requirements of article L.451-1-2 III of the French Monetary and Financial Code ("*Code monétaire et financier*"), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of CASINO, GUICHARD-PERRACHON, for the period from 1 January to 30 June 2019;
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I- Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 -standard of the IFRSs as adopted by the European Union applicable to interim financial information.

Without qualifying our conclusion, we draw your attention to the matters set out in Note 1.3 "Changes in accounting methods" to the condensed half-yearly consolidated financial statements, which describes the methods of implementation and the impacts of the first-time application of IFRS 16 Leases, and in Note 2 "Significant events" and Note 9 "Liquidity risk" of the Casino Group, particularly in the context of the safeguard procedures initiated by the controlling shareholders, the companies Rallye, Foncière Euris, Finatis and Euris.

II- Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Paris-La Défense, 24 July 2019

The Statutory Auditors

French original signed by

ERNST & YOUNG ET AUTRES		**DELOITTE & ASSOCIES**
Yvon SALAÜN	Alexis HURTREL	Frédéric MOULIN	Patrice CHOQUET