ANNUAL FINANCIAL REPORT
AT 31 DECEMBER 2019

This document is a free translation into English of the original French "Rapport Financier Annuel au 31 décembre 2019", hereafter referred to as the "Annual Financial Report at 31 December 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

The Casino Group's key consolidated figures for 2019 were as follows:

In €m, post-IFRS 16	2018 (restated)	2019	Reported change	Change at CER[1]
Consolidated net sales	**34,329**	**34,645**	+0.9%	+4.2%[1]
Gross margin	**8,963**	**8,764**	-2.2%	
EBITDA[2]	**2,669**	**2,640**	-1.1%	+0.6%[3]
Net depreciation and amortisation	**(1,305)**	**(1,348)**	-3.3%	
Trading profit	**1,364**	**1,292**	-5.3%	-3.1%[3]
Other operating income and expense	**(402)**	**(719)**	-78.9%	
Net financial expense, o/w:				
Net finance costs	***(320)***	***(356)***	*-11.5%*	
Other financial income and expenses	***(356)***	***(394)***	*-10.5%*	
Profit/(loss) before tax	**286**	**(176)**	n.m.	
Income tax	**(188)**	**(137)**	+27.1%	
Share of profit of equity-accounted investees	**60**	**46**	-24.2%	
Net profit/(loss) from continuing operations	**159**	**(268)**	n.m.	
o/w Group share	***(60)***	***(384)***	n.m.	
o/w attributable to non-controlling interests	***218***	***116***	*-46.9%*	
Net profit/(loss) from discontinued operations	**(32)**	**(1,054)**	n.m.	
o/w Group share	***(57)***	***(1,048)***	n.m.	
o/w attributable to non-controlling interests	***25***	***(6)***	n.m.	
Consolidated net profit/(loss)	**127**	**(1,322)**	n.m.	
o/w Group share	***(117)***	***(1,432)***	n.m.	
o/w attributable to non-controlling interests	***244***	***110***	*-55.0%*	
Underlying net profit/(loss), Group share[4]	**327**	**212**	-35.4%	-34.9%

[1] *At constant exchange rates. Net sales variation is on an organic basis, 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 (i) other operating income and expenses, (ii) non-recurring financial items, (iii) income tax expense/benefits related to these adjustments, and (iv) the application of IFRIC 23 rules (see page 17).*
Note: Figures are presented post IFRS 16. Leader Price has been classified as a discontinued operation, in accordance with IFRS 5.

Significant events of the period

Asset disposal plans in France

The Group launched a €4.5 billion asset disposal programme in France. The programme consists of a first €1.5 billion plan launched in June 2018, increased to €2.5 billion on 14 March 2019, and a second €2 billion plan launched in August 2019 as part of its strategic plan. This disposal programme is designed to step up the Group's development focused on its strategic priorities, i.e., buoyant formats, categories and geographies; new fast-growing businesses; as well as cash flow generation and deleveraging.

In 2019, the Group sold assets for €1 billion, after selling €1.1 billion of assets in 2018.

On 21 January 2019, the Group announced the sale of 26 hypermarket and supermarket properties worth €501 million, for which it received €392 million on 11 March 2019 on completion of the transaction.

On 14 February 2019, the Group sold its contract catering services subsidiary to Compass Group. The operation was finalised on 1 July 2019.

On 22 April 2019, the Group announced the sale of store properties to companies affiliated to Apollo Global Management. On 16 October 2019, the Group finalised the sale of 31 hypermarket and supermarket properties worth €465 million to companies affiliated to Apollo Global Management, for which it received €327 million.

On 22 July 2019, the Group announced that it had signed an agreement with GBH to sell Vindémia, its retail subsidiary in the Indian Ocean, for an enterprise value of €219 million. Vindémia will continue operating and developing within GBH's retail division.

On 19 September 2019, the Group confirmed that it had entered into talks with Aldi France for the acquisition of Leader Price.

Following the signing in March 2020 of the agreement with Aldi to sell Leader Price (see "Recent events" on page 16), the Group has sold to date €2.8 billion worth of assets since June 2018 (for which it had received €1.8 billion at end-2019). The agreement with Aldi rounds out the Rocade plan launched at the end of 2018 to close and dispose of loss-making stores, and accelerates the Group's strategic repositioning in France.

Rocade loss-making store closure and disposal plan in France

In order to focus on buoyant formats (premium, convenience and e-commerce), categories and geographies, at the end of 2018 the Group launched a plan for the disposal and closure of loss-making stores (Rocade plan). The Group has sold 17 integrated hypermarkets and 14 integrated supermarkets, and has closed 4 integrated supermarkets. Excluding Leader Price, these transactions had a €500 million negative full-year impact on net sales, partially offset by the independent retailers joining the franchise network with gross sales under banner of nearly €300 million. The full-year positive impact on trading profit is €50 million (€18 million in 2019).

Safeguard plan of the Group's parent companies

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. These 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.

On 9 December 2019, Rallye (including the subsidiaries HMB, Alpétrol and Cobivia), Foncière Euris, Finatis and Euris (the "Companies") announced that they had finalised their draft safeguard plans, drawn up with assistance from the court-appointed receivers. Proposals for the payment of their liabilities were then sent to the Companies' creditors by the judicial representatives, in order to obtain the creditors' acceptance or refusal of the proposals.

On 2 March 2020, Rallye, Foncière Euris, Finatis and Euris announced that the Paris commercial court had approved their safeguard plans on 28 February 2020.

Reorganisation of the Group's structure in Latin America

In 2019, the Group reorganised its Latin American operations.

On 26 June 2019, the Board of Directors of GPA, a subsidiary of the Group in Brazil, approved the formation of an *ad hoc* committee to study a project to simplify the Group's structure in the region.

The project included i) a cash tender offer to be launched by GPA on 100% of Éxito's shares, to which Casino would tender its entire 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), and 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.

On 24 July 2019, Casino's Board of Directors approved the decision to tender its stake in Éxito to GPA's tender offer and to acquire the shares held by Éxito in GPA through Segisor for a price based on BRL 109 per GPA share.

On the same date, GPA's Board of Directors launched a cash tender offer on 100% of Éxito's share capital for COP 18,000 per share through a wholly-owned subsidiary.

On 12 September 2019, Éxito's Board of Directors and its General Meeting approved the sale of its entire stake in Segisor to Casino, enabling: (i) Casino to acquire the shares held by Éxito in Segisor; and (ii) GPA to launch an all-cash tender offer for Éxito.

GPA was listed on the Novo Mercado on 2 March 2020, giving it access to a wide international investor base.

Casino now holds 41.2% of the share capital of GPA, which is itself the controlling shareholder of Éxito with a 96.6% stake, and of its subsidiaries in Uruguay and Argentina.

A strengthened balance sheet

On 22 October 2019, the Group announced a plan to strengthen its liquidity and financial structure in a two-step transaction consisting of: (i) arranging a new syndicated credit line of approximately €2.0 billion maturing in October 2023; and (ii) raising a target amount of €1.5 billion in new financing through a term loan ("Term Loan B") and a secured high-yield bond issue, each maturing in January 2024. These facilities enable the Group to refinance a portion of its existing debt, notably via a tender offer on bonds maturing in 2020, 2021 and 2022.

i. On 7 November 2019, the Group announced the successful syndication of a €1,000 million term loan ("Term Loan B") and the placement of an €800 million secured high-yield bond issue, each maturing in January 2024. The term loan bears interest at Euribor +5.5%[1], while the bonds pay a coupon of 5.875%.
ii. On 13 November 2019, the Casino Group announced the success of its bond tender offer. A total amount of around €784 million was tendered to the offer. Taking into account the offer price and accrued interest, the total cash paid out by Casino was €806 million. These transactions extended the average maturity of Casino's bonds and term loans to 3.8 years from 3.3[2] years previously.
iii. On 19 November 2019, the Group announced that it had signed a new €2 billion syndicated credit line maturing in October 2023. This new facility improves the Group's liquidity by increasing the average maturity of its credit lines in France to 3.6 years from 1.6 years previously.

On 21 November 2019, the Group announced that it had completed its refinancing plan.

[1] *If Euribor is negative, it will be deemed equal to zero.*
[2] *Bond issue and term loan*

- **<u>Expansion of the partnership with Amazon signed in 2018</u>**

Building on the success of the Monoprix-Amazon business partnership launched in September 2018, which offers products selected by Monoprix to Amazon Prime members residing in Paris, on 23 April 2019 the Group announced that the partnership would be expanded through the following three initiatives: (i) the installation of Amazon Lockers in 1,000 Casino Group stores; (ii) Casino private-label products being made available on Amazon. From 28 August 2019, the offer was also extended for delivery services to towns and cities beyond the Paris area and to Naturalia products. On 21 November 2019, this service was rolled out to Nice and 11 municipalities in the Alpes-Maritimes region.

- **<u>Other significant events of the year</u>**

Horizon International Services, the Casino Group's international alliance with Auchan Retail, METRO and DIA dedicated to selling services to suppliers that operate internationally, was officially launched on 6 March 2019. Horizon International Services covers the 47 countries in Europe, Asia and South America in which these companies operate.

On 5 September 2019, the Group announced that Vesa Equity Investment, an investment fund owned by Daniel Křetínský, the controlling shareholder with a 53% stake, and Patrik Tkáč (47% stake), held 5,020,139 shares of the Casino, Guichard-Perrachon Group, representing 4.63% of its share capital at 3 September 2019.

Business report

The comments in the Annual Financial Report reflect comparisons with 2018 results from continuing operations. The 2019 and 2018 consolidated financial statements are presented post IFRS 16. 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.

Via Varejo, which was sold on 14 June 2019, is presented as a discontinued operation in 2018 and from 1 January to 30 June 2019, in accordance with IFRS 5. In light of the decision made in 2019 to divest Leader Price, this business is presented as a discontinued operation in 2019, in accordance with IFRS 5. The 2018 financial statements have been restated to permit meaningful comparisons with 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

- Various store disposals and acquisitions during 2018 and 2019 within Franprix-Leader Price
- Disposals and closures of loss-making stores during 2018 and 2019
- Completion of the disposal of Via Varejo on 14 June 2019
- Leader Price has been reclassified under discontinued operations in Q4 2019

Currency effects:

Currency effects were unfavourable in 2019, with the Brazilian real losing an average 2.4% against the euro compared with 2018.

Continuing operations *In €m, post-IFRS 16*	**2018 (restated)**	**2019**	**Reported change**	**Change at CER[1]**
Net sales	34,329	**34,645**	**+0.9%**	**+4.2%[1]**
EBITDA	2,669	**2,640**	**-1.1%**	**+0.6%**
Trading profit	1,364	**1,292**	**-5.3%**	**-3.1%**
Underlying net profit, Group share	327	**212**	**-35.4%**	**-34.9%**

[1] *At constant exchange rates. Change in net sales presented on an organic basis.*

CASINO GROUP 2019 HIGHLIGHTS

IN FRANCE

- **Acceleration of strategic repositioning to focus on buoyant formats** with the disposal of Leader Price, bringing the total proceeds from signed disposals under the disposal plan to €2.8 billion;
- **Gross sales under banner up 1.9% on a same-store basis;**
- **24% of the activity done through E-commerce in Q4 2019** vs 18% in 2018;
- **Retail trading margin up 0.5pt to 3.8%**, with trading profit **up 12% to €622 million**[1];
- **Reduction in net debt to €2.3 billion** driven by the disposal plan, with recurring free cash flow (excluding the disposal and Rocade plans) of €367 million[2] **(€576 million excluding non-recurring items);**
- **Major milestone achieved in retail business modernisation**, with faster development of **automated checkout systems** (self-scanning via smartphone, self-service checkouts, autonomous stores) and growth in **home delivery** services (Ocado warehouse launched on a test basis on 18 March 2020).

IN LATIN AMERICA

- **Simplified Group structure in Latin America**, with all businesses placed under the umbrella of the GPA subsidiary;
- **Assaí's excellent momentum confirmed**, with sales up 22%[3] and margin up 20bps[3];
- **Success of Éxito's new formats** and margin up 20bps[3];
- **Digital transformation and strong growth in E-commerce**, up nearly 40%[3].

In the context of the Covid-19 crisis, Casino Group is focusing on its core mission of ensuring that all communities have uninterrupted food supplies.

- The key priority is the implementation of **necessary measures to protect the health of employees and clients** at all workplaces and in all areas open to the public: distribution of face masks and hydro-alcoholic gels, installation of plexiglass screens at check-outs, respect of social distancing measures between clients, promotion of automatic payment solutions (up to 50% of payment flows in the hypermarkets in France).
- **Like other food retailers**[4], the Group is faced with **unprecedented demand**, both in stores and for Drive or home delivery services. In France, demand in large cities is **particularly high in the convenience stores** and on E-commerce sites. With a network of 7,200 stores and the Cdiscount E-commerce banner, the Group is ready to fulfil its mission.
- A **crisis management unit** has been set up and is in continuous contact with suppliers and public authorities to ensure **supply chain continuity and to secure operations** in the stores and E-commerce fulfilment centres.
- **Initiatives to help the most vulnerable populations** have been launched (shopping hours reserved for over 65s and care-givers, ready-to-deliver baskets, telephone orders, expanded Cdiscount food offering).

[1] Post-IFRS 16. Pre-IFRS 16, France retail trading profit was up 5% and retail trading margin up 0.2 pt.
[2] Free cash flow excluding the disposal plan and the Rocade plan, before dividends paid to owners of the parent and holders of TSSDI deeply-subordinated bonds, excluding financial expenses, including rental expense (repayments of lease liabilities and interest on leases). Pre-IFRS 16: €380 million.
[3] Data published by the subsidiary.
[4] Source: Nielsen.

FRANCE RETAIL

In €m, post-IFRS 16	**2018 (restated)**	**2019**
Net sales	**16,786**	**16,322**
EBITDA	**1,413**	**1,467**
EBITDA margin	*8.4%*	*9.0%*
Trading profit	**618**	**676**
Trading margin	*3.7%*	*4.1%*

France Retail net sales totalled €16,322 million in 2019 versus €16,786 million in 2018, up 0.3% on a same-store basis excluding fuel and calendar effects. Including Cdiscount, gross sales under banner was up 1.9% on a same-store basis in 2019.

Over the full year, the following can be noted per format:

- **Organic products** made up 14% of **Monoprix**'s net sales in 2019. The **E-commerce** segment was particularly strong, buoyed by the success of the partnership with **Amazon Prime Now**, which was extended during the year to cover new towns and cities as well as Naturalia products. The banner accelerated the deployment of its autonomous stores which allow extended opening hours. The **Naturalia** format dedicated to organic products saw further growth.

- **Franprix** continued to roll out its **autonomous stores,** to develop its non-food offer – primarily through its partnership with **Hema,** and to strengthen its **organic** range and **catering services,** thereby increasing **customer traffic.** Franprix picked up 50 awards in 2019, both for its ongoing innovation across the board (concepts, products, human resources initiatives) and for its partnerships.

- **Casino Supermarkets** saw double-digit growth in sales of **organic products** over the year. The banner continued to develop its **autonomous stores** and its in-store digital solutions, including the highly successful **Casino Max** app. E-commerce continued to grow.

- **Convenience** continued to optimise its model, with an increasing number of stores operated on a **franchise** basis. The banner enhanced its own-brand and **organic** products, which posted double-digit growth over the year, while developing its **autonomous stores.**

- **Géant Hypermarkets** saw a positive annual trend led by **organic products**, **e-commerce,** the roll-out of **"shops-in-shops"**, and digital initiatives such as **Casino Max.** The banner continues to deploy **autonomous stores.** A total of 13 stores operated by the Quattrucci family joined the franchise network in the year.

In France, **EBITDA margin** improved by 57 bps to 9.0% of sales.
France retail trading profit came to €676 million, up 9.4% on 2018. Retail trading profit came to €622 million, a rise of 11.6%. Trading margin for the retail business was 3.8%. Pre-IFRS 16 retail trading profit improved by 4.9% to €517 million. The effects of the Rocade plan and the cost-saving plans more than offset the €68 million increase in rental expenses related to the disposal of store properties.

NEW BUSINESSES

GreenYellow

GreenYellow accelerated the development of its photovoltaic business, resulting in a **threefold increase in its pipeline to 451MWp** at end-2019. **EBITDA** amounted to **€76 million** in 2019.

GreenYellow has made **strong international expansion**, with projects in Asia, Latin America, Africa and the Indian Ocean region.

It continues to **diversify its customer portfolio** alongside public authorities (city of Saint Étienne), airports (Colombia, Mauritania, Reunion Island) and manufacturers (such as Schneider Electrics and STMicroElectronics). GreenYellow is also continuing its **innovation push**, with a floating solar power plant in Thailand and the development of a hybrid system[1] in Africa.

The Group's energy subsidiary has forged major **strategic partnerships**. The **Reservoir Sun** joint venture launched with Engie in October 2018 is the benchmark player in France's solar self-consumption market, with contracts for 100 MWp obtained over the year. GreenYellow also signed a new partnership agreement with Allego, which intends to deploy France's largest network of ultra-fast electric vehicle charging stations.

DATA ET DATA CENTERS

The **Data and Data Centers division generated €67 million in cumulative net sales**, up 51% from 2018.

In the **Data** business, the two Casino Group's entities, **3W.relevanC and Maxit, are being combined to form relevanC**, a key player in digital marketing. relevanC will provide brands and retailers with customer acquisition and retention solutions, based on targeting strategies and impact measurement, via two divisions:

- relevanC advertising (formerly 3w.relevanC): media and marketing solutions, enhanced by transactional data, insights and measurement, to meet all the multi-channel marketing challenges related to target shoppers, and;
- relevanC retail tech (formerly Maxit): technological solutions enabling retailers to optimise the performance of their marketing campaigns by using their data to personalise the customer relationship.

The Group created **ScaleMax**, a major new **Data Centers** player. ScaleMax has diversified its portfolio of external customers (BNP, Natixis and McGuff) and deployed 20,000 cores in one year in the first data warehouse.

[1] *Hybridisation: solar power generation with a battery-powered storage system.*

E-COMMERCE (CDISCOUNT)

In €m, post-IFRS 16	**2018 (restated)**	**2019**
GMV (Gross Merchandise Volume) as published by Cnova	**3,646**	**3,899**
EBITDA	39	69
o/w Cdiscount group	*41*	*68*
o/w Holding companies	*(2)*	*1*

E-commerce, gross merchandise volume ("GMV") came to €3.9 billion, a year-on-year increase of 9.1%[1] on an organic basis. The marketplace's contribution was up 3.7 points at 38.1% of GMV. Cdiscount's B2C services contributed 3.4 points to GMV growth.

The contribution of **mobile** solutions to GMV was 5.5 points higher, at 49.5%[1]. Cdiscount consolidated its status as the number two player in France in terms of **monthly unique visitors**, with around 20 million unique visitors a month[1].

The **international platform** continued to expand, with an 85% year-on-year rise in business volumes in fourth-quarter 2019[1].

E-commerce (Cdiscount) EBITDA margin improved by 153 bps to reach EBITDA of €69 million (3.5% of net sales), an increase of €30 million driven primarily by the marketplace and by increased monetisation revenue in both B2B and B2C services.

LATAM RETAIL

In €m, post-IFRS 16	**2018 (restated)**	**2019**
Net sales	**15,577**	**16,358**
EBITDA	**1,217**	**1,104**
EBITDA margin	*7.8%*	*6.8%*
Trading profit	**758**	**612**
Trading margin	*4.9%*	*3.7%*

Latam Retail net sales were €16,358 million in 2019, up 9.7% on an organic basis and 4.0% on a same-store basis excluding fuel and calendar effects.

In 2019, **GPA** focused on its core business and on simplifying its structure. **GPA** reported organic sales growth of 11.0% and same-store growth of 3.2%.

- **Assaí** (Cash & Carry) sales were up 21.9%[1], buoyed by the excellent results of the 22 stores opened in the year and stores expansions in previous years, as well as by a good same-store performance. Retail space increased by 20%[(1)]. Assaí now represents more than **51% of GPA's sales**, underlining the pertinence of its business model. Over the past five years, the Company's net sales have tripled and it now has a market share of 28.5%[1], a rise of 750 bps over the period.

- **Multivarejo continues to optimise its store portfolio**. 92 **Extra Super** stores, or 70% of the portfolio, were converted in the year, bringing the total to 100 **Mercado Extra** stores and 28 **Compre Bem** stores. 20 **Pão de Açucar** stores were renovated this year, bringing the total number of new-generation stores to 46, representing 40%[1] of the banner's sales. In the **convenience** format, 10 new Minuto Pão de Açucar stores were opened, with sales on a continuous uptrend over the past seven quarters. A new segmentation of the **Extra Hiper** store portfolio has been established, separating out high-performing stores from stores to be optimised in the portfolio. These stores may be ultimately converted to the Assaí format or may be sold.

GPA continues to successfully pursue its **omnichannel strategy.** The **food E-commerce** format reported annual growth of 40%[1], led by expansion of express delivery and click & collect services. **James Delivery** is now up and running in 19 towns and cities.

Grupo Éxito net sales were up by 6.2% on an organic basis and by 6.0% on a same-store basis, buoyed by the success of the Éxito Wow, Carulla Fresh Market and Surtimayorista formats. Growth in **E-commerce** in Colombia picked up pace, at 37%[1].

Trading profit from Latin American operations, excluding tax credits and currency effects, remained virtually stable at €612 million. At GPA, Multivarejo's trading margin was impacted by investments in promotional campaigns, while Assaí's trading margin excluding tax credits inched up by approximately 0.2 point. At Grupo Éxito, trading margin improved by around 0.2 point, led by the success of new concepts and e-commerce. **Trading profit from Latin American operations including tax credits and currency effects** declined by 19.3% owing to the absence of tax credits in 2019 and a negative currency impact of almost 4%.

[1] *Figures provided by the subsidiary.*

Overview of the consolidated financial statements

Pursuant to European Commission regulation 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 31 December 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 methods described in the notes to the consolidated financial statements have been applied continuously across the periods presented in the consolidated financial statements.

Net sales

Consolidated net sales amounted to €34,645 million in 2019, versus €34,329 million in 2018, a total rise of 0.9%, including organic growth of 4.2% and same-store growth of 2.2%.
Changes in consolidation scope had a negative impact of 0.8%. The currency effect and hyperinflation had a negative impact of 1.9%.
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 came to €1,292 million in 2019 versus €1,364 million in 2018, a change of -5.3% as reported and -3.1% at constant exchange rates.
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.

Other operating income and expenses amounted to a net expense of €719 million in 2019 versus a net expense of €402 million in 2018. This item decreased for the combined Latam Retail and E-commerce segments.

In France, other operating income and expenses represented a net expense of €619 million. The increase in non-recurring costs is mainly non-cash (€200 million) and is related to the disposal plan. Cash expenses under the Rocade plan (€95 million) were funded by disposals of the Group's loss-making stores. Excluding the Rocade plan, restructuring costs fell sharply, down 50% on 2018 and 75% on 2016.

The net expense of €292 million in France in 2018 corresponded mainly to restructuring costs incurred to complete the major store transformation plans.

Net financial expense and profit (loss) before tax

Net financial expense totalled €750 million in 2019 (€676 million in 2018), reflecting:

- **Net finance costs** of €356 million versus €320 million in 2018.
- **Other net financial expenses** of €394 million, compared with other net financial expenses of €356 million in 2018.

Underlying net financial expense for the period came to €716m (€448m excl. interest expense on lease liabilities) vs. €629m in 2018 (€411m excl. interest expense on lease liabilities). In France, the underlying net financial expense excluding interest expense on lease liabilities is stable. The underlying net financial expense in E-commerce is stable vs. 2018. In Latin America, net financial expense increased in line with the financing of GPA in the context of the takeover bid on Éxito.

Profit (loss) before tax was a loss of €176 million in 2019 (versus a profit of €286 million in 2018).

Net profit (loss), Group share

Income tax was €137 million versus €188 million in 2018.

The **Group's share of profit of equity-accounted investees** was €46 million (€60 million in 2018).

Non-controlling interests in profit from continuing operations came to €116 million compared to €218 million in 2018. Excluding non-recurring items, underlying non-controlling interests were €157 million in 2019 versus €267 million in 2018.

Profit (loss) from continuing operations, Group share came to a loss of €384 million, compared with a loss of €60 million in 2018, reflecting an increase in non-recurring non-cash costs relating to the disposal plan.

Profit (loss) from discontinued operations, Group share was a loss of €1,048 million, compared with a loss of €57 million in 2018, mainly due to goodwill impairment.

Consolidated net profit (loss), Group share amounted to a loss of €1,432 million, versus a loss of €117 million in 2018.

Underlying net profit from continuing operations, Group share totalled €212m, compared with €327m in 2018 mainly due to a decrease in trading profit in Brazil related to the absence of tax credits and a change in tax expense in France due to lower activations of tax loss carryforwards than in 2018 (notably Cdiscount) and the transformation of the CICE into an taxable social expense.

Diluted **underlying earnings per share** stood at €1.62, versus €2.57 in 2018.

Financial position

Casino Group consolidated net debt stood at **€4.1 billion** at 31 December 2019 versus €3.4 billion at 31 December 2018. The increase in consolidated net debt reflects the net impact of the reorganisation in Latin America (repurchase of Éxito's share in GPA by Casino, GPA's takeover bid for Éxito), while **France net debt decreased to €2.3 billion (versus €2.7 billion at end-2018)** and E-commerce debt was close to stable.

Cash flow statement for the Group's continuing operations In €m, post-IFRS 16	**2018 (restated)**	**2019**
EBITDA	**2,669**	**2,640**
Non-recurring items	*(257)*	*(401)*
Other items (head office expenses, dividends from equity-accounted investees)	*2*	*(67)*
Cash flow from continuing operations	**2,414**	**2,172**
Change in working capital	(117)	92
Income taxes	(236)	(259)
Net cash (used in) operating activities	**2,061**	**2,004**
Investments (gross capex)	(1,188)	(1,107)
Asset disposals (incl. asset disposal plan)	1,230	890
Net capex	43	(218)
Free cash flow[(1)]	**2,104**	**1,786**

[(1)] *Before dividends paid to owners of the parent and holders of TSSDI deeply-subordinated bonds, before interests.*

Free cash flow from continuing operations before dividends and financial expenses amounted to €1,786 million this year. The change in working capital was €92 million in 2019 versus a negative €117 million in 2018.

Consolidated equity, Group share totalled €4,767 million compared with €6,501 million at end-2018.

At 31 December 2019, Casino in France[1] had €4.0 billion in **liquidity**, composed of a **gross cash position** of **€1.7 billion and confirmed undrawn lines of credit of €2.3 billion**. The Group also had €193 million in an escrow account for the repayment of the bond that matured in early March 2020.

[1] *Casino Group's holding structure, including the French activities and the wholly-owned holding companies.*

Outlook

The Casino Group is **fully committed** to secure the supply of populations, while ensuring the protection of employees and clients.

The Group’s strengths (convenience, E-commerce, automatic payment solutions) are being deployed to **meet customers’ needs** in the safest possible manner.

The Group will pursue the **accelerated adaptation of its operating processes and the development of new offers responding to the current unprecedented situation.**

At the date of this report, **the impact of the Covid-19 pandemic on the Group’s businesses is as follows**:

- a sharp increase in customer demand for food products since 13 March 2020, leading to additional net sales over this period consistent with market data[1], with demand particularly strong in convenience formats and urban stores, and for Drive and home delivery services;
- significant additional business at Cdiscount, concerning both the new food offer introduced to meet customer demand and everyday non-food products.

In these extremely volatile circumstances, no significant factors have come to light that cast doubt on the objectives previously announced by the Group. However, out of prudence and in light of the uncertain macroeconomic and social impact of Covid-19 over the next year[2], the Group is no longer able to define specific objectives for 2020-2021.

The Group remains focused on all of the strategic priorities already communicated to the market in terms of cost savings, the management of investments and inventories, targeted expansion (convenience and premium formats, E-commerce, new businesses), and disposal plans.

In the context of the Covid-19 pandemic, the Casino Group is more focused than ever on fulfilling its core mission of ensuring that all communities have uninterrupted food supplies while taking the necessary measures to protect the health of its employees and customers in all workplaces and areas open to the public.

[1] Source: Nielsen.
[2] Note in particular the postponement of INSEE and Banque de France macroeconomic projections to June.

Subsequent events

Information provided by Rallye, the Group's lead shareholder, regarding the approval of its safeguard plan and the safeguard plans of its subsidiaries

Casino, Guichard-Perrachon was informed by Rallye, its lead shareholder, that on 28 February the Paris commercial court approved the safeguard plans for Rallye and its subsidiaries Cobivia, HMB and Alpétrol, and for their parent companies, Foncière Euris, Finatis and Euris. The Casino Group noted the court's decisions, which require these companies to comply with specified financial commitments as from 2023.

Agreement signed between the Casino Group and Aldi France for the sale of Leader Price stores and warehouses in mainland France for €735 million

On 20 March 2020, the Group announced that it had signed a unilateral purchase agreement with Aldi France to sell 567 Leader Price stores and 3 warehouses for an enterprise value of €735 million (including an earn-out of €35 million contingent on the achievement of certain operating indicators during the transaction period). Under this agreement, the transferred Leader Price stores will develop under the Aldi banner. The Casino Group retains ownership of the Leader Price brand and will continue to operate it under certain conditions agreed with Aldi, in France and internationally. The agreement with Aldi rounds out the Rocade plan launched at the end of 2018 to close and dispose of loss-making stores, and accelerates the Group's strategic repositioning in France.

Appendix: Alternative performance indicators

The definitions 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 from continuing operations adjusted for the impact of (i) other operating income and expenses as defined in the "Significant accounting policies" section of the notes to the 2019 consolidated financial statements, (ii) non-recurring financial items, (iii) income tax expense/benefits related to these adjustments, and (iv) the application of IFRIC 23.

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.

In €m, post-IFRS 16	2018 (restated)	Underlying items	2018 underlying	2019	Underlying items	2019 underlying
Trading profit	**1,364**	**0**	**1,364**	**1,292**	**0**	**1,292**
Other operating income and expense	**(402)**	402	0	(719)	719	**0**
Operating profit	**962**	**402**	**1,364**	**574**	**719**	**1,292**
Net finance costs	(320)	0	(320)	(356)	0	(356)
Other financial income and expenses[(1)]	(356)	47	(310)	(394)	34	(360)
Income tax[(2)]	(188)	(13)	(201)	(137)	(116)	(253)
Share of profit of equity-accounted investees	60	0	60	46	0	46
Net profit/(loss) from continuing operations	**159**	**436**	**595**	**(268)**	**637**	**369**
Attributable to non-controlling interests[(3)]	218	49	267	116	41	157
Group share	**(60)**	**387**	**327**	**(384)**	**596**	**212**

(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 tax has been restated for the tax impact of the restated items listed above.
(3) Non-controlling interests have been restated for the amounts relating to the restated items listed above.

CASINO, GUICHARD-PERRACHON

CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2019

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FINANCIAL STATEMENTS

Consolidated income statement

(€ millions)	Notes	2019	2018 (restated)(i)
CONTINUING OPERATIONS			
Net sales	5/6.1	**34,645**	34,329
Other revenue	6.1	**665**	533
Total revenue	**6.1**	**35,310**	**34,862**
Cost of goods sold	6.2	**(26,547)**	(25,899)
Gross margin	**5.1**	**8,764**	**8,963**
Selling expenses	6.3	**(6,100)**	(6,244)
General and administrative expenses	6.3	**(1,371)**	(1,355)
Trading profit	**5.1**	**1,292**	**1,364**
As a % of net sales		***3.7%***	*4.0%*
Other operating income	6.5	**61**	350
Other operating expenses	6.5	**(779)**	(751)
Operating profit		**574**	**962**
As a % of net sales		***1.7%***	*2.8%*
Income from cash and cash equivalents	11.3.1	**39**	37
Finance costs	11.3.1	**(396)**	(356)
Net finance costs	**11.3.1**	**(356)**	**(320)**
Other financial income	11.3.2	**265**	122
Other financial expenses	11.3.2	**(659)**	(478)
Profit/(loss) before tax		**(176)**	**286**
As a % of net sales		***-0.5%***	*0.8%*
Income tax expense	9.1	**(137)**	(188)
Share of profit of equity-accounted investees	3.3.3	**46**	60
Net profit/(loss) from continuing operations		**(268)**	**159**
As a % of net sales		***-0.8%***	*0.5%*
Attributable to owners of the parent		**(384)**	(60)
Attributable to non-controlling interests		**116**	218
DISCONTINUED OPERATIONS			
Net profit/(loss) from discontinued operations	**3.5.2**	**(1,054)**	**(32)**
Attributable to owners of the parent	3.5.2	**(1,048)**	(57)
Attributable to non-controlling interests	3.5.2	**(6)**	25
CONTINUING AND DISCONTINUED OPERATIONS			
Consolidated net profit/(loss)		**(1,322)**	**127**
Attributable to owners of the parent		**(1,432)**	(117)
Attributable to non-controlling interests	12.8	**110**	244

Earnings per share

(€)	Notes	2019	2018 (restated)(i)
From continuing operations, attributable to owners of the parent	**12.10.2**		
▪ Basic		**(3.90)**	(1.00)
▪ Diluted		**(3.90)**	(1.00)
From continuing and discontinued operations, attributable to owners of the parent	**12.10.2**		
▪ Basic		**(13.61)**	(1.52)
▪ Diluted		**(13.61)**	(1.52)

(i) Previously published comparative information has been restated to reflect changes in accounting methods (relating mainly to IFRS 16 – *Leases*) and the reclassification of Leader Price within discontinued operations (Note 1.3).

Consolidated statement of comprehensive income

(€ millions)	2019	2018 (restated)[i]
Consolidated net profit/(loss)	**(1,322)**	**127**
Items that may subsequently be reclassified to profit or loss	**(128)**	**(775)**
Cash flow hedges and cash flow hedge reserve[i]	***(27)***	19
Foreign currency translation adjustments[iii]	**(110)**	(779)
Debt instruments at fair value through other comprehensive income (OCI)	***6***	2
Share of items of equity-accounted investees that may be subsequently reclassified to profit or loss	**(4)**	(10)
Income tax effects	***6***	(6)
Items that will never be reclassified to profit or loss	**(14)**	**(13)**
Equity instruments at fair value through other comprehensive income	**(1)**	(2)
Actuarial gains and losses	**(18)**	(15)
Share of items of equity-accounted investees that will never be subsequently reclassified to profit or loss	**(1)**	(2)
Income tax effects	**6**	6
Other comprehensive income/(loss) for the year, net of tax	**(142)**	**(788)**
Total comprehensive income/(loss) for the year, net of tax	**(1,464)**	**(661)**
Attributable to owners of the parent	***(1,526)***	*(449)*
Attributable to non-controlling interests	***61***	*(211)*

(i) Previously published comparative information has been restated to reflect changes in accounting methods, relating mainly to IFRS 16 – *Leases* (Note 1.3).
(ii) The change in the cash flow hedge reserve was not material in either 2019 or 2018.
(iii) The €110 million negative net translation adjustment in 2019 arose primarily from the depreciation of the Brazilian, Argentine and Uruguayan currencies, for €70 million, €57 million and €54 million respectively, partially offset by the appreciation of the Colombian peso for €68 million. The €779 million negative net translation adjustment in 2018 mainly concerned the depreciation of the Brazilian and Colombian currencies, for €678 million and €43 million, respectively.

Changes in other comprehensive income are presented in Note 12.7.2.

Consolidated statement of financial position

ASSETS (€ millions)	Notes	31 December 2019	31 December 2018 (restated)(i)	1 January 2018 (restated)(i)
Goodwill	10.1	**7,489**	8,682	9,092
Intangible assets	10.2	**2,296**	2,265	2,266
Property, plant and equipment	10.3	**5,113**	5,843	7,325
Investment property	10.4	**493**	497	494
Right-of-use assets	7.1.1	**4,837**	4,592	4,491
Investments in equity-accounted investees	3.3.3	**341**	500	563
Other non-current assets	6.9	**1,183**	1,151	1,091
Deferred tax assets	9.2.1	**772**	667	619
Total non-current assets		**22,524**	**24,197**	**25,942**
Inventories	6.6	**3,775**	3,834	3,806
Trade receivables	6.7	**836**	905	888
Other current assets	6.8	**1,536**	1,383	1,231
Current tax assets		**111**	165	138
Cash and cash equivalents	11.1	**3,572**	3,730	3,391
Assets held for sale	3.5.1	**2,491**	8,433	7,549
Total current assets		**12,320**	**18,450**	**17,003**
TOTAL ASSETS		**34,844**	**42,647**	**42,945**

EQUITY AND LIABILITIES (€ millions)	Notes	31 December 2019	31 December 2018 (restated)(i)	1 January 2018 (restated)(i)
Share capital	12.2	**166**	168	170
Additional paid-in capital, treasury shares, retained earnings and consolidated net profit/(loss)		**4,602**	6,333	7,227
Equity attributable to owners of the parent		**4,767**	**6,501**	**7,397**
Non-controlling interests	**12.8**	**3,523**	**5,208**	**5,373**
Total equity	**12**	**8,291**	**11,709**	**12,770**
Non-current provisions for employee benefits	8.2	**357**	366	358
Other non-current provisions	13.1	**458**	481	514
Non-current borrowings and debt, gross	11.2	**8,100**	6,782	7,202
Non-current lease liabilities	7.1.1	**3,937**	3,560	3,485
Non-current put options granted to owners of non-controlling interests	3.4.1	**61**	63	28
Other non-current liabilities	6.10	**181**	464	478
Deferred tax liabilities	9.2.2	**566**	667	740
Total non-current liabilities		**13,661**	**12,384**	**12,806**
Current provisions for employee benefits	8.2	**11**	11	11
Other current provisions	13.1	**153**	160	167
Trade payables		**6,580**	6,668	6,644
Current borrowings and debt, gross	11.2	**1,549**	2,199	1,475
Current lease liabilities	7.1.1	**740**	677	665
Current put options granted to owners of non-controlling interests	3.4.1	**105**	126	143
Current tax liabilities		**48**	124	88
Other current liabilities	6.10	**2,839**	2,613	2,483
Liabilities associated with assets held for sale	3.5.1	**867**	5,977	5,693
Total current liabilities		**12,892**	**18,554**	**17,369**
TOTAL EQUITY AND LIABILITIES		**34,844**	**42,647**	**42,945**

(i) Previously published comparative information has been restated to reflect changes in accounting methods, relating mainly to IFRS 16 – *Leases* (Note 1.3).

Consolidated statement of cash flows

(€ millions)	Notes	2019	2018 (restated)[(i)]
Profit before tax from continuing operations		**(176)**	**286**
Profit/(loss) before tax from discontinued operations	3.5.2	**(979)**	27
Consolidated profit/(loss) before tax		**(1,156)**	**314**
Depreciation and amortisation expense	6.4	**1,348**	1,305
Provision and impairment expense	4.1	**241**	266
Losses/(gains) arising from changes in fair value	11.3.2	**40**	45
Expenses/(income) on share-based payment plans	8.3.1	**13**	21
Other non-cash items		**(58)**	61
(Gains)/losses on disposals of non-current assets	4.4	**9**	(232)
(Gains)/losses due to changes in percentage ownership of subsidiaries resulting in acquisition/loss of control		**11**	(12)
Dividends received from equity-accounted investees	3.3.1 /3.3.2	**43**	55
Net finance costs	11.3.1	**356**	320
Interest paid on leases, net	11.3.2	**268**	218
Non-recourse factoring and associated transaction costs	11.3.2	**77**	81
Gain on disposal of discontinued operations	3.5.2	**121**	(17)
Adjustments related to discontinued operations		**856**	316
Net cash from operating activities before change in working capital, net finance costs and income tax		**2,169**	**2,740**
Income tax paid		**(259)**	(236)
Change in operating working capital	4.2	**92**	(117)
Income tax paid and change in operating working capital: discontinued operations		**(882)**	214
Net cash from operating activities		**1,120**	**2,601**
of which continuing operations		***2,004***	***2,061***
Cash outflows related to acquisitions of:			
▪ Property, plant and equipment, intangible assets and investment property	4.3	**(1,107)**	(1,188)
▪ Non-current financial assets	4.11	**(440)**	(48)
Cash inflows related to disposals of:			
▪ Property, plant and equipment, intangible assets and investment property	4.4	**890**	1,230
▪ Non-current financial assets		**68**	26
Effect of changes in scope of consolidation resulting in acquisition or loss of control	4.5	**218**	(66)
Effect of changes in scope of consolidation related to equity-accounted investees	4.6	**(39)**	170
Change in loans and advances granted		**(42)**	(21)
Net cash from/(used in) investing activities of discontinued operations		**422**	(203)
Net cash used in investing activities		**(32)**	**(99)**
of which continuing operations		***(453)***	***104***
Dividends paid:			
▪ to owners of the parent	12.9	**(169)**	(338)
▪ to non-controlling interests	4.7	**(83)**	(104)
▪ to holders of deeply-subordinated perpetual bonds	12.9	**(46)**	(48)
Increase/(decrease) in the parent's share capital		**-**	-
Transactions between the Group and owners of non-controlling interests	4.8	**(971)**	231
(Purchases)/sales of treasury shares	12.4	**(40)**	(103)
Additions to loans and borrowings	4.9	**4,542**	1,543
Repayments of loans and borrowings	4.9	**(3,694)**	(1,330)
Repayments of lease liabilities		**(701)**	(614)
Interest paid, net	4.10	**(617)**	(629)
Other repayments		**(12)**	(3)
Net cash used in financing activities of discontinued operations		**(297)**	(400)
Net cash used in financing activities		**(2,088)**	**(1,796)**
of which continuing operations		***(1,792)***	***(1,396)***
Effect of changes in exchange rates on cash and cash equivalents of continuing		**(3)**	(232)
Effect of changes in exchange rates on cash and cash equivalents of discontinued		**19**	(96)
Change in cash and cash equivalents	**4.9**	**(984)**	**377**
Net cash and cash equivalents at beginning of period		**4,514**	**4,137**
- of which net cash and cash equivalents of continuing operations	11.1	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		**3,530**	**4,514**
- of which net cash and cash equivalents of continuing operations	11.1	3,471	3,592
- of which net cash and cash equivalents of discontinued operations		59	922

(i) Previously published comparative information has been restated to reflect changes in accounting methods (relating mainly to IFRS 16 – *Leases*) and the reclassification of Leader Price within discontinued operations (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 year	Other reserves[ii]	Equity attributable to owners of the parent[iii]	Non-controlling interests[iv]	Total equity
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 0)	-	-	-	-	(163)	-	(163)	(120)	(282)
Other (Note 1.3)	-	-	-	-	(10)	-	(10)	-	(10)
At 1 January 2018 (restated)[*]	**170**	**3,992**	**(5)**	**1,350**	**4,004**	**(2,114)**	**7,397**	**5,373**	**12,770**
Other comprehensive income/(loss) for the year (restated)[*]	-	-	-	-	-	(333)	(333)	(455)	(788)
Net profit/(loss) for the year (restated)[*]	-	-	-	-	(117)	-	(117)	244	127
Consolidated comprehensive income/(loss) for the year (restated)[*]	**-**	**-**	**-**	**-**	**(117)**	**(333)**	**(449)**	**(211)**	**(661)**
Issue of share capital	-	-	-	-	-	-	-	-	-
Purchases and sales of treasury shares	(2)	(53)	(28)	-	(17)	-	(100)	-	(100)
Dividends paid/payable to shareholders[vi]	-	-	-	-	(338)	-	(338)	(103)	(441)
Dividends paid/payable to holders of deeply subordinated perpetual bonds[vi]	-	-	-	-	(48)	-	(48)		(48)
Share-based payments	-	-	-	-	8	-	8	11	19
Changes in percentage interest resulting in the acquisition/loss of control of subsidiaries	-	-	-	-	-	-	-	(35)	(35)
Changes in percentage interest not resulting in the acquisition/loss of control of subsidiaries[vii]	-	-	-	-	32	-	32	174	206
Other movements	-	-	-	-	-	-	-	(2)	(2)
At 31 December 2018 (restated)[*]	**168**	**3,939**	**(33)**	**1,350**	**3,524**	**(2,446)**	**6,501**	**5,208**	**11,709**
Effects of applying IFRIC 23 (Note 0)	**-**	**-**	**-**	**-**	**(7)**	**-**	**(7)**	**-**	**(7)**
At 1 January 2019	**168**	**3,939**	**(33)**	**1,350**	**3,516**	**(2,446)**	**6,494**	**5,208**	**11,702**
Other comprehensive income/(loss) for the year	-	-	-	-	**-**	**(94)**	**(94)**	**(48)**	**(142)**
Net profit/(loss) for the year	-	-	-	-	**(1,432)**	**-**	**(1,432)**	**110**	**(1,322)**
Consolidated comprehensive income/(loss) for the year	**-**	**-**	**-**	**-**	**(1,432)**	**(94)**	**(1,526)**	**61**	**(1,464)**
Issue of share capital	-	-	-	-	-	-	**-**	**-**	**-**
Purchases and sales of treasury shares[v]	**(2)**	**(38)**	**5**	**-**	**(5)**	-	**(40)**	**-**	**(40)**
Dividends paid/payable to shareholders[vi]	-	-	-	**-**	**(169)**	-	**(169)**	**(92)**	**(261)**
Dividends paid/payable to holders of deeply subordinated perpetual bonds[vi]	-	-	-	**-**	**(37)**	-	**(37)**	**-**	**(37)**
Share-based payments	-	-	-	**-**	**6**	-	**6**	**16**	**22**
Changes in percentage interest resulting in the acquisition/loss of control of subsidiaries[vii]	-	-	-	**-**	**-**	-	**-**	**(725)**	**(725)**
Changes in percentage interest not resulting in the acquisition/loss of control of subsidiaries[viii]	-	-	-	**-**	**21**	-	**21**	**(980)**	**(959)**
Other movements	-	-	-	**-**	**19**	-	**19**	**35**	**54**
At 31 December 2019	**166**	**3,901**	**(28)**	**1,350**	**1,918**	**(2,540)**	**4,767**	**3,524**	**8,291**

(*) Previously published comparative information has been restated to reflect changes in accounting methods, relating mainly to IFRS 16 – *Leases* (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 12.6.
(iii) Attributable to the shareholders of Casino, Guichard-Perrachon.
(iv) See Note 12.8.
(v) See Note 12.4 for information about treasury share transactions.
(vi) See Note 12.9 for dividends paid and payable to holders of ordinary shares and deeply-subordinated perpetual bonds. Dividends paid and payable to non-controlling interests during the year primarily concern GPA for €44 million, Éxito for €24 million and Franprix-Leader Price for €19 million (2018: GPA for €46 million, Franprix-Leader Price for €24 million and Éxito for €19 million).
(vii) The negative amount of €725 million mainly corresponds to the loss of control in Via Varejo (Note 2).
(viii) The negative amount of €959 million mainly corresponds to the project to simplify the Group's structure in Latin America, representing a €931 million negative impact (Note 2). In 2018, the €206 million positive impact corresponded for the most part to (a) the acquisition by Tikehau Capital and Bpifrance of shares in GreenYellow for €142 million and (b) the additional contribution of €85 million made by the private equity fund Fondo Inmobiliaro Colombia to the Viva Malls real estate trust created by Éxito in 2016.

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 consolidated financial statements for the year ended 31 December 2019 reflect the accounting situation of the Company and its subsidiaries, as well as the Group's interests in associates and joint ventures.

The 2019 consolidated financial statements of Casino, Guichard-Perrachon were approved for publication by the Board of Directors on 25 March 2020.

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 31 December 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 below have been applied consistently in all periods presented, after taking account of the new standards, amendments to existing standards and interpretations listed below.

Standards, amendments to standards, and interpretations adopted by the European Union and mandatory for financial years beginning on or after 1 January 2019

The European Union has adopted the following standards, amendments and interpretations which must be applied by the Group for its financial year beginning on 1 January 2019:

- IFRS 16 – *Leases*
- IFRIC 23 – *Uncertainty over Income Tax Treatments*

The effects of applying IFRS 16 and IFRIC 23 are presented in Note 0.

The following texts had no material impact on the Group's consolidated financial statements:

- *Amendments to IFRS 9 – Prepayment Features with Negative Compensation*

These amendments are applicable on a retrospective basis. The amendments expand the classification of financial assets at amortised cost or at fair value through other comprehensive income and clarify the application of the "solely a payment of principal and interest" test to certain debt instruments with a prepayment feature where the effect of exercising this clause would reasonably lead to repayments that are lower than the amount of principal and interest due.

- *Amendments to IAS 19 – Plan Amendment, Curtailment or Settlement*

These amendments will be applicable on a prospective basis. to plan amendments, curtailments and settlements of defined benefit plans. They require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement.

- *Amendments to IAS 28 – Long-term Interests in Associates and Joint Ventures*

  These amendments are applicable on a retrospective basis. They clarify that IFRS 9 (including the impairment rules) applies to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

- *IFRS Annual Improvements – 2015-2017 Cycle*

  The main standards concerned are:

- IAS 12 – *Income Taxes*: these amendments clarify that the tax consequences of dividend payments (i.e., distributions of profits) should be recognised when the distribution liability is recognised, in profit or loss, equity or other comprehensive income according to where the transactions that generated the distributed profits were presented. They will be applicable on a retrospective basis as from the first comparative period presented.
- IAS 23 – *Borrowing Costs*: these amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally. These amendments will be applicable on a prospective basis.

Standards, amendments to standards, and interpretations adopted by the European Union and early adopted by the Group

- *Amendments to IFRS 9, IAS 39 and IFRS 7 – Interest Rate Benchmark Reform*
  The first phase of this project, focusing on the presumed continuity of hedge effectiveness, mandatory for financial years beginning on or after 1 January 2020, was early adopted by the Group as of 1 January 2019.
  These amendments, designed to enable entities to provide useful financial information during the period of uncertainty related to the IBOR reform, modify certain hedge accounting provisions. The amendments also require entities to provide investors with specific disclosures about their hedging relationships which are directly affected by these uncertainties. The adoption of these amendments did not have a 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 have been prepared using the historical cost convention, with the exception of the following:

- assets and liabilities acquired in a business combination, which are measured at fair value in accordance with IFRS 3;
- derivative financial instruments and financial assets, which are measured at fair value. The carrying amounts of assets and liabilities hedged by a fair value hedge which would otherwise be measured at cost are adjusted for changes in fair value attributable to the hedged risk.

The consolidated financial statements are presented in millions of euros. 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 Leader Price's net assets, as well as assets of the France segment, in accordance with IFRS 5 (Note 3.5);
- valuation of non-current assets and goodwill (Note 10.5);
- measurement of deferred tax assets (Note 9);
- recognition, presentation and measurement of the recoverable amounts of tax credits or taxes (mainly ICMS, PIS and COFINS in Brazil) (Notes 5.1, 6.9 and 13);
- 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 13), particularly tax and employee-related risks in Brazil.

1.3 Changes in accounting methods and restatement of comparative information

1.3.1 Impact on the consolidated financial statements

The tables below show the impact on the previously published consolidated income statement, consolidated statement of financial position and consolidated statement of cash flows, resulting mainly from the retrospective application of IFRS 16 – *Leases* (Note 1.3.2) and the reclassification of Leader Price within discontinued operations in accordance with IFRS 5 (discontinued operations include Leader Price and Via Varejo for the two financial years presented).

Two other impacts reflected in the "Other" column essentially relate to:
- the finalization of the purchase price allocation for Sarenza, acquired in 2018, which primarily led to the recognition of the Sarenza trademark;
- the change in the method of presenting costs to obtain contracts.
  In 2019, the Group reviewed the presentation of these costs in its statement of financial position. Costs to obtain contracts, previously included in other current and non-current assets are now included in "Other intangible assets". The Group believes that this voluntary change of presentation improves the quality of its financial disclosures, as it reflects the way in which this investment – related to the management of its franchise – is itself managed, i.e., as though the Group had acquired an intangible asset (customer relationship). In the income statement, costs to obtain contracts are now recognised over the term of the contract as an amortisation expense within selling expenses and no longer as an expense within cost of goods sold. The amortisation expense for 2018 amounted to €39 million (including the portion relating to Leader Price as a discontinued operation). The reclassification qualifies as a change of method and has therefore been applied retrospectively to 2018 as if the new presentation had been adopted at the beginning of that year.

The introduction of IFRIC 23 – *Uncertainty over Income Tax Treatments* did not result in any significant changes to the measurement of uncertain tax balances in the financial statements at 31 December 2018. The Group also reclassified a number of statement of financial position items from "Provisions for risks and expenses" to "Current tax liabilities" and/or "Deferred taxes". These changes in presentation did not have a material impact. IFRIC 23 was applied using the modified retrospective method, i.e., with no restatement of comparative information (Note 9).

Impact on the main consolidated income statement indicators in 2018

(€ millions)	31 December 2018 (reported)[i]	IFRS 16 restatements	Discontinued operations (Leader Price)	Other[ii]	31 December 2018 (restated)
Net sales	36,604	-	(2,275)	-	34,329
Other revenue	532	-	(8)	9	533
Total revenue	**37,136**	**-**	**(2,283)**	**9**	**34,862**
Cost of goods sold	(27,831)	25	1,867	39	(25,899)
Selling expenses	(6,679)	149	335	(50)	(6,244)
General and administrative expenses	(1,416)	4	65	(7)	(1,355)
Trading profit	**1,209**	**179**	**(16)**	**(8)**	**1,364**
Operating profit	**834**	**121**	**20**	**(13)**	**962**
Net finance costs	(327)	7	1	-	(320)
Other financial income and expenses	(138)	(220)	1	-	(356)
Profit before tax	**369**	**(93)**	**23**	**(13)**	**286**
Income tax (expense)/benefit	(204)	18	(5)	4	(188)
Share of profit of equity-accounted investees	17	-	43	-	60
Net profit/(loss) from continuing operations	**182**	**(75)**	**60**	**(9)**	**159**
Attributable to owners of the parent	*(45)*	*(59)*	*53*	*(9)*	*(60)*
Attributable to non-controlling interests	*227*	*(16)*	*8*	-	*218*
Net profit/(loss) from discontinued operations	**(21)**	**49**	**(60)**	**-**	**(32)**
Attributable to owners of the parent	*(9)*	*5*	*(53)*	-	*(57)*
Attributable to non-controlling interests	*(11)*	*44*	*(8)*	-	*25*
Consolidated net profit/(loss)	**161**	**(25)**	**-**	**(9)**	**127**
Attributable to owners of the parent	*(54)*	*(54)*	-	*(9)*	*(117)*
Attributable to non-controlling interests	*215*	*28*	-	-	*244*

(i) Via Varejo was classified within discontinued operations in 2018.
(ii) Mainly the change in the method of presenting costs to obtain contracts.

Impact on the main consolidated statement of cash flow indicators in 2018

(€ millions)	31 December 2018 (reported)	IFRS 16 restatements	Discontinued operations (Leader Price)	Other	31 December 2018 (restated)
Net cash from operating activities	**1,492**	**1,040**	**-**	**69**	**2,601**
of which consolidated profit/(loss) before tax	*323*	*3*	*-*	*(13)*	***314***
of which other components of cash flow	*1,336*	*1,047*	*-*	*44*	***2,427***
of which change in operating working capital and income tax paid	*(433)*	*(9)*	*52*	*37*	***(353)***
of which income taxes paid and change in operating working capital: discontinued operations	*266*	*-*	*(52)*	*-*	***214***
Net cash from/(used in) investing activities	**(30)**	**-**	**-**	**(69)**	**(99)**
of which net cash related to acquisitions and disposals of non-current assets	*57*	*-*	*55*	*(69)*	*43*
of which effect of changes in scope of consolidation resulting in acquisition or loss of control	*(95)*	*-*	*29*	*-*	*(66)*
of which cash from/(used in) discontinued operations	*(119)*	*-*	*(84)*	*-*	*(203)*
Net cash from/(used in) financing activities	**(756)**	**(1,041)**	**-**	**-**	**(1,796)**
of which repayments of lease liabilities	*-*	*(659)*	*44*	*-*	*(614)*
of which interest paid, net	*(424)*	*(209)*	*4*		*(629)*
of which cash from/(used in) discontinued operations	*(167)*	*(184)*	*(48)*	*-*	*(400)*
Effect of changes in exchange rates on cash and cash equivalents	(328)	-	**-**	**-**	(328)
Change in cash and cash equivalents	**377**	**-**	**-**	**-**	**377**
Net cash and cash equivalents at beginning of period	4,137	-	**-**	**-**	4,137
Net cash and cash equivalents at end of period	4,514	-	**-**	**-**	4,514

Impact on the main consolidated statement of financial position indicators at 1 January 2018

(€ millions)	1 January 2018 (reported)	IFRS 16 restatements	Other[(i)]	1 January 2018 (restated)
Goodwill	9,092	-	-	**9,092**
Intangible assets, property, plant and equipment, and investment property	10,732	(776)	128	**10,085**
Right-of-use assets	-	4,491	-	**4,491**
Investments in equity-accounted investees	563	-	-	**563**
Other non-current assets	1,199	(10)	(98)	**1,091**
Deferred tax assets	523	91	5	**619**
Total non-current assets	**22,110**	**3,796**	**36**	**25,942**
Inventories	3,815	(1)	(8)	**3,806**
Trade receivables	888	-	-	**888**
Other current assets	1,282	(18)	(33)	**1,231**
Current tax assets	138	-	-	**138**
Cash and cash equivalents	3,391	-	-	**3,391**
Assets held for sale	6,551	998	-	**7,549**
Total current assets	**16,064**	**979**	**(40)**	**17,003**
Total assets	**38,174**	**4,776**	**(5)**	**42,945**
Equity attributable to owners of the parent	7,570	(163)	(10)	**7,397**
Non-controlling interests	5,493	(120)	-	**5,373**
Total equity	**13,063**	**(282)**	**(10)**	**12,770**
Non-current provisions for employee benefits	358	-	-	**358**
Other non-current provisions	514	-	-	**514**
Non-current borrowings and debt, gross	7,249	(47)	-	**7,202**
Non-current lease liabilities	-	3,485	-	**3,485**
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**	**3,446**	**-**	**12,806**
Current provisions for employee benefits	11	-	-	**11**
Other current provisions	162	-	5	**167**
Trade payables	6,664	(20)	-	**6,644**
Current borrowings and debt, gross	1,493	(17)	-	**1,475**
Current lease liabilities	-	665	-	**665**
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	1,015	-	**5,693**
Total current liabilities	**15,751**	**1,612**	**5**	**17,369**
Total equity and liabilities	**38,174**	**4,776**	**(5)**	**42,945**

(i) Mainly the change in the method of presenting costs to obtain contracts.

Impact on the main consolidated statement of financial position indicators at 31 December 2018 and 1 January 2019

(€ millions)	31 December 2018 (reported)	IFRS 16 impact	Other[(i)]	31 December 2018 (restated)	IFRIC 23 impact	1 January 2019 (restated)
Goodwill	8,690	-	(8)	**8,682**	-	**8,682**
Intangible assets, property, plant and equipment, and investment property	9,281	(835)	158	**8,605**	-	**8,605**
Right-of-use assets	-	4,592	-	**4,592**	-	**4,592**
Investments in equity-accounted investees	500	-	-	**500**	-	**500**
Other non-current assets	1,275	(13)	(111)	**1,151**	-	**1,151**
Deferred tax assets	553	105	9	**667**	(7)	**659**
Total non-current assets	**20,299**	**3,849**	**49**	**24,197**	**(7)**	**24,189**
Inventories	3,843	(1)	(9)	**3,834**	-	**3,834**
Trade receivables	905	-	-	**905**	-	**905**
Other current assets	1,437	(12)	(41)	**1,383**	-	**1,383**
Current tax assets	165	-	-	**165**	-	**165**
Cash and cash equivalents	3,730	-	-	**3,730**	-	**3,730**
Assets held for sale	7,061	1,372	-	**8,433**	-	**8,433**
Total current assets	**17,141**	**1,359**	**(50)**	**18,450**	**-**	**18,450**
Total assets	**37,440**	**5,208**	**(1)**	**42,647**	**(7)**	**42,639**
Equity attributable to owners of the parent	6,731	(211)	(19)	**6,501**	(7)	**6,494**
Non-controlling interests	5,288	(80)	-	**5,208**	-	**5,208**
Total equity	**12,019**	**(291)**	**(19)**	**11,709**	**(7)**	**11,702**
Non-current provisions for employee benefits	366	-	-	**366**	-	**366**
Other non-current provisions	483	(2)	-	**481**	(6)	**475**
Non-current borrowings and debt, gross	6,817	(35)	-	**6,782**	-	**6,782**
Non-current lease liabilities	-	3,560	-	**3,560**	-	**3,560**
Non-current put options granted to owners of non-controlling interests	63	-	-	**63**	-	**63**
Other non-current liabilities	472	(13)	4	**464**	6	**469**
Deferred tax liabilities	636	28	3	**667**	-	**667**
Total non-current liabilities	**8,837**	**3,539**	**7**	**12,384**	**-**	**12,384**
Current provisions for employee benefits	11	-	-	**11**	-	**11**
Other current provisions	154	(3)	10	**160**	(3)	**157**
Trade payables	6,688	(20)	-	**6,668**	-	**6,668**
Current borrowings and debt, gross	2,211	(12)	-	**2,199**	-	**2,199**
Current lease liabilities	-	677	-	**677**	-	**677**
Current put options granted to owners of non-controlling interests	126	-	-	**126**	-	**126**
Current tax liabilities	124	-	-	**124**	3	**127**
Other current liabilities	2,643	(31)	1	**2,613**	-	**2,613**
Liabilities associated with assets held for sale	4,628	1,349	-	**5,977**	-	**5,977**
Total current liabilities	**16,584**	**1,959**	10	**18,554**	**-**	**18,554**
Total equity and liabilities	**37,440**	**5,208**	**(1)**	**42,647**	**(7)**	**42,639**

(i) Mainly the change in the method of presenting costs to obtain contracts and the allocation of the Sarenza purchase price.

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 "Loans and borrowings" 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 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 defered 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 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 duration of the lease, using the incremental borrowing rate at inception of the lease.

The lease term reflects the non-cancellable period of the lease, plus (or minus) periods covered by an option to extend (terminate) the lease when that option is reasonably certain to be exercised. For property leases, the Group determined whether it was reasonably certain to exercise any options to extend (terminate) the leases based mainly on the characteristics of the various leased assets (store formats, warehouses and administrative buildings) and the countries concerned by the leases. For "3-6-9"-type commercial leases in France, French law grants lessees the right to extend the lease upon expiry of the lease contract, or the right to eviction compensation (*indemnité d'éviction*). If the lessor is required to pay the lessee more-than-insignificant compensation in the event it refuses to extend the lease, questions arise as to whether or not the lessee effectively has an extension option. In this respect, the Group has applied the position set out by the French accounting standards-setter (*Autorité des normes comptables* – ANC) in its 16 February 2018 statement of conclusions. The enforceable term of such leases is therefore nine years; beyond this, the lease term adopted in accordance with IFRS 16 for automatically renewable leases corresponds to the notice period (generally six months).

On 16 December 2019, the IFRS IC published its decision on a request for clarification regarding the following issues:
- determining the enforceable period of an automatically renewable lease, or an indefinite-term lease that can be terminated by one of the parties subject to a specified notice period. The question related to the notion of penalties used as a basis to define the enforceable period;
- the link between the useful life of non-removable leasehold improvements and the IFRS 16 lease term.

The IFRS IC:
- concluded that the broader economics of the lease, and not only its contractual provisions, should be considered in determining the enforceable period of the lease;
- provided a number of clarifications regarding the link between the IFRS 16 lease term and the useful life of non-removable leasehold improvements.

In light of the IFRS IC's final decision, the Group has begun a further analysis of its leases in order to identify contracts whose initial accounting under IFRS 16 could be affected. In view of the large number of leases and the publication of this decision late in the year, Casino did not apply the decision when preparing its consolidated financial statements at 31 December 2019, since the potential impact of the guidance is still being analysed.

The Group's analyses are focusing particularly on:
- automatically renewable leases or leases that can be terminated at any time;
- assets under lease (stores, warehouses), including non-removable leasehold improvements, whose residual net carrying amount at the end of the IFRS 16 lease term could give rise to a significant penalty (within the meaning of the IFRS IC decision) for the Group. These cases could lead the Group to adopt a longer IFRS 16 lease term and/or to re-estimate the useful life of the related non-removable leasehold improvements.

Following certain industry discussions and on completion of these analyses, which are expected to be finalised ahead of the 2020 interim financial statements, the Group will be able to decide whether or not this IFRS IC decision significantly modifies its current application of IFRS 16 and/or whether the useful life of the related non-removable leasehold improvements should be re-estimated. In particular, these analyses could call into question the IFRS 16 lease term adopted for "3-6-9"-type leases in France (several thousand contracts concerned), which are currently recognised in accordance with the position published by the ANC in February 2018.

It should be noted that the 2019 published financial statements of Group subsidiary GPA applied this IFRS IC decision. In light of the principle whereby the consolidated financial statements are prepared using consistent accounting methods from one year to the next, and pending the findings of the analyses currently in progress for the Group as a whole, the impact of this decision is not reflected in the Group's financial statements. This impact is essentially limited to an increase in lease liabilities and in right-of-use assets of €188 million and €170 million, respectively, at 31 December 2019.

The table below provides a summary of the impact of applying IFRS 16 on the 2019 and 2018 consolidated income statement and consolidated statement of financial position:

	31 December 2019				31 December 2018			
(€ millions)	**Total**	**France Retail**	**Latam Retail**	**E-commerce**	**Total**	**France Retail**	**Latam Retail**	**E-commerce**
EBITDA	+916	+590	+302	+25	+818	+513	+285	+19
Trading profit	+221	+104	+116	+2	+179	+64	+114	+1
Other financial income and expenses	-270	-108	-156	-6	-220	-60	-156	-4
Right-of-use assets	+4,837	+2,866	+1,804	+167	+4,592	+2,776	+1,659	+157
Lease liabilities	+4,676	+2,807	+1,680	+189	+4,238	+2,575	+1,490	+173

Note 2 Significant events of the year

Significant events of the year are the following:

Disposal plan of non-strategic assets

On 11 June 2018, the Group announced that it was launching a non-strategic asset disposal plan to support ongoing transformation of its business model to focus on fast-growing store formats and geographies, and to accelerate the deleveraging process in France. The initial scope of the plan, i.e., €1.5 billion, was increased in March and then in August 2019, and now stands at €4.5 billion.
On 31 December 2019, transactions carried out under the plan amounted to €2,100 million, of which €1,105 million in 2018 (the sale of 15% of Mercialys through an equity swap for €213 million, 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 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 consideration of €392 million; a variable component was recognised in the consolidated financial statements in this respect for €33 million. The transaction includes a variable component whereby the Casino Group could receive up to an additional €120 million depending mainly on the future yield on the properties sold. The Group will continue to operate the stores under leases representing annual rent of €32 million;
- the sale-leaseback on 15 October 2019 of 31 store properties (12 Géant Casino and 19 Monoprix and Casino Supermarkets stores) valued at €465 million, to funds managed by companies affiliated with Apollo Global Management. The consideration for the transfer of 30 assets totals €327 million and includes a variable component whereby the Casino Group could receive up to an additional €120 million. The Group will continue to operate these 31 stores under leases representing annual rent of €27 million.

These two sale-leaseback transactions generated a capital loss before tax of €25 million (after adjusting for the impact of IFRS 16), presented in “Other operating expenses”.

Casino sold its contract catering services subsidiary R2C at the end of June 2019. This transaction had no material impact on the financial statements.

On 22 July 2019 the Casino Group announced the signing of an agreement to sell Vindémia for an enterprise value of €219 million.

On 20 March 2020, Casino announced the signing of an agreement with Aldi to sell Leader Price in France for an enterprise value of €735 million, including a €35 million earn-out contingent (see below and Note 15).

Planned sale of Leader Price

In accordance with IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations* (Notes 3.5.1 and 3.5.2):

- the assets and liabilities held for sale have been reclassified in the consolidated statement of financial position under "Assets held for sale" for €1,362 million and "Liabilities associated with assets held for sale" for €706 million. The €656 million net asset value at 31 December 2019 includes an impairment loss of €704 million recorded to reduce the carrying amount of the disposal group to its fair value less costs to sell, as estimated in the context of the sale transaction in progress with Aldi;
- Leader Price’s post-tax net profit and cash flows for the years ended 31 December 2019 and 2018 are reported on a separate line in the consolidated income statement under “Net profit/(loss) from discontinued operations”.

Safeguard proceedings concerning the Casino Group’s lead shareholders Rallye and Foncière Euris, Finatis and Euris

On 23 May 2019, the Casino Group’s lead 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 resulted in the freeze 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 €4.5 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.

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 Casino's credit rating to B1/negative outlook (from Ba3/negative outlook);
- a reduction in the outstanding amount under the Negotiable European commercial paper ("NEU CP") programme.

On 25 November 2019, Rallye, Foncière Euris, Finatis and Euris announced that the safeguard period was to be extended for a further six months with the aim of obtaining court approval for their plans by the end of first-quarter 2020 at the latest.

On 2 March 2020, Casino, Guichard-Perrachon was informed by its lead shareholder Rallye that on 28 February, the Paris commercial court approved the safeguard plans for Rallye and its subsidiaries Cobivia, HMB and Alpétrol, and for their parent companies, Foncière Euris, Finatis and Euris (Note 15).

Refinancing and uses of funds

On 22 October 2019, the Group announced a plan to strengthen its liquidity and financial structure in a transaction that was finalised on 21 November 2019. The refinancing plan included two transactions:
- raising €1.8 billion of secured financing via (i) a €1.0 billion term loan ("Term Loan B") bearing interest at Euribor (floored at 0) plus 5.5%, and (ii) a high-yield 5.875% bond issue for €800 million, with both borrowings falling due in January 2024;
- extending €2.0 billion of confirmed credit lines in France as a new confirmed revolving credit facility ("RCF") maturing in October 2023, or in October 2022 if the bond tranche maturing in January 2023 has not been refinanced at that date. The interest on this facility varies depending on the ratio of loans and borrowings to EBITDA (Note 11.5.4). This facility covers the France Retail and E-commerce segments and is subject to maintenance covenants tested quarterly as from 31 March 2020 (Note 11.5.4).

Term Loan B and the secured high-yield bond enabled the Group to finance the tender offer on the bonds maturing in 2020, 2021 and 2022 for a total cash amount of €806 million, to repay the drawn credit lines to date for a total amount of €630 million, to repay 50% (i.e., €198 million) of the Segisor loan, and to pay the fees and commissions related to the transaction. The remaining amount was placed in escrow (Note 6.8.1) to be used solely to pay down loans and borrowings. On 9 March 2020 it was used to redeem a bond issue for €271 million (including interest).

On 22 October 2019, Standard & Poor's decided to maintain its B rating for Casino and for the bonds issued under its EMTN program, and to upgrade its negative watch rating to a negative outlook. S&P's also decided to maintain its CCC rating for deeply-subordinated perpetual bonds (TSSDI) and to assign a B+/negative outlook rating to the secured high-yield bond issue and Term Loan B.

On 23 October 2019, Moody's decided to downgrade its rating for Casino, Guichard-Perrachon from B1/negative outlook to B2/negative outlook, and to downgrade its ratings for the bonds issued under its EMTN program from B1/negative outlook to B3/negative outlook and for its deeply-subordinated perpetual bonds (TSSDI) from B3 to Caa1/negative outlook.

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 2019, agreements were signed to sell 31 integrated stores (including 17 hypermarkets) for a combined consideration of €281 million; as of 31 December 2019, the Group had completed the sale of 28 stores (including 15 hypermarkets) and received consideration of €165 million.
Also, 36 loss-making integrated stores have been closed since 2018. Together, these stores represented net sales of around €483 million in 2018 for a trading loss of €39 million. The gain in trading profit on these stores on a full-year basis including the associated structural costs will therefore be around €50 million.
All of these streamlining transactions gave rise to the recognition of a €151 million expense in "Other operating expenses" for the year ended 31 December 2019 (Note 6.5).

Simplified structure of the Casino Group in Latin America

In the second half of 2019, the Group completed its project to simplify its structure in Latin America. This involved:
- an all-cash tender offer launched by GPA for 100% of Éxito's shares, to which Casino tendered all of its stake (55%);
- the acquisition by Casino of the shares held by Éxito in Segisor (which itself held 99.9% of the voting rights and 37% 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 migration was completed at the beginning of March 2020.

The operation was accounted for as an internal reorganization and for the purposes of the consolidated financial statements, as a transaction between non-controlling interests. The impact on the consolidated financial statements can be summarised as follows:

- changes in the shareholdings in the different subsidiaries (GPA, Éxito, Libertad and Disco/Devoto) are recognised in equity and represented a negative €931 million impact, including a negative €25 million impact arising from transaction fees (see the consolidated statement of changes in equity);
- transaction fees are included in “Other operating expenses” for €36 million (Note 6.5) and in equity for the portion directly attributable to the acquisition of non-controlling interests in Éxito through the public tender offer by GPA, representing €25 million net of tax;
- in cash flow terms, the transaction led to a cash outflow of €917 million relating to the acquisition of non-controlling interests (41%) in Éxito (Note 4.8); the transaction also enabled the Group to repay the Segisor loan in an amount of €198 million (Note 11.2.2). The transaction increased GAP’s debt and decreased Éxito’s debt (Note 11.2.2, points (i) and (ii)).

Upon completion of this transaction, Casino held 41% of the share capital and voting rights of GPA, which in turn held 97% of Éxito’s share capital. Éxito remains the majority shareholders of the Group’s subsidiaries in Argentina (mainly Libertad with a 100% interest) and Uruguay (mainly Disco and Devoto in which it holds 62.5% and 100%, respectively, of the economic rights). GPA has been listed on the Novo Mercado since 2 March 2020, giving it access to a wide international investor base.

Sale of Via Varejo

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 21 million (€6 million), presented under “Net profit/(loss) from discontinued operations” (Note 3.5.2). The sale decreased non-controlling interests by €742 million (see note (vii) to the consolidated statement of changes in equity).
Via Varejo’s contribution to profit/(loss) from discontinued operations was estimated based on the information available at the date of the sale by GPA of its entire stake in Via Varejo, i.e., 14 June 2019. Since that date, Via Varejo announced that it would be opening an investigation into allegations of fraud that may have resulted from a correction made to its financial statements for the period prior to the date of the sale. At the date of this report, the Group is not aware of any information that would lead to a material change in the financial statements.

Note 3 Scope of consolidation

Accounting principles

Basis of consolidation

The consolidated financial statements include the financial statements of all material subsidiaries, joint ventures and associates over which the parent company exercises control, joint control or significant influence, either directly or indirectly (see list of consolidated companies in Note 17).

Subsidiaries

Subsidiaries are companies controlled by the Group. Control exists when the Group (i) has power over the entity, (ii) is exposed or has rights to variable returns from its involvement with the entity, and (iii) has the ability to affect those returns through its power over the entity.

The consolidated financial statements include the financial statements of subsidiaries from the date when control is acquired to the date at which the Group no longer exercises control. All controlled companies are fully consolidated in the Group's statement of financial position, regardless of the percentage interest held.

Potential voting rights

Control is assessed by taking potential voting rights into account, but only if they are substantive; that is, if the entity has the practical ability to exercise its rights with respect to the exercise price, date and terms.

The Group may own share warrants, share call options, debt or equity instruments that are convertible into ordinary shares or other similar instruments that have the potential, if exercised or converted, to give the Group voting power or reduce another party's voting power over the financial and operational policies of an entity. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has control of another entity. Potential voting rights are not currently exercisable or convertible when, for example, they cannot be exercised or converted until a future date or until the occurrence of a future event.

Joint ventures

A joint venture is a joint arrangement in which the parties that exercise joint control over an entity have rights to its net assets. Joint control involves the contractually agreed sharing of control over an entity, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Joint ventures are accounted for in the consolidated financial statements using the equity method.

Associates

Associates are companies in which the Group exercises significant influence over financial and operational policies without having control. They are accounted for in the consolidated financial statements using the equity method.

Equity method of accounting

The equity method provides that an investment in an associate or a joint venture be recognised initially at acquisition cost and subsequently adjusted by the Group's share in profit or loss and, where appropriate, in other comprehensive income of the associate or joint venture. Goodwill related to these entities is included in the carrying amount of the investment. Any impairment losses and gains or losses on disposal of investments in equity-accounted entities are recognised in "Other operating income and expenses".

Profits/losses from internal acquisitions or disposals with equity-accounted associates are eliminated to the extent of the Group's percentage interest in these companies. In the absence of any guidance in IFRS concerning cases where the amount to be eliminated is greater than the carrying amount of the investment in the equity-accounted company, the Group has elected to cap the amount eliminated from the accounts in the transaction year and to deduct the uneliminated portion from its share of the equity-accounted company's profits in subsequent years. The Group follows a transparent approach to accounting for associates under the equity method and takes into account, if relevant, its final percentage interest in the associate for the purpose of determining the proportion of profit (loss) to be eliminated.

In the absence of any standard or interpretation covering dilution of the Group's interest in a subsidiary of an equity-accounted company, the dilution impact is recognised in the Group's share of the profit (loss) of the equity-accounted investee.

Business combinations

As required by IFRS 3 revised, the consideration transferred (acquisition price) in a business combination is measured at the fair value of the assets transferred, equity interests issued and liabilities incurred on the date of the transaction. Identifiable assets acquired and liabilities assumed are measured at their acquisition-date fair values.

Acquisition-related costs are recognised in "Other operating expenses", except for those related to the issue of equity instruments.

Any excess of the consideration transferred over the fair value of the identifiable assets acquired and liabilities assumed is recognised as goodwill. At the date when control is acquired and for each business combination, the Group may elect to apply either the partial goodwill method (in which case, the amount of goodwill is limited to the portion acquired by the Group) or the full goodwill method. Under the full goodwill method, non-controlling interests are measured at fair value and goodwill is recognised on the full amount of the identifiable assets acquired and liabilities assumed.
Business combinations completed prior to 1 January 2010 were accounted for using the partial goodwill method, which was the only method applicable prior to publication of the revised version of IFRS 3.

In the case of an acquisition achieved in stages (step acquisition), the previously-held interest is remeasured at fair value at the date control is acquired. The difference between the fair value and carrying amount of the previously-held interest is recognised directly in profit or loss (under "Other operating income" or "Other operating expenses").
The provisional amounts recognised on the acquisition date may be adjusted retrospectively if the information needed to revalue the assets acquired and the liabilities assumed corresponds to new information obtained by the buyer and concerns facts and circumstances that existed as of the acquisition date. Goodwill may not be adjusted after the measurement period (not exceeding 12 months from the date when control is acquired). Any subsequent acquisitions of non-controlling interests do not give rise to the recognition of additional goodwill.

Any contingent consideration is included in the consideration transferred at its acquisition-date fair value, whatever the probability that it will become due. Subsequent changes in the fair value of contingent consideration due to facts and circumstances that existed as of the acquisition date are recorded by adjusting goodwill if they occur during the measurement period or directly in profit or loss for the period under "Other operating income" or "Other operating expenses" if they arise after the measurement period, unless the obligation is settled in equity instruments. In that case, the contingent consideration is not remeasured subsequently.

Intra-group transfers of shares in consolidated companies

In the absence of any guidance in IFRS on the accounting treatment of intra-group transfers of shares in consolidated companies leading to a change in percentage interest, the Group applies the following principle:

- the transferred shares are maintained at historical cost and the gain or loss on the transfer is eliminated in full from the accounts of the acquirer;
- non-controlling interests are adjusted to reflect the change in their share of equity, and a corresponding adjustment is made to consolidated reserves, without affecting profit or total equity.

Costs and expenses related to intra-group transfers of shares and to internal restructuring in general are included in "Other operating expenses".

Foreign currency translation

The consolidated financial statements are presented in euros, which is the functional currency of the Group’s parent company. Each Group entity determines its own functional currency and all of their financial transactions are measured in that currency.

The financial statements of subsidiaries that use a different functional currency from that of the parent company are translated using the closing rate method, as follows:

- assets and liabilities, including goodwill and fair value adjustments, are translated into euros at the closing rate, corresponding to the spot exchange rate at the reporting date;
- income statement and cash flow items are translated into euros using the average rate of the period unless significant variances occur.

The resulting translation differences are recognised directly within a separate component of equity. When a foreign operation is disposed of, the cumulative differences recognised in equity on translation of the net investment in the operation concerned at successive reporting dates are reclassified to profit or loss. Because the Group applies the step-by-step method of consolidation, the cumulative translation differences are not reclassified to profit or loss if the foreign operation disposed is part of a sub-group. This reclassification will occur only at the disposal of the sub group.

Foreign currency transactions are translated into euros using the exchange rate on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the closing rate and the resulting translation differences are recognised in the income statement under "Foreign currency exchange gains" or "Foreign currency exchange losses". Non-monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate applicable on the transaction date.
Exchange differences arising on translation of the net investment in a foreign operation are recognised in the consolidated financial statements as a separate component of equity and reclassified to profit or loss on disposal of the net investment.

Exchange differences arising on translation of (i) foreign currency borrowings hedging a net investment denominated in a foreign currency or (ii) permanent advances made to subsidiaries are also recognised in equity and reclassified to profit or loss on disposal of the net investment.

In accordance with IAS 29, the statements of financial position and income statements of subsidiaries operating in hyperinflationary economies are (i) restated to take account of changes in the general purchasing power of the local currency, using official price indices applicable on the reporting date, and (ii) converted into euros at the exchange rate on the reporting date. The Group has qualified Argentina as a hyperinflationary economy since 2018.

3.1 Transactions affecting the scope of consolidation in 2019

3.1.1 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%, through the block sale to a bank of shares representing 15% of the capital under 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 shares was not derecognised at 31 December 2018 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 and recognised in the income statement was not material.

As of 31 December 2019, 64.6% of the shares underlying the TRS had been sold. A corresponding capital loss of €20 million was recorded in "Other operating expenses" and the liability now stands at €102 million.

The consolidated financial statements include the Group's 30.6% interest in Mercialys at 31 December 2019 (39.2% at 31 December 2018) on an equity-accounted basis, of which 5.3% 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 €46 million at 31 December 2019 (€114 million at 31 December 2018).

3.2 Transactions affecting the scope of consolidation in 2018

3.2.1 Acquisition of Sarenza

On 30 April 2018, Monoprix acquired Sarenza, a leading online footwear retailer. The price paid for 100% of the shares was €22 million (Note 4.5).
Sarenza has been consolidated at net book value, leading to the recognition of goodwill of €16 million (corresponding to the difference between the book value of the acquired net assets and the consideration transferred), which has been allocated to the Monoprix CGU.
Sarenza’s contribution to consolidated net sales for the period from 30 April 2018 to 31 December 2018 was €97 million. If control of Sarenza had been acquired on 1 January 2018, it would have increased consolidated net sales by €43 million. Its contribution to pre-tax profit for the period was not material.

3.2.2 Changes in scope relating to the Franprix-Leader Price sub-group

On 28 February 2018, Franprix-Leader Price sold control of 105 Franprix and Leader Price stores to a master franchisee. The sale proceeds amounted to €33 million (Note 4.5). The transactions generated a loss of €15 million which is recognised in “Other operating expenses”. If the transactions had been completed on 1 January 2018, the impact on the Group’s consolidated net sales, trading profit and net profit would not have been material.

The same master franchisee acquired a 40% stake in another group of Franprix-Leader Price stores. The investment was accounted for as a transaction between owners. The master franchisee has a put option on its 40% stake and Franprix-Leader Price has a call option. A debt of €17 million was recognised on the date of the transaction. This transaction had no material impact on consolidated equity.

In addition, Franprix-Leader Price acquired control of 126 stores during the year, at a total cost of €79 million. These transactions generated €76 million in goodwill.
If the acquisitions had been completed on 1 January 2018, the impact on the Group’s consolidated net sales, trading profit and net profit would not have been material.

3.2.3 Sale of a group of Casino supermarkets without loss of control

During first-half 2018, Distribution Casino France sold a 40% stake in five Casino supermarkets to a master franchisee. This sale without loss of control was accounted for as a transaction between owners. The master franchisee has a put option on its 40% stake – recognised in an amount of €19 million on the date of the transaction – and Distribution Casino France has a call option.
This transaction had no material impact on consolidated equity.

3.3 Investments in equity-accounted investees

3.3.1 Significant associates and joint ventures

The following table presents the condensed financial statements (on a 100% basis) for the four main equity-accounted investees on a continuing-operations basis. These condensed financial statements prepared in accordance with IFRS correspond to the investees' published financial statements, as restated where appropriate for the adjustments made by the Group, for example fair value adjustments on the date control is acquired or lost, adjustments to bring the investee's accounting policies into line with Group policies, or adjustments to eliminate gains and losses on intra-group acquisitions and disposals for the portion corresponding to the Group's percentage interest in the investee:

(€ millions)	2019				2018			
	Mercialys	**Tuya**(ii)	**Banque du Groupe Casino**	**FIC**(iii)	**Mercialys**(i)	**Tuya**(ii)	**Banque du Groupe Casino**	**FIC**(iii)
Country	**France**	**Colombia**	**France**	**Brazil**	France	Colombia	France	Brazil
Business	**Real estate**	**Banking**	**Banking**	**Banking**	Real	Banking	Banking	Banking
Type of relationship	**Associate**	**Joint venture**	**Joint venture**	**Associate**	Associate	Joint venture	Joint venture	Associate
% interests and voting rights(iv)	**31%**(i)	**50%**	**50%**	**36%**	39%(i)	50%	50%	50%
Total revenue	**252**	**321**	**195**	**273**	258	314	164	225
Net profit/(loss) from continuing operations	**104**	**(3)**	**11**	**60**	85	24	7	50
Other comprehensive income		**-**	**-**	**-**	-	**-**	-	-
Total comprehensive	**104**	**(3)**	**11**	**60**	**85**	**24**	**7**	**50**
Non-current assets	**2,855**	**22**	**33**	**11**	2,869	23	24	13
Current assets(v)	**130**	**878**	**1,411**	**1,569**	468	747	1,193	1,339
Non-current liabilities	**(1,280)**	**(473)**	**(35)**	**(4)**	(1,236)	(329)	(34)	(2)
Current liabilities	**(315)**	**(314)**	**(1,241)**	**(1,370)**	(746)	(332)	(1,051)	(1,188)
of which credit activities related liabilities	**-**	***(675)***	***(1,236)***	***(470)***	-	*(544)*	*(1,051)*	*(453)*
Net assets	**1,389**	**113**	**168**	**206**	**1,355**	**109**	**132**	**162**
Dividends received from associates or joint ventures	**34**	**-**	**-**	**6**	**43**	**6** (vi)	-	**6**(vii)

(i) At 31 December 2019, the Group held 25% of the capital of Mercialys (Note 3.1.1). The Group considers that it exercises significant influence over the financial and operating policies of the Mercialys group. This position is based on (a) the absence of a majority vote on strategic decisions at meetings of the company's Board of Directors, which is mostly made up of independent directors, (b) the governance rules stipulating that Casino's representatives on the Mercialys Board may not take part in decisions concerning transactions carried out with the Group, (c) business contracts entered into between the Group and Mercialys on an arm's length basis, and (d) an analysis of the votes cast at recent shareholders' meetings of Mercialys (showing that Casino and its related parties do not control shareholder decisions at shareholders' meetings). The percentage interest is 31% and 39% respectively at 31 December 2019 and 2018.

(ii) Tuya was set up in partnership with Éxito and Bancolombia to manage the banking services offered to customers of the stores in Colombia, primarily the possibility of signing up for credit cards in the stores. The partnership structure changed in October 2016 when Éxito became a 50% shareholder of Tuya.

(iii) FIC was set up by GPA in partnership with Banco Itaú Unibanco SA ("Itaú Unibanco") to finance purchases by GPA's customers. It is accounted for using the equity method as GPA exercises significant influence over its operating and financial policies.

(iv) The percentage interest corresponds to that held by Casino, except in the case of Tuya (interest held by the Éxito sub-group) and FIC (interest held by GPA). Following the sale of Via Varejo, GPA now holds 36% of FIC's share capital and voting rights (42% and 50%, respectively, at end-2018).

(v) The current assets of Banque du Groupe Casino, Tuya and FIC primarily concern their credit business.

(vi) Stock dividends worth COP 20 billion (€6 million) paid to the joint venture partners.

(vii) In 2018, this amount only concerns GPA's direct interest and does not include €2 million in dividends received by Via Varejo.

3.3.2 Other investments in associates and joint ventures

The aggregate amounts of key financial statement items for other associates and joint ventures are not material. Dividends received from these associates and joint ventures amounted to €3 million in 2019 (2018: €5 million).

3.3.3 Changes in investments in equity-accounted investees

(€ millions)	
At 1 January 2018 (restated)	**563**
Impairment losses	-
Share of profit for the year(i)	17
Dividends	(55)
Other movements	(26)
At 31 December 2018 (restated)	**500**
Impairment losses	-
Share of profit for the year(i)	(18)
Retail	(43)
Other movements	(99)
At 31 December 2019 (restated)	**341**

(i) Including a negative €63 million and a negative €43 million relating to the share of profit/(loss) from the discontinued operations of Leader Price in 2019 and 2018, respectively (Note 2).

3.3.4 Impairment losses on investments in equity-accounted investees

With the exception of Mercialys, associates and joint ventures are privately-held companies for which no quoted market prices are available to estimate their fair value. The impairment tests carried out at 31 December 2019 and 31 December 2018 did not result in the recognition of any impairment loss.

The fair value of the investment in Mercialys at the reporting date was €346 million for 30.6% of net assets, determined using the share price on 31 December 2019 (31 December 2018: €432 million for 39.2%). This did not result in the recognition of any impairment loss. Mercialys' EPRA NNNAV at 31 December 2019 amounted to €1,837 million on a 100% basis, of which the Group's share was €562 million.

3.3.5 Share of contingent liabilities of equity-accounted investees

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

3.3.6 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
Loans	**35**	**11**	28	11
o/w impairment	*(42)*	-	*(44)*	-
Receivables	**190**	**44**	139	48
o/w impairment	-	-	-	-
Payables	**15**	**283**	30	549
Expenses	**10**(i)	**1,520**(ii)	13(i)	2,323(ii)
Income	**760**(iii)	**51**	1,051(iii)	38

(i) Following the application of IFRS 16, the above amounts do not include the lease payments associated with the 63 leases signed with Mercialys. These payments represented €49 million in 2019 (2018: 70 leases for €53 million). At 31 December 2019, lease liabilities in favour of Mercialys for property assets amounted to €169 million, of which €41 million due within one year.

(ii) Including €1,234 million in fuel purchases from Distridyn and €235 million in goods purchases from CD Supply Innovation in 2019 (2018: €1,164 million and €1,127 million respectively).

(iii) Income of €760 million in 2019 (2018: €1,051 million) includes sales of goods by Franprix-Leader Price and Distribution Casino France to master franchisees accounted for by the equity method, for €593 million (2018: €899 million). It also includes income related to property development transactions with Mercialys reported under "Other revenue" for €95 million (2018: €33 million).

Transactions with Mercialys

Casino has entered into various agreements with Mercialys:

- Leases: Casino leases units in certain shopping centres from Mercialys, for which the lease payments are disclosed above.
- Asset management agreement: Casino provides rental management services for nearly all Mercialys properties. In both 2019 and 2018, the related management fees amounted to €6 million.
- Partnership agreement: this agreement was approved by Casino's Board of Directors on 19 June 2012 and an addendum was signed on 12 November 2014. The partnership's fundamental principle whereby Casino develops and manages a pipeline of projects that Mercialys acquires to feed its business growth has been maintained in the new agreement. The original agreement concerned a pipeline of projects offering satisfactory visibility. The new agreement enables Mercialys to propose new projects that will be examined by Casino and tracked during monitoring committee meetings.

  Casino will not undertake any work until the order is reconfirmed by Mercialys once the necessary permits have been obtained and leases have been signed on units representing at least 60% of projected rental revenues.

  The acquisition price of projects developed by Casino was calculated under the original agreement on the basis of (i) a rent capitalisation rate determined using a grid that is updated twice a year by reference to the rates used to value Mercialys' portfolio and (ii) projected rental revenues from the project. Under the new agreement, the projected internal rate of return (IRR) – within the range of 8% to 10% – may also be taken into account for pricing purposes.

  The principle whereby the upside and downside are shared equally between Casino and Mercialys has been maintained to take into account the actual conditions in which the assets will be marketed. For example, the price will be increased or reduced by 50% of any positive (upside) or negative (downside) difference between the actual rents negotiated during the marketing process and the rents projected at the outset. The contracts require the parties to meet during the pre-acquisition process.

  In exchange for the exclusive partnership, Mercialys has undertaken not to invest in any operations that could lead to a material increase in competition in the catchment area of any of the Casino Group's food stores. At the end of January 2017, the partnership agreement was extended by three years, until end-2020.
- Support services agreement: the Group provides administrative, finance/accounting, IT and real estate support services to Mercialys. In 2019, the related fees amounted to €2 million (2018: €2 million).
- Consulting services agreement: Mercialys makes available to Casino the services of its team of real estate portfolio enhancement specialists. This agreement had no material impact in 2019 or 2018.

  The parties decided to terminate the agreement on 31 December 2018. A new fixed-term agreement has been signed with an initial term of six months (1 January to 30 June 2019), covering asset management services provided by Mercialys' teams on projects managed on Casino's behalf. The agreement is automatically renewable for successive six-month terms up to a maximum of 48 months in total.
- Sale mandate: Casino seeks buyers for real estate assets on behalf of Mercialys.
- Current account agreement: on 8 September 2005, Mercialys entered into a current account and cash management agreement with Casino. Under this agreement, Mercialys and Casino set up a shareholder current account for all eligible payments, withdrawals or advances of funds between the two companies. Following the reduction in Casino's interest in Mercialys' share capital in 2012, the two parties decided to terminate the existing current account and cash management agreement and to enter into a new current account agreement. This agreement maintained Mercialys' current account with Casino, enabling it to benefit from cash advances of up to €50 million from Casino.

  The term of the agreement was extended on several occasions and expired on 31 December 2019. An addendum to the agreement was signed in December 2019, reducing the cash advance limit to €35 million. This amended agreement will expire on 31 December 2021.
- The Annual General Meeting of 25 April 2019 approved a related-party agreement between Mercialys and Casino, Guichard-Perrachon, pursuant to which Casino agreed to bear the specific costs incurred by Mercialys in connection with the sale by Casino, Guichard-Perrachon of all or some of its shares in Mercialys.

3.3.7 Commitments to joint ventures

The Group has given guarantees to joint ventures (also presented in Note 6.11.1) for an amount of €68 million at 31 December 2019, corresponding solely to its commitment to Distridyn (31 December 2018: €93 million, including €68 million on behalf of Distridyn and €25 million on behalf of CD Supply Innovation).

3.4 Commitments related to the scope of consolidation

3.4.1 Put options granted to owners of non-controlling interests – "NCI puts"

Accounting principle

The Group has granted put options to the owners of non-controlling interests in some of its subsidiaries. The exercise price may be fixed or based on a predetermined formula. The options may be exercisable at any time or on a specified date. In accordance with IAS 32, obligations under these NCI puts are recognised as "Financial liabilities"; fixed price options are recognised at their discounted present value and variable price options at fair value. NCI puts are presented on a separate line of the consolidated statement of financial position, "Put options granted to owners of non-controlling interests".

IAS 27 revised, which was effective for annual periods beginning on or after 1 January 2010, and subsequently IFRS 10, effective for annual periods beginning on or after 1 January 2014, describe the accounting treatment of acquisitions of additional shares in subsidiaries. The Group has decided to apply two different accounting methods for these NCI puts, depending on whether they were granted before or after 1 January 2010, as recommended by France's securities regulator (*Autorité des marchés financiers*):

- NCI puts granted before the effective date of IAS 27 revised are accounted for using the goodwill method whereby the difference between the financial liability and the carrying amount of the non-controlling interests is recognised in goodwill. In subsequent years, this liability is remeasured and any changes adjust goodwill.
- NCI puts granted since IAS 27 revised came into effect are accounted for as transactions between shareholders, with the difference between the financial liability and the carrying amount of the non-controlling interests recognised as a deduction from equity. In subsequent years, this liability is remeasured and any changes adjust equity.

"NCI puts" can be analysed as follows at 31 December 2019:

(€ millions)	% Group interest	Commitment to non-controlling interests	Fixed or variable exercise price	Non-current liabilities[(iv)]	Current liabilities[(iv)]
Franprix[(i)]	58.67% to 70.00%	30.00% to 41.33%	F/V	40	-
Éxito (Disco)[(ii)]	62.49%	29.82%	V	-	104
Distribution Casino France[(iii)]	60.00%	40.00%	V	19	-
Other				2	1
Total NCI put liabilities				**61**	**105**

(i) The value of NCI puts on subsidiaries of the Franprix sub-group is generally based on net profit or a multiple of net sales. A 10% increase or decrease in these indicators would not have a material impact. The options expire between 2020 and 2031.
(ii) This option is exercisable at any time until 21 June 2021. The exercise price is the highest amount obtained using different calculation formulas or a minimum price. At 31 December 2019, the exercise price represents the minimum price.
(iii) The value of the puts is based on a multiple of net sales generated by the five underlying Casino supermarkets. A 10% increase or decrease in the indicator would not have a material impact. The option is exercisable between 1 April and 30 June 2023.
(iv) At 31 December 2018, NCI put liabilities amounted to €188 million, including current liabilities of €126 million.

3.4.2 Off-balance sheet commitments

Accounting principle

Puts and calls relating to non-controlling interests are generally accounted for as derivative instruments. The exercise price of these options generally reflects the fair value of the underlying assets.
Under the terms of the option contracts, the exercise price of written put and call options may be determined using earnings multiples of the companies concerned. In this case, the options are valued based on the latest published earnings for options exercisable at any time and earnings forecasts or projections for options exercisable as of a given future date. In many cases, the put option written by the Group is matched by a call written by the other party; in these cases, the value shown corresponds to that of the written put.

Written put options on shares in non-controlled companies stood at €5 million at 31 December 2019 and concerned entities within the Monoprix sub-group (31 December 2018: €15 million, concerning entities within the Monoprix and Franprix-Leader Price sub-groups).

Call options granted to the Group on shares in non-controlled companies stood at €339 million at 31 December 2019 (31 December 2018: €348 million), and mainly concerned:

- The following call options in connection with transactions carried out with Mercialys:
  - call option on 100% of the assets or 100% of the shares of Hyperthetis Participations, exercisable from 31 December 2020 and until 31 March 2022 at the higher of the fair value of the underlying and a guaranteed minimum IRR;
  - call option on a property asset previously sold to Immosiris, exercisable between 31 March 2021 and 30 September 2022 at the higher of the fair value of the underlying and a guaranteed minimum IRR;
- Lastly, in connection with the transactions carried out with master franchisees in 2018 and 2017, the Group has call options on stores that are exercisable between 2020 and 2023 at prices based on a percentage of the improvement in EBITDA or a multiple of net sales.

3.5 Non-current assets held for sale and discontinued operations

Accounting principle

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and their fair value less costs to sell. A non-current asset or disposal group is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this condition to be met, the asset (or disposal group) must be available for immediate sale in its present condition and its sale must be highly probable. Management must be committed to a plan to sell the asset which, in accounting terms, should result in the conclusion of a sale within one year of the date of this classification. Considering these characteristics, net assets held for sale attributable to owners of the parent of the selling subsidiary are presented as a deduction from net debt (Note 11).

Property, plant and equipment and intangible assets classified as held for sale are no longer depreciated or amortised.

A discontinued operation is a component of an entity that either has been disposed of or is classified as held for sale, and:

- represents either a separate major line of business or a geographical area of operations or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs when the operation is disposed of or on a prior date when it fulfils the criteria for classification as held for sale.

When an operation is classified as discontinued, the comparative income statement and statement of cash flows are restated as if the operation had fulfilled the criteria for classification as discontinued as from the first day of the comparative period. Discontinued operations are presented on a separate line of the consolidated income statement, “Profit from discontinued operations”, which includes the net profit or loss of the discontinued operation up to the date of disposal, and if appropriate, any impairment loss recognised to write down the net assets held for sale to their fair value less costs to sell and/or any after-tax disposal gains or losses.

3.5.1 Assets held for sale and liabilities associated with assets held for sale

(€ millions)	Notes	31 December 2019		31 December 2018 (restated)	
		Assets	Liabilities	Assets	Liabilities
Leader Price sub-group	2/3.5.2	**1,362**	**706**	-	-
Via Varejo sub-group	2/3.5.2	**-**	**-**	6,812	5,493
Other France Retail[(i)]		**1,077**	**161**	1,601	484
Other Latam Retail		**51**	**-**	20	-
Total		**2,491**	**867**	**8,433**	**5,977**
Net assets		**1,623**		2,456	
of which attributable to owners of the parent of the selling subsidiary	*11.2*	***1,604***		*1,686*	

(i) At 31 December 2019, this line corresponds mainly to stores and property assets for approximately €507 million (attributable to owners of the parent) relating to asset disposal plans and optimisation of the store base. At 31 December 2018, this line corresponded primarily to stores and property assets for €874 million (attributable to owners of the parent) relating to asset disposal plans and optimisation of the store base.

3.5.2 Discontinued operations

Net profit/(loss) from discontinued operations primarily reflects (i) the contribution of the Via Varejo group (including Cnova Brazil) to the Group's earnings up to the date of its sale, along with the gain on its disposal, and (ii) the contribution of Leader Price to the Group's earnings included in the France Retail reportable segment (Note 2). Net profit/(loss) from discontinued operations can be analysed as follows:

(€ millions)	2019	2018 (restated)
Net sales	**4,376**	8,528
Expenses	**(4,681)**	(8,500)
Gain on disposal of Via Varejo on 14 June 2019	**29**	-
Disposal proceeds	*615*	-
Disposal costs	*(39)*	-
Carrying amount of net assets sold	*(543)*	-
Other items of comprehensive income (loss) reclassified to profit or loss, net of tax[(i)]	*(4)*	-
Impairment loss resulting from the measurement of Leader Price at fair value less costs to sell[(ii)]	**(704)**	-
Net profit/(loss) before tax from discontinued operations	**(979)**	**27**
Income tax expense	**(16)**	(25)
Share of profit/(loss) of equity-accounted investees	**(60)**	(34)
Net profit/(loss) from discontinued operations[(iii)]	**(1,054)**	**(32)**
Attributable to owners of the parent	***(1,048)***	*(57)*
Attributable to non-controlling interests	***(6)***	*25*

(i) The reclassification of Via Varejo in "Discontinued operations" had no impact on other comprehensive income in 2018 or 2017. The sale of Via Varejo in 2019 did not lead to any related foreign currency translation adjustments being reclassified to profit or loss.

(ii) When the Franprix-Leader Price operating segment was separated in two in 2019, the breakdown of goodwill between the Leader Price, Franprix and Geimex businesses was measured based on the relative values of each of the businesses (value in use from the impairment test). The fair value of Leader Price is estimated based on an enterprise value of €735 million (including a €35 million earn-out contingent on the achievement of certain operating indicators during the transition period), less the estimated cost of the put options held by master franchisees and independent operators, and less the estimated future cash flow usage of the sub-group up to the effective date of the disposal.

(iii) Of which a loss of €1,047 million for Leader Price in 2019 including the impact on master franchisees of completed and ongoing changes in the scope of consolidation.

Earnings per share of discontinued operations are presented in Note 0.

Note 4 Additional cash flow disclosures

Accounting principle

The statement of cash flows is prepared using the indirect method starting from consolidated net profit/(loss) and is organised in three sections:

- Cash flows from operating activities, including taxes, transaction costs for acquisitions of subsidiaries, dividends received from associates and joint ventures and payments received in respect of government grants.
- Cash flows from/(used in) investing activities, including acquisitions of subsidiaries (excluding transaction costs), proceeds from disposals of subsidiaries (including transaction costs), acquisitions and disposals of investments in non-consolidated companies, associates and joint ventures (including transaction costs), contingent consideration paid for business combinations during the measurement period and up to the amount of the identified liability, and acquisitions and disposals of intangible assets and property plant and equipment (including transaction costs and deferred payments).
- Cash flows from/(used in) financing activities, including new borrowings and repayments of borrowings, issues of equity instruments, transactions between shareholders (including transaction costs and any deferred payments), repayments of lease liabilities, net interest paid (cash flows related to finance costs, non-recourse factoring and associated transaction costs, and interest on leases), treasury share transactions and dividend payments. This category also includes cash flows from trade payables requalified as debt.

4.1 Reconciliation of provision expense

(€ millions)	Notes	2019	2018 (restated)
Goodwill impairment	10.1.2	**(17)**	(1)
Impairment of intangible assets	10.2.2	**(8)**	(14)
Impairment of property, plant and equipment	10.3.2	**(70)**	(59)
Impairment of investment property	10.4.2	**(4)**	(1)
Impairment of right-of-use assets	7.1.1	**(11)**	(35)
Impairment of other assets		**(142)**	(172)
Net (additions to)/reversals of provisions for risks and charges		**5**	(11)
Total provision expense		**(248)**	**(292)**
Provision expense reported within discontinued operations		**6**	25
Provision expense adjustment in the statement of cash flows		**(241)**	**(266)**

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

(€ millions)	Notes	31 December 2018 (restated)	Cash flows from operating activities	Cash flows from operating activities, discontinued operations	Other cash flows	Changes in scope of consolidation	Effect of movements in exchange rates	IFRS 5 reclass.	Reclass. and other	31 December 2019
Goods inventories	6.6	**(3,655)**	**1**	**(35)**	**-**	**(13)**	**37**	**180**	**-**	**(3,485)**
Property development in progress	6.6	**(179)**	**(100)**	**1**	**-**	**(2)**	**-**	**(1)**	**(9)**	**(290)**
Trade payables	B/S	**6,668**	**328**	**(83)**	**-**	**33**	**(46)**	**(310)**	**(11)**	**6,580**
Trade receivables	6.7	**(905)**	**(64)**	**(134)**	**-**	**62**	**11**	**221**	**(26)**	**(836)**
Other (receivables)/payables	6.8.1 /6.9.1/ 6.10	**542**	**(74)**	**(2)**	**(463)[i]**	**134**	**5**	**27**	**134**	**302**
TOTAL		**2,471**	**92**	**(254)**	**(463)**	**213**	**8**	**117**	**88**	**2,272**

(€ millions)	Notes	1 January 2018 (restated)	Cash flows from operating activities	Cash flows from operating activities, discontinued operations	Other cash flows	Changes in scope of consolidation	Effect of movements in exchange rates	IFRS 5 reclass.	Reclass. and other	31 December 2018 (restated)
Goods inventories	6.6	(3,681)	(196)	-	-	(58)	177	124	(22)	(3,655)
Property development work in progress	6.6	(126)	(45)	4	-	(2)	4	12	(26)	(179)
Trade payables	B/S	6,644	374	(45)	-	47	(284)	(113)	45	6,668
Trade receivables	6.7	(888)	(90)	(31)	-	10	37	40	17	(905)
Other (receivables)/payables	6.8.1 /6.9.1/ 6.10	639	(159)	24	(56)	57	(8)	(41)	86	542
TOTAL		**2,588**	**(117)**	**(48)**	**(56)**	**54**	**(74)**	**22**	**101**	**2,471**

(i) In 2019, this amount mainly reflected the cash outflows related to financial assets (Note 4.11).

4.3 Reconciliation of acquisitions of non-current assets

(€ millions)	Notes	2019	2018 (restated)
Additions to and acquisitions of intangible assets	10.2.2	**(269)**	(271)
Additions to and acquisitions of property, plant and equipment	10.3.2	**(868)**	(879)
Additions to and acquisitions of investment property	10.4.2	**(14)**	(59)
Additions to and acquisitions of lease premiums included in right-of-use assets	7.1.1	**(8)**	(10)
Changes in amounts due to suppliers of non-current assets		**21**	(46)
Capitalised borrowing costs (IAS 23)[i]	10.3.3	**5**	11
Effect of discontinued operations		**26**	67
Cash used in acquisitions of intangible assets, property, plant and equipment and investment property		**(1,107)**	**(1,188)**

(i) Non-cash movements.

4.4 Reconciliation of disposals of non-current assets

(€ millions)	Notes	2019	2018 (restated)
Disposals of intangible assets	10.2.2	**7**	3
Disposals of property, plant and equipment	10.3.2	**188**	326
Disposals of investment property	10.4.2	**-**	1
Disposals of lease premiums included in right-of-use assets	7.1.1	**8**	13
Gains on disposals of non-current assets[i]		**61**	232
Changes in receivables related to non-current assets		**(32)**	(26)
Reclassification of non-current assets as "Assets held for sale"		**664**	693
Effect of discontinued operations		**(7)**	(12)
Cash from disposals of intangible assets, property, plant and equipment and investment property		**890**	**1,230**

(i) Prior to the restatement of sale-and-leaseback transactions in accordance with IFRS 16.

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

(€ millions)	2019	2018 (restated)
Amount paid for acquisitions of control	(12)	(62)
Cash acquired/(bank overdrafts assumed) in acquisitions of control	6	(18)
Proceeds from losses of control	227	13
(Cash sold)/bank overdrafts transferred in losses of control	(4)	-
Effect of changes in scope of consolidation resulting in acquisition or loss of control	**218**	**(66)**

In 2019, the net impact of these transactions on the Group's cash and cash equivalents mainly comprised:
- the loss of control of loss-making stores in connection with the plan to optimise the store base, for €166 million (Note 2);
- the sale of the contract catering services business and of restaurants.

In 2018, the net impact of these transactions on the Group's cash and cash equivalents mainly comprised:
- an outflow of €43 million for the acquisition of Sarenza (Note 3.2.1), including the €20 million negative cash acquired and the €22 million sale price paid;
- an outflow of €29 million for the acquisition of various controlling interests in the Franprix sub-group for €28 million;
- an inflow of €6 million in connection with the loss of control of the Franprix sub-group.

4.6 Effect of changes in scope of consolidation related to equity-accounted investees

(€ millions)	2019	2018
Amount paid for the acquisition of shares in equity-accounted investees	(35)	(39)
Amount received from the sale of shares in equity-accounted investees	(4)	209
Effect of changes in scope of consolidation related to equity-accounted investees	**(39)**	**170**

In 2018, the net impact of these transactions resulted for the most part from the block sale of Mercialys shares representing 15% of the capital (Note 3.1.1).

4.7 Reconciliation of dividends paid to non-controlling interests

(€ millions)	Notes	2019	2018 (restated)
Dividends paid and payable to non-controlling interests	12.8	(92)	(103)
Payment during the year of dividends accrued at the prior year-end		9	(2)
Effect of movements in exchange rates		(1)	(2)
Effect of discontinued operations		-	2
Dividends paid to non-controlling interests as presented in the statement of cash flows		**(83)**	**(104)**

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

(€ millions)	Notes	2019	2018 (restated)
GPA – acquisition of 41.27% of Éxito shares	2	(917)	-
Vindémia – purchase of the non-controlling interests in the Mayotte subsidiary		(18)	-
GreenYellow – disposal without loss of control (2018)		(12)	149
Distribution Casino France – Disposal without loss of control		-	20
Éxito - transactions with property companies[(i)]		(11)	77
Public tender offer for Cnova N.V. shares		-	(3)
Other		(12)	(13)
Effect on cash and cash equivalents of transactions with non-controlling interests		**(971)**	**231**

(i) See footnote (viii) of the 2018 consolidated statement of changes in equity.

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

(€ millions)	Notes	2019	2018 (restated)
Change in cash and cash equivalents		**(984)**	377
Additions to loans and borrowings[(i)]		**(4,542)**	(1,543)
Repayments of loans and borrowings[(i)]		**3,694**	1,330
Non-cash changes in debt[(i)]		**129**	449
Change in net assets held for sale attributable to owners of the parent		***(160)***	*628*
Change in other financial assets		***274***	*48*
Effect of changes in scope of consolidation		***95***	*(225)*
Change in fair value hedges		***(85)***	*(60)*
Change in accrued interest		***(26)***	*25*
Other		***31***	*32*
Effect of movements in exchange rates[(i)]		**55**	158
Change in loans and borrowings of discontinued operations		**974**	(61)
Change in net debt		**(675)**	**711**
Net debt at beginning of period[(ii)]		**3,378**	4,088
Net debt at end of period	11.2	**4,053**	3,378

(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 €44 million at 1 January 2019.

4.10 Reconciliation of net interest paid

(€ millions)	Notes	2019	2018 (restated)
Net finance costs reported in the income statement	**11.3.1**	**(356)**	**(320)**
Neutralisation of unrealised exchange gains and losses		**13**	4
Neutralisation of amortisation of debt issuance/redemption costs and premiums		**41**	27
Capitalised borrowing costs	10.3.3	**(5)**	(11)
Change in accrued interest and in fair value hedges of borrowings[(i)]		**23**	(35)
Interest paid on lease liabilities	11.3.2	**(256)**	(214)
Non-recourse factoring and associated transaction costs	11.3.2	**(77)**	(81)
Interest paid, net as presented in the statement of cash flows		**(617)**	**(629)**

(i) In 2018, the item includes the impact of unwinding interest rate swaps in France for €59 million.

4.11 Cash outflows related to acquisitions of financial assets

In 2019, cash outflows related to acquisitions of financial assets amounted to €440 million, mainly breaking down as (i) a payment of €291 million relating to the refinancing transactions into an escrow account, which had a balance of €193 million at 31 December 2019 (Note 6.8.1), and (ii) a cash outflow of €109 million arising on unwinding the forward contract on GPA shares (Note 11.3.2).

Note 5 Segment information

Accounting principle

In accordance with IFRS 8 – Operating Segments, segment information is disclosed on the same basis as the Group's internal reporting system used by the chief operating decision maker (the Chairman and Chief Executive Officer) in deciding how to allocate resources and in assessing performance.

The Group's reportable segments are as follows:

- France Retail: reportable segment comprising retail operating segments (mainly the Casino, Monoprix, Franprix and Vindémia sub-group banners);
- Latam Retail: reportable segment comprising food retailing operating segments in Latin America (mainly the GPA food banners and the Éxito, Disco-Devoto and Libertad sub-group banners);
- E-commerce: reportable segment comprising Cdiscount and the Cnova N.V. holding company.

During the year, the Franprix-Leader Price operating segment was separated into Franprix, Leader Price and Geimex.

The operating segments included in France Retail and Latam Retail have similar businesses in terms of product type, assets and human resources required for operations, customer profile, distribution methods, marketing offer and long-term financial performance.

These reportable segments reflect pure retail activities and retail-related activities. Given the dual strategy and the interconnection between retail and real estate, the operating segments include real estate asset management activities, property development activities and energy-related activities.

Management assesses the performance of these segments on the basis of net sales, trading profit (which includes the allocation of holding company costs to all of the Group's business units) and EBITDA. EBITDA (earnings before interest, taxes, depreciation and amortisation) is defined as trading profit plus recurring depreciation and amortisation expense.

Segment assets and liabilities are not specifically reported internally for management purposes and are therefore not disclosed in the Group's IFRS 8 segment information.

Segment information is determined on the same basis as the consolidated financial statements.

5.1 Key indicators by reportable segment

(€ millions)	France Retail	Latam Retail	E-commerce	2019
External net sales (Note 6.1)	**16,322**	**16,358**	**1,966**	**34,645**
EBITDA	**1,467**(i)	**1,104**	**69**	**2,640**
Recurring depreciation and amortisation (Notes 6.3 and 6.4)	**(791)**	**(492)**	**(65)**	**(1,348)**
Trading profit	**676**(i)	**612**	**4**	**1,292**

(i) Of which €56 million for property development transactions carried out in France, corresponding in 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	2018 (restated)
External net sales (Note 6.1)	16,786	15,577	1,965	34,329
EBITDA	1,413(i)	1,217(ii)	39	2,669
Recurring depreciation and amortisation (Notes 6.3 and 6.4)	(795)	(459)	(51)	(1,305)
Trading profit/(loss)	618(i)	758(ii)	(12)	1,364
Including effect of applying IFRS 16 on EBITDA	*513*	*285*	*19*	*818*
Including effect of applying IFRS 16 on trading profit/(loss)	*64*	*114*	*1*	*179*

(i) Of which €63 million for property development transactions carried out in France.
(ii) Of which BRL 481 million (€111 million) in respect of tax credits recognised by GPA during the period (mainly reversal of the valuation allowance on Assai'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 2019	**18,285**	**16,343**	**17**	**34,645**
External net sales for 2018 (restated)	18,747	15,568	13	34,329

(€ millions)	France	Latin America	Other regions	Total
Non-current assets at 31 December 2019[i]	**10,628**	**9,897**	**59**	**20,584**
Non-current assets at 31 December 2018 (restated)[i]	12,648	9,687	60	22,395

(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 Total revenue

Accounting principle

Total revenue:

Total revenue is analysed between “Net sales” and “Other revenue”.

“Net sales" include sales by the Group’s stores, service stations, e-commerce sites and restaurants, franchise fees, revenues from business leases and financial services revenues.
Most of the amount reported under Group “Net sales” corresponds to revenue included in the scope of IFRS 15.

“Other revenue" consists of revenue from the property development and property trading businesses, rental revenues, miscellaneous service revenues, incidental revenues and revenues from secondary activities, and revenues from the energy business.
The majority of amounts reported under “Other revenue” are included in the scope of IFRS 15, while rental revenues are included in the scope of IFRS 16.

Revenue is measured at the contract price, corresponding to the consideration to which the Group expects to be entitled in exchange for the supply of goods or services. The transaction price is allocated to the performance obligations in the contract, which represent the units of account for revenue recognition purposes. Revenue is recognised when the performance obligation is satisfied, i.e., when control of the good or service passes to the customer. Revenue may therefore be recognised at a specific point in time or over time based on the stage of completion.

The Group’s main sources of revenue are as follows:

- Sales of goods (including through the property trading business): in this case, the Group generally has only one performance obligation, that of delivering the good to the customer. Revenue from these sales is recognised when control of the good is transferred to the customer upon delivery, i.e., generally:
  - at the checkout for in-store sales,
  - on receipt of the goods by the franchisee or affiliated store;
  - on receipt of the goods by the customer for e-commerce sales.
- Sales of services, for example sales of subscriptions, franchising fees, logistics services, rental revenue and property management services: in this case, for operations included in the scope of IFRS 15, the Group generally has only one performance obligation, to supply the service, and the related revenues are recognised over the period in which the services are performed.
- Property development revenues: in this case, the Group generally has several performance obligations, some of which may be satisfied at a given point in time and others over time based on the project’s percentage of completion. Profit from property development activities is generally calculated on a percentage-of-completion basis by reference to the projected margin on completion weighted by the percentage of completion determined by the inputs method.
- Revenues from the energy business, for which the Group generally identifies a performance obligation when the solar power plant is delivered (in exchange for variable consideration in some cases) or when the energy performance contracts are sold. The Group also sells energy services for which the related revenue is recognised when the service is performed.

The vast majority of revenues are recognised at a given point in time.

If settlement of the consideration is deferred for an unusually long time and no promise of financing is explicitly stated in the contract or implied by the payment terms, revenue is recognised by adjusting the consideration for the effects of the time value of money. If significant, the difference between this price and the unadjusted transaction price is recognised in "Other financial income" over the payment deferral period, determined using the effective interest method.

The Group operates loyalty programmes that enable customers to obtain discounts or award credits on their future purchases. Award credits granted to customers under loyalty programmes represent a performance obligation that is separately identifiable from the initial sales transaction. This performance obligation gives rise to the recognition of a contract liability. The corresponding revenue is deferred until the award credits are used by the customer.

Contract assets and liabilities, incremental costs to obtain a contract and costs to fulfil a contract

- A contract asset corresponds to an entity's right to consideration in exchange for goods or services that the entity has transferred to a customer when that right is conditioned on something other than the passage of time. Based on this definition, a receivable does not constitute a contract asset.

The Group recognises a contract asset when it has fulfilled all or part of its performance obligation but does not have an unconditional right to payment (i.e., the Group does not yet have the right to invoice the customer). In light of its business, contract assets recognised by the Group are not material.

- A contract liability corresponds to an entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer.

The Group recognises contract liabilities mainly for award credits granted under its loyalty programmes, advances received and sales for which all or part of the performance obligation has not yet been fulfilled (e.g., sales of subscriptions and gift cards, and future performance obligations of the property development business for which the customer has already been invoiced followed by payment of consideration).

- The incremental costs to obtain a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained and which it expects to recover.

The costs to fulfil a contract are costs related directly to a contract that generate or enhance the resources that will be used by the Group in satisfying its performance obligations and which it expects to recover.
For the Group, the costs to obtain and fulfil contracts correspond primarily to the costs incurred in connection with its franchising and affiliation business. These costs are capitalised and amortised over the life of the franchise or affiliation contract. The capitalised amounts are tested regularly for impairment (Note 1.3).

Contract assets and the costs to obtain and fulfil contracts are tested for impairment under IFRS 9.

6.1.1 Breakdown of total revenue

(€ millions)	France Retail	Latam Retail	E-commerce	2019
Net sales	**16,322**	**16,358**	**1,966**	**34,645**
Other revenue	**494**	**171**	**-**	**665**
Total revenue	**16,816**	**16,528**	**1,966**	**35,310**

(€ millions)	France Retail	Latam Retail	E-commerce	2018 (restated)
Net sales	16,786	15,577	1,965	34,329
Other revenue	382	151	-	533
Total revenue	**17,169**	**15,728**	**1,965**	**34,862**

6.1.2 Incremental costs of obtaining and fulfilling contracts, contract assets and liabilities

(€ millions)	Notes	2019	2018 (restated)
Costs to obtain contracts included in "Intangible assets"	10.2	**113**	152
Contract assets	6.8/6.9	**11**	10
Right-of return assets included in inventories	6.6	**2**	3
Contract liabilities	6:10	**150**	119

In 2019, the Group reviewed the presentation of costs to obtain contracts (Note 1.3).

6.2 Cost of goods sold

Accounting principle

Gross margin

Gross margin corresponds to the difference between "Net sales" and the "Cost of goods sold".

“Cost of goods sold" comprises the cost of purchases net of discounts, commercial cooperation fees and any tax credits associated with the purchases, changes in retail inventories and logistics costs. It also includes property development and property trading business costs and changes in the related inventories.

Commercial cooperation fees are measured based on contracts signed with suppliers. They are billed in instalments over the year. At each year-end, an accrual is recorded for the amount receivable or payable, corresponding to the difference between the value of the services actually rendered to the supplier and the sum of the instalments billed during the year.

Change in inventories

Changes in inventories, which may be positive or negative, are determined after taking into account any impairment losses.

Logistics costs

Logistics costs correspond to the cost of logistics operations managed or outsourced by the Group, comprising all warehousing, handling and freight costs incurred after goods are first received at one of the Group’s sites. Transport costs included in suppliers’ invoices (e.g., for goods purchased on a "delivery duty paid" or "DDP" basis) are included in “Purchases and change in inventories”. Outsourced transport costs are recognised under "Logistics costs".

(€ millions)	Note	2019	2018 (restated)
Purchases and change in inventories		**(25,102)**	(24,502)
Logistics costs	6.3	**(1,445)**	(1,397)
Cost of goods sold		**(26,547)**	**(25,899)**

6.3 Expenses by nature and function

Accounting principle

Selling expenses
"Selling expenses" consist of point-of-sale costs.

General and administrative expenses
General and administrative expenses correspond to overheads and the cost of corporate units, including the purchasing and procurement, sales and marketing, IT and finance functions.

Pre-opening and post-closure costs
Pre-opening costs that do not meet the criteria for capitalisation and post-closure costs are recognised in operating expense when incurred.

(€ millions)	Logistics costs(i)	Selling expenses	General and administrative expenses	2019
Employee benefits expense	**(545)**	**(2,831)**	**(784)**	**(4,160)**
Other expenses	**(759)**	**(2,247)**	**(404)**	**(3,409)**
Depreciation and amortisation (Notes 5.1/6.4)	**(142)**	**(1,022)**	**(183)**	**(1,348)**
Total	**(1,445)**	**(6,100)**	**(1,371)**	**(8,916)**

(€ millions)	Logistics costs(i)	Selling expenses	General and administrative expenses	2018 (restated)
Employee benefits expense	(526)	(2,990)	(786)	**(4,301)**
Other expenses	(736)	(2,256)	(397)	**(3,390)**
Depreciation and amortisation (Notes 5.1/6.4)	(135)	(998)	(172)	**(1,305)**
Total	**(1,397)**	**(6,244)**	**(1,355)**	**(8,996)**

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

A competitiveness and employment tax credit (CICE) has been introduced in France. It corresponds to 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 2018, the CICE tax benefit of €78 million was recognised as a deduction from employee benefits expense, of which €4.5 million included within "Profit/(loss) from discontinued operations" of Leader Price. The receivable was sold on a no-recourse basis. The CICE has been abolished with effect from 1 January 2019 and replaced by a reduction in social security contributions.

6.4 Depreciation and amortisation

(€ millions)	Notes	2019	2018 (restated)
Amortisation of intangible assets	10.2.2	**(177)**	(160)
Depreciation of property, plant and equipment	10.3.2	**(476)**	(518)
Depreciation of investment property	10.4.2	**(14)**	(8)
Depreciation of right-of-use assets	7.1.1	**(750)**	(691)
Total depreciation and amortisation expense		**(1,417)**	**(1,377)**
Depreciation and amortisation reported under "Profit from discontinued operations"		**70**	72
Depreciation and amortisation of continuing operations	**5.1/6.3**	**(1,348)**	**(1,305)**

6.5 Other operating income and expenses

Accounting principle

This caption covers two types of items:

- Income and expenses which, by definition, are not included in an assessment of a business unit's recurring operating performance, such as gains and losses on disposals of non-current assets, impairment losses on non-current assets, and income/expenses related to changes in the scope of consolidation (for example, transaction costs and fees for acquisitions of control, gains and losses from disposals of subsidiaries, remeasurement at fair value of previously-held interests).
- Income and expenses arising from major events occurring during the period that would distort analyses of the Group's recurring profitability. They are defined as significant items of income and expense that are limited in number, unusual or abnormal, whose occurrence is rare. Examples include restructuring costs (such as reorganisation costs and the costs of converting stores to new concepts) and provisions and expenses for litigation and risks (including discounting adjustments).

(€ millions)	2019	2018 (restated)
Total other operating income	**61**	350
Total other operating expenses	**(779)**	(751)
	(719)	**(402)**
Breakdown by type		
Gains and losses on disposal of non-current assets[(i)(vii)]	**(7)**	255
Net asset impairment losses[(ii)(vii)]	**(160)**	(204)
Net income/(expense) related to changes in scope of consolidation[(iii)(vii)]	**(198)**	(146)
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	**(364)**	**(94)**
Restructuring provisions and expenses[(iv)(iii)(vii)]	**(210)**	(216)
Provisions and expenses for litigation and risks[(v)]	**(95)**	(80)
Other[(vi)]	**(50)**	(12)
Sub-total	**(355)**	**(308)**
Total net other operating income (expenses)	**(719)**	**(402)**

(i) The net loss on disposal of non-current assets in 2019 mainly concerns the France Retail sector with a loss of €37 million arising mainly on the disposal of property assets (the main assets sold are detailed in Note 2), and the Latam Retail sector with a gain of €31 million. The net gain on disposal of non-current assets in 2018 primarily concerned the France Retail segment and especially disposals of Monoprix store properties.

(ii) The impairment loss recognised in 2019 mainly concerns the France Retail segment and relates to the asset disposal plan. The impairment loss recognised in 2018 mainly concerned the France Retail segment.

(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 €151 million in 2019 (of which primarily €69 million corresponding to changes in scope and €76 million to restructuring). Other changes in scope of consolidation relate mainly to the France Retail and Latam Retail segments and include fees of €36 million arising on the reorganisation of operations in Latin America. The net expense of €146 million recorded in 2018 resulted primarily from the reclassification to profit or loss, in accordance with IAS 21, of foreign currency translation adjustments accumulated in the foreign currency translation reserve for an amount of €67 million (Note 12.7.2).

(iv) Excluding the impact of the store optimisation plan set out in the previous footnote, restructuring provisions and expenses for 2019 mainly concern the France Retail and Latam Retail segments for €59 million and €70 million, respectively. Restructuring provisions and expenses in 2018 primarily concerned the France Retail segment for €148 million, relating mostly to employee costs and store closure costs, and the Latam Retail segment for €56 million (mainly GPA).

(v) Provisions and expenses for litigation and risks represented a net expense of €95 million in 2019, including €36 million for tax risks at GPA. Provisions and expenses for litigation and risks represented a net expense of €80 million in 2018, including €35 million for tax risks at GPA.

(vi) Including €32 million in costs relating to the digitalisation programme at Distribution Casino France (Hypermarkets & Supermarkets division). This new strategy focused on transforming its bricks-and-mortar stores into autonomous, dynamic spaces is primarily based on the development of the Casino Max app, supported by unprecedented efforts to secure customer loyalty, generating further costs.

(vii) Reconciliation of impairment losses with the analysis of changes in non-current assets:

(€ millions)	Notes	2019	2018 (restated)
Goodwill impairment losses	10.1.2	**(17)**	(1)
Impairment (losses)/reversals on intangible assets, net	10.2.2	**(8)**	(14)
Impairment (losses)/reversals on property, plant and equipment, net	10.3.2	**(70)**	(59)
Impairment (losses)/reversals on investment property, net	10.4.2	**(4)**	(1)
Impairment (losses)/reversals on right-of-use assets, net	7.1.1	**(11)**	(35)
Impairment (losses)/reversals on other assets, net (IFRS 5 and other)		**(142)**	(180)
Total net impairment losses		**(253)**	**(289)**
Net impairment losses of discontinued operations		**10**	-
Net impairment losses of continuing operations		**(243)**	**(289)**
o/w presented under "Restructuring provisions and expenses"		***(52)***	*(69)*
o/w presented under "Net impairment (losses)/reversals on assets"		***(160)***	*(204)*
o/w presented under "Net income/(expense) related to changes in scope of consolidation"		***(32)***	*(19)*
o/w presented under "Gains and losses on disposal of non-current assets"		***-***	*4*

6.6 Inventories

Accounting principle

Inventories are measured at the lower of cost and probable net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Provisions for impairment of inventories is recognised if the probable net realisable value is lower than cost. This analysis takes into account the business unit's operating environment and the type, age, turnover characteristics and sales pattern of the products concerned.

The cost of inventories is determined by the first-in-first-out (FIFO) method, except for inventories held by the GPA sub-group which uses the weighted average unit cost method, primarily for tax reasons. As GPA's inventory turnover rate is very high, inventory values would not be materially different if the FIFO method was applied. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing them to their present location and condition. Accordingly, logistics costs are included in the carrying amount together with supplier discounts deducted from "Cost of goods sold". The cost of inventories also includes gains or losses on cash flow hedges of future inventory purchases initially accumulated in equity.

For its property development and property trading businesses, the Casino Group recognises assets and projects in progress in inventories.

(€ millions)	31 December 2019	31 December 2018 (restated)
Goods	**3,532**	3,704
Property assets	**300**	206
Gross amount	**3,833**	**3,910**
Accumulated impairment losses on goods	**(48)**	(49)
Accumulated impairment losses on property assets	**(10)**	(27)
Accumulated impairment losses	**(58)**	**(76)**
Net inventories (Note 4.2)	**3,775**	**3,834**

6.7 Trade receivables

Accounting principle

The Group's trade receivables are current financial assets (Note 11) that correspond to an unconditional right to receive consideration. They are initially recognised at fair value and subsequently measured at amortised cost less any impairment losses. The fair value of trade receivables usually corresponds to the amount on the invoice. A loss allowance for expected credit losses is recorded upon recognition of the receivable. The Group applies the simplified approach for the measurement of expected credit losses on all of its trade receivables, which are determined based on credit losses observed for receivables with the same profile, as adjusted to take into account forward-looking factors such as the customer's credit status or the economic environment.
Trade receivables can be sold to banks and continue to be carried as assets in the statement of financial position for as long as the contractual cash flows and substantially all the related risks and rewards are not transferred to a third party.

6.7.1 Breakdown of trade receivables

(€ millions)	Notes	31 December 2019	31 December 2018
Trade receivables	11.5.3	**940**	1,030
Accumulated impairment losses on trade receivables	6.7.2	**(104)**	(125)
Net trade receivables	4.2	**836**	**905**

6.7.2 Accumulated impairment losses on trade receivables

(€ millions)	2019	2018
Accumulated impairment losses on trade receivables at 1 January	**(125)**	(132)
Additions	**(44)**	(76)
Reversals	**59**	78
Other (changes in scope of consolidation, reclassifications and foreign exchange differences)	**7**	4
Accumulated impairment losses on trade receivables at 31 December	**(104)**	**(125)**

The criteria for recognising impairment losses are presented in Note 11.5.3 “Counterparty risk”.

6.8 Other current assets

6.8.1 Breakdown of other current assets

(€ millions)	Notes	31 December 2019	31 December 2018 (restated)
Other receivables		**913**	1,022
Financial assets held for cash management purposes and short-term financial investments	11.2	**1**	37
Financial assets arising from a significant disposal of non-current assets	11.2	**31**	41
Guarantees and escrow accounts(i)	11.2.1	**257**	-
Tax and employee-related receivables in Brazil	6.9	**242**	137
Current accounts of non-consolidated companies		**12**	30
Accumulated impairment losses on other receivables and current accounts	6.8.2	**(33)**	(31)
Fair value hedges – assets	11.5.1	**17**	34
Derivatives not qualifying for hedge accounting and cash flow hedges – assets	11.5.1	**7**	6
Contract assets	6.1.2	**11**	10
Prepaid expenses		**80**	97
Other current assets		**1,536**	**1,383**

(i) Of which €193 million relating to the November 2019 refinancing transactions (Note 2).

Other receivables primarily include tax and employee-related receivables (excluding Brazil) and receivables from suppliers. Prepaid expenses mainly concern purchases, rent, other occupancy costs and insurance premiums.

6.8.2 Accumulated impairment losses on other receivables and current accounts

(€ millions)	2019	2018
Accumulated impairment losses on other receivables and current accounts at 1 January	**(31)**	**(29)**
Additions	**(51)**	(42)
Reversals	**47**	38
Other (changes in scope of consolidation, reclassifications and foreign exchange differences)	**2**	2
Accumulated impairment losses on other receivables and current accounts at 31 December	**(33)**	**(31)**

6.9 Other non-current assets

6.9.1 Analysis of other current assets

(€ millions)	Notes	31 December 2019	31 December 2018 (restated)
Financial assets at fair value through profit or loss		**41**	35
Financial assets at fair value through other comprehensive income		**4**	4
Financial assets arising from a significant disposal of non-current assets	11.2.1	**29**	-
Non-current fair value hedges – assets	11.5.1	**62**	67
Other financial assets		**303**	285
Loans		***121***	*165*
Non-hedging derivatives – assets	*11.5.1*	***7***	*9*
Other long-term receivables		***175***	*111*
Tax and employee-related receivables in Brazil (see below)		**599**	618
Legal deposits paid by GPA	13.2	***176***	175
Impairment of other non-current assets	6.9.2	**(46)**	(48)
Prepaid expenses		**15**	16
Other non-current assets		**1,183**	**1,151**

GPA has a total of €841 million in tax receivables (of which €599 million in long-term receivables and €242 million in short-term receivables), corresponding primarily to ICMS (VAT) for €580 million, PIS/COFINS (VAT) and INSS (employer social security contributions). GPA expects the main tax receivable (ICMS) to be recovered as follows:

(€ millions)	31 December 2019
Within one year	**97**
In one to five years	**320**
In more than five years	**163**
Total	**580**

GPA recognises ICMS and other tax credits when it has formally established and documented its right to use the credits and expects to use them within a reasonable period. These credits are mainly recognised as a deduction from the cost of goods sold.

6.9.2 Impairment of other non-current assets

(€ millions)	2019	2018
Accumulated impairment losses on other non-current assets at 1 January	**(48)**	**(69)**
Additions	**-**	-
Reversals	**-**	-
Other reclassifications and movements	**2**	21
Accumulated impairment losses on other non-current assets at 31 December [(i)]	**(46)**	**(48)**

(i) Corresponding mainly to impairment losses recognised on loans granted by Franprix to master franchisees following the inclusion of the share of losses from non-controlling interests of Casino in certain stores of these master franchisees.

6.10 Other liabilities

(€ millions)	31 December 2019			31 December 2018 (restated)		
	Non-current portion	Current portion	Total	Non-current portion	Current portion	Total
Derivative instruments – liabilities (Note 11.5.1)[(i)]	**41**	**185**	**227**	285	2	288
Tax and employee benefits payable	**98**	**1,281**	**1,378**	135	1,383	1,518
Sundry liabilities	**36**	**946**	**982**	36	803	839
Amounts due to suppliers of non-current assets	**-**	**192**	**192**	1	204	205
Current account advances	**-**	**2**	**2**	-	26	26
Contract liabilities (Note 6.1.2)	**-**	**150**	**150**	2	116	119
Deferred income	**8**	**83**	**90**	4	78	82
TOTAL	**181**	**2,839**	**3,021**	**464**	**2,613**	**3,076**

(i) Primarily comprises the fair value of the GPA total return swap (TRS) (Note 11.3.2).

6.11 Off-balance sheet commitments

Accounting principle

At every year-end, Management determines, to the best of its knowledge, that there are no off-balance sheet commitments likely to have a material effect on the Group's current or future financial position other than those described in this note.

The completeness of this information is checked by the Finance, Legal and Tax departments, which also participate in drawing up contracts that are binding on the Group.

Commitments entered into in the ordinary course of business mainly concern the Group's operating activities except for undrawn confirmed lines of credit, which represent a financing commitment.

Off-balance sheet commitments relating to the scope of consolidation are presented in Note 3.4.2.

6.11.1 Commitments given

The amounts disclosed in the table below represent the maximum (undiscounted) potential amounts that might have to be paid under guarantees issued by the Group. They are not netted against sums which might be recovered through legal action or counter-guarantees received by the Group.

(€ millions)	31 December 2019	31 December 2018
Assets pledged as collateral(i)	**206**	209
Bank guarantees given(ii)	**2,343**	2,286
Guarantees given in connection with disposals of non-current assets	**15**	32
Other commitments	**62**	61
Total commitments given	**2,625**	**2,588**
Expiring:		
Within one year	***140***	*170*
In one to five years	***2,476***	*2,410*
In more than five years	***9***	*7*

(i) Current and non-current assets pledged, mortgaged or otherwise given as collateral. As at 31 December 2019, this concerns GPA for €189 million, mainly in connection with the tax disputes described in Note 13.2 (31 December 2018: €192 million). The amount of €206 does not include the guarantees given in connection with the refinancing transaction in November 2019 (Note 11.5.4).

(ii) At 31 December 2019, this amount includes €2,252 million in bank guarantees obtained by GPA (31 December 2018: €2,137 million) mainly in connection with the tax disputes described in Note 13.2. It also comprises guarantees issued on behalf of joint ventures for €68 million (31 December 2018: €93 million), as described in Note 3.3.7.

6.11.2 Commitments received

The amounts disclosed in the table below represent the maximum (undiscounted) potential amounts in respect of commitments received.

(€ millions)	31 December 2019	31 December 2018
Bank guarantees received	**64**	63
Secured financial assets	**91**	89
Undrawn confirmed lines of credit (Note 11.2.4)	**2,666**	3,404
Other commitments	**20**	25
Total commitments received	**2,841**	**3,581**
Expiring:		
Within one year	***350***	*419*
In one to five years	***2,364***	*3,037*
In more than five years	***127***	*126*

Note 7 Leases

Accounting principle

Group as lessee

The Group is a lessee in a large number of property leases primarily relating to store properties, warehouses, office buildings and apartments for lessee managers. It also acts as lessee in leases of vehicles, store machinery and equipment (notably cooling systems) and logistics equipment, primarily in France.

The Group's lease contracts are recognised in accordance with IFRS 16 – *Leases*, taking into account the terms and conditions of each agreement and all relevant facts and circumstances.
At the inception of such contracts, the Group determines whether or not they meet the definition of (or contain) a lease, i.e., whether they convey the right to control the use of an identified asset for a period of time in exchange for consideration.

Leases are carried in the lessee's statement of financial position as follows:
- a right-of-use asset reflecting the right to use a leased asset over the lease term is recorded in "Right-of-use assets" in the consolidated statement of financial position;
- a lease liability reflecting the obligation to make lease payments over that same period is recorded in "Current lease liabilities" and "Non-current lease liabilities" in the consolidated statement of financial position. Lease liabilities are not included in the calculation of consolidated net debt.

INITIAL MEASUREMENT

At the lease commencement date:
- lease liabilities are recognised at the present value of future fixed lease payments over the estimated term of the lease, as determined by the Group. The Group generally uses its incremental borrowing rate to discount these future lease payments. Future fixed lease payments include adjustments for payments that depend on an index or a contractually defined growth rate. They can also include the value of a purchase option or estimated early termination penalties, when Casino is reasonably certain to exercise these options. Any lease incentives receivable at the lease commencement date are deducted from the fixed lease payments;
- right-of-use assets are recognised for the value of the lease liabilities, less any lease incentives received from the lessor, plus any lease payments made at or before the commencement date, initial direct costs and an estimate of costs to be incurred in respect of any contractual restoration obligations.

The Group only includes the lease component of the contract when measuring its lease liabilities. For certain categories of assets where the lease includes a service component as well as a lease component, the Group may recognise a single lease contract (i.e., with no distinction between the service and lease components).

SUBSEQUENT MEASUREMENT

Lease liabilities are carried at amortised cost using the effective interest rate method.

Lease liabilities are:
- increased by interest expenses, as calculated by applying a discount rate to the liabilities at the start of the financial period. These interest expenses are recognised in the income statement within "Other financial expenses";
- reduced by any lease payments made.
  Cash payments for the principal portion of lease liabilities along with cash payments for the interest portion of those liabilities are included within net cash used in financing activities in the consolidated statement of cash flows.

The carrying amount of lease liabilities is remeasured against right-of-use assets to reflect any lease modifications and in the event of:
- changes in the lease term;
- changes in the assessment of whether or not a purchase option is reasonably certain to be exercised;
- changes in amounts expected to be payable under a residual value guarantee granted to the lessor;
- changes in variable lease payments that depend on an index or rate when the index or rate adjustment takes effect (i.e., when the lease payments are effectively modified).

In the first two cases, lease liabilities are remeasured using a discount rate as revised at the remeasurement date. In the last two cases, the discount rate used to measure the lease liabilities on initial recognition remains unchanged.

Right-of-use assets are measured using the amortised cost model as from the lease commencement date and over the estimated term of the lease. This gives rise to the recognition of a straight-line depreciation expense in the income statement. Right-of-use assets are reduced by any impairment losses recognised in accordance with IAS 36 (Note 10.5) and are readjusted in line with the remeasurement of lease liabilities.

In the event a lease is terminated early, any gains or losses arising as a result of derecognising the lease liabilities and right-of-use assets are taken to the income statement within other operating income or other operating expenses.

ESTIMATING THE LEASE TERM

The lease term corresponds to the enforceable period of the lease (i.e., the period during which the lease cannot be cancelled by the lessor, plus all possible contractual extensions permitted that are able to be decided unilaterally by the lessee), and takes account of any periods covered by an option to terminate or extend the lease if the Group is reasonably certain respectively to not exercise or exercise that option.

In estimating the reasonably certain term of a lease, the Group considers all of the characteristics associated with the leased assets (local laws and regulations, location, category – e.g., stores, warehouses, offices, apartments, property/equipment leases, expected useful life, etc.). Under leases of store properties, the Group may also consider economic criteria such as the store format, the long-term nature and performance of the leased assets, and whether or not significant recent investments have been made in the stores.
Generally, the term of warehouses and office leases along with equipment leases corresponds to the initial term provided for in the lease contract.

More specifically, for "3-6-9"-type commercial leases in France, the Group recognises a term of nine years as the maximum enforceable period of the lease at the lease commencement date, in accordance with the ANC's 16 February 2018 position statement.

Certain leases may be automatically renewable. The Group is unable to reliably estimate the term of such leases beyond its strict contractual obligation, generally limited to several months.

DISCOUNT RATE

The discount rate generally used to calculate the lease liability for each lease contract depends on the Group's incremental borrowing rate at the lease commencement date. This rate is the rate of interest that a lessee would have to pay at the lease commencement date, to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment. The Group calculates a discount rate for each country, taking into account the entity's credit spread and the lease terms.

LEASE PREMIUMS

Any lease premiums relating to lease contracts are included within "Right-of-use assets". Depending on the legal particulars inherent to each lease premium, they are either amortised over the underlying lease term or (most commonly) are not amortised, but are tested annually for impairment.

SHORT-TERM LEASES AND LEASES OF LOW-VALUE ASSETS

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

Within the Group, these exemptions apply mainly to leases of store equipment and office equipment such as tablets, computers, mobile telephones and photocopiers.
Payments under these leases are included in operating expenses in the consolidated income statement, in the same way as variable lease payments which are not included in the initial measurement of lease liabilities. Cash flows relating to lease payments made are included within net cash from operating activities in the consolidated statement of cash flows.

SALE-AND-LEASEBACK TRANSACTIONS

A sale-and-leaseback transaction is a transaction in which the owner of assets sells those assets to third parties and then leases them back. If the sale of the assets by the seller-lessee meets the definition of a sale under IFRS 15:
- the seller-lessee measures the right-of-use asset under the lease as a proportion of the net carrying amount of the asset transferred, which corresponds to the right of use retained by that seller-lessee. Accordingly, the seller-lessee only recognises the net disposal gain or loss that relates to the rights transferred to the buyer-lessor;
- the buyer-lessor accounts for the purchase of the asset applying applicable standards and for the lease applying IFRS 16.

If the sale of the asset by the seller-lessee does not meet the definition of a sale under IFRS 15, the sale-and-leaseback is accounted for as a financing transaction. Accordingly:
- the seller-lessee recognises the transferred asset in its statement of financial position and recognises a financial liability equal to the consideration received from the buyer-lessor;
- the buyer-lessor does not recognise the transferred asset in its statement of financial position but recognises a financial asset equal to the considered transferred.

DEFERRED TAXES

In the event a lease gives rise to a temporary difference, deferred tax is recognised (Note 9).

Group as lessor

When the Group acts as lessor, it classifies each of its leases as either a finance lease or an operating lease.

- Finance leases are treated as a sale of non-current assets to the lessee financed by a loan granted by the lessor. To recognise a finance lease, the Group:
  - derecognises the leased asset from its statement of financial position;
  - recognises a financial receivable in "Financial assets at amortised cost" within "Other current assets" and "Other non-current assets" in its consolidated statement of financial position at an amount equal to the present value, discounted at the contractual interest rate or incremental borrowing rate, of the lease payments receivable under the lease, plus any unguaranteed residual value accruing to the Group;
  - splits the lease income into (i) interest income recognised in the consolidated income statement within "Other financial income", and (ii) amortisation of the principal, which reduces the amount of the receivable.
- For operating leases, the lessor includes the leased assets within "Property, plant and equipment" in its statement of financial position and recognises lease payments received under "Other revenue" in the consolidated income statement on a straight-line basis over the lease term.

7.1 Group as lessee

Details of these leases are provided below.

7.1.1 Statement of financial position information

COMPOSITION OF AND CHANGE IN RIGHT-OF-USE ASSETS

(€ millions)	Land and land improvements	Buildings, fixtures and fittings	Other property, plant and equipment	Other intangible assets	Total
Carrying amount at 1 January 2018 (restated)	**46**	**4,309**	**112**	**24**	**4,491**
New assets	-	863	38	39	940
Remeasurements	1	263	-	-	264
Derecognised assets	-	(40)	-	-	(40)
Depreciation and amortisation for the year	(6)	(653)	(29)	(2)	(691)
Impairment (losses)/reversals, net	(1)	(33)	-	-	(35)
Changes in scope of consolidation	-	3	-	-	3
Effect of movements in exchange rates	-	(145)	(1)	(8)	(154)
IFRS 5 reclassifications	(5)	(281)	(7)	-	(292)
Other reclassifications and movements(i)	-	(41)	-	146	105
Carrying amount at 31 December 2018 (restated)	**34**	**4,244**	**114**	**200**	**4,592**
New assets	**-**	**765**	**149**	**-**	**913**
Remeasurements	**2**	**415**	**-**	**1**	**418**
Derecognised assets	**(7)**	**(91)**	**-**	**-**	**(98)**
Depreciation and amortisation for the year	**(6)**	**(690)**	**(48)**	**(5)**	**(749)**
Impairment (losses)/reversals, net	**-**	**(11)**	**(1)**	**-**	**(11)**
Changes in scope of consolidation	**-**	**5**	**-**	**-**	**5**
Effect of movements in exchange rates	**-**	**(24)**	**-**	**(3)**	**(27)**
IFRS 5 reclassifications	**2**	**(163)**	**(7)**	**-**	**(168)**
Other reclassifications and movements	**-**	**(27)**	**-**	**(10)**	**(37)**
Carrying amount at 31 December 2019	**25**	**4,423**	**207**	**183**	**4,837**

(i) Including BRL 633 million (€147 million) corresponding to the Paes Mendonça receivable reclassified to "Lease premiums" (Note 6.9.1).

LEASE LIABILITIES

(€ millions)	Notes	2019	2018 (restated)
Current portion		**740**	677
Non-current portion		**3,937**	3,560
Total	**11.5.4**	**4,676**	**4,238**
of which France Retail		*2,807*	*2,575*
of which Latam Retail		*1,680*	*1,490*
of which E-commerce		*189*	*173*

Note 11.5.4 provides an analysis of lease liabilities by maturity.

7.1.2 Income statement information

The following amounts were recognised in the 2019 income statement in respect of leases excluded of lease liabilities:

(€ millions)	2019	2018 (restated)
Rental expense relating to variable lease payments(i)	**54**	59
Rental expense relating to short-term leases(i)	**9**	7
Rental expense relating to leases of low-value assets that are not short-term leases(i)	**112**	96

(i) Leases not included in lease liabilities recognised in the statement of financial position.

Depreciation charged against right-of-use assets is presented in Note 7.1.1, while interest expense on lease liabilities is shown in Note 11.3.2.

Sub-letting income included within right-of-use assets is set out in Note 7.2.

7.1.3 Statement of cash flow information

Total lease payments made in the year amounted to €1,120 million (2018: €987 million).

7.1.4 Sale-and-leaseback transactions

The main sale-and-leaseback transactions are described in Note 2.

7.2 Group as lessor

OPERATING LEASES

The following table provides a maturity analysis of payments receivable under operating leases:

(€ millions)	31 December 2019	31 December 2018
Within one year	**65**	64
In one to two years	**36**	36
In two to three years	**25**	21
In three to four years	**20**	14
In four to five years	**15**	10
In five or more years	**63**	58
Undiscounted value of lease payments receivable	**224**	**203**

The following amounts were recognised in the 2019 income statement:

(€ millions)	2019	2018 (restated)
Operating leases		
Lease income(i)	**109**	102
Sub-letting income included within right-of-use assets	**45**	38

(i) Including €12 million in variable lease payments in 2019 that do not depend on an index or rate (2018: €5 million).

Note 8 Employee benefits expense

8.1 Employee benefits expense

Employee benefits expense is analysed by function in Note 6.3.

8.2 Provisions for pensions and other post-employment benefits

Accounting principle

Provisions for pensions and other post-employment benefits

Group companies provide their employees with various employee benefit plans depending on local laws and practice.

- **Under defined contribution plans,** the Group pays fixed contributions into a fund and has no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. Contributions to these plans are expensed as incurred.

- **Under defined benefit plans**, the Group's obligation is measured using the projected unit credit method based on the agreements effective in each company. Under this method, each period of service gives rise to an additional unit of benefit entitlement and each unit is measured separately to build up the final obligation. The final obligation is then discounted. The actuarial assumptions used to measure the obligation vary according to the economic conditions prevailing in the relevant country. The obligation is measured by independent actuaries annually for the most significant plans and for the employment termination benefit, and regularly for all other plans. Assumptions include expected rate of future salary increases, estimated average years of service, life expectancy and staff turnover rates (based on resignations only).

  Actuarial gains and losses arise from the effects of changes in actuarial assumptions and experience adjustments (differences between results based on previous actuarial assumptions and what has actually occurred). All actuarial gains and losses arising on defined benefit plans are recognised immediately in other comprehensive income.

  Past service cost, corresponding to the increase in the benefit obligation resulting from the introduction of a new benefit plan or modification of an existing plan, is expensed immediately.

  The expense in the income statement comprises:
  - service cost, i.e., the cost of services provided during the year, recognised in trading profit;
  - past service cost and the effect of plan curtailments or settlements, generally recognised in "Other operating income and expenses";
  - interest cost, corresponding to the discounting adjustment to the projected benefit obligation net of the return on plan assets, recorded in "Other financial income and expenses". Interest cost is calculated by applying the discount rate defined in IAS 19 to the net obligation (i.e., the projected obligation less related plan assets) recognised in respect of defined benefit plans, as determined at the beginning of the year.

  The provision recognised in the statement of financial position is measured as the net present value of the obligation less the fair value of plan assets.

Provisions for other in service long-term employee benefits

- **Other in-service long-term employee benefits**, such as jubilees, are also covered by provisions, determined on the basis of an actuarial estimate of vested rights as of the reporting date. Actuarial gains and losses on these benefit plans are recognised immediately in profit or loss.

8.2.1 Breakdown of provisions for pensions and other post-employment benefits and for long-term employee benefits

(€ millions)	31 December 2019			31 December 2018		
	Non-current portion	Current portion	Total	Non-current portion	Current portion	Total
Pensions	**310**	**10**	**319**	318	10	328
Jubilees	**35**	**1**	**36**	38	1	38
Bonuses for services rendered	**11**	**-**	**12**	11	-	11
Provisions for pensions and other post-employment benefits and for long-term employee benefits	**357**	**11**	**367**	**366**	**11**	**377**

8.2.2 Presentation of pension plans

DEFINED CONTRIBUTION PLAN

Defined contribution plans are plans in which the Company pays regular contributions into a fund. The Company's obligation is limited to the amount it agrees to contribute to the fund and it offers no guarantee that the fund will have sufficient assets to pay all of the employees' entitlements to benefits. This type of plan predominantly concerns employees of the Group's French subsidiaries, who participate in the government-sponsored basic pension scheme.

In 2019, defined contribution plans represented a cost of €291 million of which 90% concerned the Group's French subsidiaries (€284 million excluding discontinued operations and 89% in 2019).

DEFINED BENEFIT PLAN

In certain countries, local laws or conventional agreements provide for the payment of a lump sum to employees either when they retire or at certain times post-retirement, based on their years of service and final salary at the age of retirement.

8.2.3 Main assumptions used in determining total defined benefit obligations (pension plans)

Defined benefit plans are exposed to risks concerning future interest rates, salary increase rates and mortality rates.

The following table presents the main actuarial assumptions used to measure the projected benefit obligation:

	France		International	
	2019	2018	2019	2018
Discount rate	**0.6%**	1.70%	**6.1% - 6.6%**	6.5% - 7.6%
Expected rate of future salary increases	**1.0% - 1.7%**	1.6% - 2.0%	**3.5%**	3.5%
Retirement age	**62 - 65 years**	62 - 65 years	**57 - 62 years**	57 - 62 years

For French companies, the discount rate is determined by reference to the Bloomberg 15-year AA corporate composite index.

SENSITIVITY ANALYSIS

A 50-basis point increase (decrease) in the discount rate would have the effect of reducing the projected benefit obligation by 6.0% (increasing the projected benefit obligation by 5.9%).

A 50-basis point increase (decrease) in the expected rate of salary increases would have the effect of increasing the projected benefit obligation by 5.6% (reducing the projected benefit obligation by 5.8%).

8.2.4 Change in retirement benefit obligations and plan assets

The following tables show a reconciliation of the projected benefit obligations of all Group companies to the provisions recognised in the consolidated financial statements for the years ended 31 December 2019 and 31 December 2018.

(€ millions)		France		International		Total	
		2019	2018	2019	2018	2019	2018
Projected benefit obligation at 1 January		**341**	**326**	**8**	**14**	**349**	**340**
Items recorded in the income statement		**7**	15	**(1)**	**1**	**6**	16
Service cost		**19**	19	**-**	-	**19**	19
Interest cost		**5**	5	**-**	1	**6**	5
Past service cost		**-**	-	**(2)**	-	**(2)**	-
Curtailments/settlements		**(17)**	(9)	**-**	-	**(17)**	(9)
Items included in other comprehensive income		**13**	**14**	**-**	**(1)**	**13**	**13**
(1) Actuarial (gains) and losses related to:		**13**	14	**-**	(1)	**13**	13
(i) changes in financial assumptions		***16***	*(2)*	**-**	-	***17***	*(2)*
(ii) changes in demographic assumptions		***(3)***	*19*	**-**	*(1)*	***(3)***	*19*
(iii) experience adjustments		**-**	*(4)*	**-**	-	**-**	*(4)*
(2) Effect of movements in exchange rates		**-**	-	**-**	-	**-**	-
Other		**(29)**	**(14)**	**(1)**	**(6)**	**(30)**	**(19)**
Paid benefits		**(12)**	(12)	**(1)**	(1)	**(13)**	(13)
Changes in scope of consolidation		**-**	1	**-**	-	**-**	1
Other movements		**(17)**	(2)	**-**	(5)	**(17)**	(7)
Projected benefit obligation at 31 December	**A**	**332**	**341**	**6**	**8**	**338**	**349**
Weighted average duration of plans						**17**	**17**

(€ millions)		France		International		Total	
		2019	2018	2019	2018	2019	2018
Fair value of plan assets at 1 January		**21**	**23**	**-**	**-**	**21**	**23**
Items recorded in the income statement		**-**	**-**	**-**	**-**	**-**	**-**
Interest on plan assets		**-**	-	**-**	-	**-**	-
Items included in other comprehensive income		**(2)**	**-**	**-**	**-**	**(2)**	**-**
Actuarial (losses) gains (experience adjustments)		**(2)**	-	**-**	-	**(2)**	-
Effect of movements in exchange rates		**-**	-	**-**	-	**-**	-
Other		**-**	**(2)**	**-**	**-**	**-**	**(2)**
Paid benefits		**-**	(2)	**-**	-	**-**	(2)
Changes in scope of consolidation		**-**	-	**-**	-	**-**	-
Other movements		**-**	-	**-**	-	**-**	-
Fair value of plan assets at 31 December	**B**	**19**	**21**	**-**	**-**	**19**	**21**

(€ millions)		France		International		Total	
		2019	2018	2019	2018	2019	2018
NET POST-EMPLOYMENT BENEFIT OBLIGATION	**A-B**	**313**	**320**	**6**	**8**	**319**	**328**
Unfunded projected benefit obligation under funded plans		**102**	**91**	**-**	**-**	**102**	**91**
Projected benefit obligation under funded plans		**121**	**112**	**-**	**-**	**121**	**112**
Fair value of plan assets		**(19)**	**(21)**	**-**	**-**	**(19)**	**(21)**
Projected benefit obligation under unfunded plans		**211**	**229**	**6**	**8**	**218**	**201**

Plan assets consist mainly of units in fixed-rate bond funds.

RECONCILIATION OF PROVISIONS RECORDED IN THE STATEMENT OF FINANCIAL POSITION

(€ millions)	France		International		Total	
	2019	2018	2019	2018	2019	2018
At 1 January	**320**	**303**	**8**	**14**	**328**	**317**
Expense for the year	**7**	15	**(1)**	1	**6**	16
Actuarial gains or losses recognised in equity	**15**	14	**-**	(1)	**15**	13
Effect of movements in exchange rates	**-**	-	**-**	-	**-**	-
Paid benefits	**(12)**	(10)	**(1)**	(1)	**(13)**	(11)
Partial reimbursement of plan assets	**-**	-	**-**	-	**-**	-
Changes in scope of consolidation	**-**	1	**-**	-	**-**	1
Other movements	**(17)**	(3)	**-**	(5)	**(17)**	(7)
At 31 December	**313**	**320**	**7**	**8**	**319**	**328**

BREAKDOWN OF EXPENSE FOR THE YEAR

(€ millions)	France		International		Total	
	2019	2018 (restated)	2019	2018	2019	2018 (restated)
Service cost	**19**	19	**-**	-	**19**	19
Interest cost(i)	**5**	5	**-**	1	**6**	5
Past service cost	**-**	-	**(2)**	-	**(2)**	-
Curtailments/settlements	**(17)**	(9)	**-**	-	**(17)**	(9)
Expense for the year	**7**	**15**	**(1)**	**1**	**6**	**16**
Expense for the year of discontinued operations	**(1)**	-	**-**	-	**(1)**	-
Expense for the year of continuing operations	**6**	**14**	**(1)**	**1**	**5**	**15**

(i) Reported under "Other financial income and expenses".

UNDISCOUNTED FUTURE CASH FLOWS

(€ millions)	Statement of financial position	Undiscounted cash flows					
		2020	2021	2022	2023	2024	Beyond 2024
Post-employment benefits	**319**	**9**	**6**	**10**	**16**	**20**	**849**

8.3 Share-based payment

Accounting principle

Share-based payments

Management and selected employees of the Group receive stock options (options to purchase or subscribe for shares) and free shares.

The benefit represented by stock options, measured at fair value on the grant date, constitutes additional compensation. The grant-date fair value of the options is recognised in "Employee benefits expense" over the option vesting period or in "Other operating expenses" when the benefit relates to a transaction that is also recognised in "Other operating income and expenses" (Note 6.5). The fair value of options is determined using the Black-Scholes option pricing model, based on the plan attributes, market data (including the market price of the underlying shares, share price volatility and the risk-free interest rate) at the grant date and assumptions concerning the probability of grantees remaining with the Group until the options vest.

The fair value of free shares is also determined on the basis of the plan attributes, market data at the grant date and assumptions concerning the probability of grantees remaining with the Group until the shares vest. If the free shares are not subject to any vesting conditions, the cost of the plan is recognised in full on the grant date. Otherwise it is deferred and recognised over the vesting period as and when the vesting conditions are met. When free shares are granted to employees in connection with a transaction affecting the scope of consolidation, the related cost is recorded in "Other operating income and expenses".

Free shares are granted to certain Company managers and store managers. In certain cases, the shares vest in tranches, subject to the attainment of a performance target for the period concerned. In all cases, the shares are forfeited if the grantee leaves the Group before the end of the vesting period.

8.3.1 Impact of share-based payments on earnings and equity

The total net cost of share-based payment plans recognised in the operating income in 2019 was €23 million (2018: €21 million), including €7 million for Casino, Guichard-Perrachon and €16 million for GPA. The net cost is balanced by a positive impact on equity for €22 million.

8.3.2 Casino, Guichard-Perrachon stock option plans

At 31 December 2019, no Casino, Guichard-Perrachon stock options were outstanding.

8.3.3 Casino, Guichard-Perrachon free share plans

FREE SHARE PLAN FEATURES AND ASSUMPTIONS

Date of plan	Vesting date	Number of free shares authorised	Number of shares to be delivered at 31/12/2019	of which number of performance shares(i)	Share price (€)(ii)	Fair value of the share (€)(ii)
12/12/2019	12/12/2022	28,043	28,043	-	45.15	42.37
12/12/2019	12/12/2021	19,260	19,260	-	45.15	44.23
12/12/2019	31/10/2021	8,939	8,939	-	45.15	43.43
12/12/2019	31/07/2021	27,626	27,339	-	45.15	42.88
07/05/2019	07/05/2020	103,665	103,665	-	35.49	29.92
07/05/2019	31/03/2021	5,252	5,252	-	35.49	28.65
07/05/2019	31/01/2021	15,553	15,553	-	35.49	28.37
07/05/2019	07/05/2024	7,809	7,809	7,809	35.49	14.65
07/05/2019	07/05/2022	184,608	155,661	155,661	35.49	16.44
13/12/2018	14/12/2021	32,218	25,643	-	37.10	27.70
13/12/2018	01/12/2020	13,088	13,088	-	37.10	31.46
13/12/2018	01/08/2020	4,144	4,144	-	37.10	30.81
13/12/2018	01/07/2020	2,630	1,315	-	37.10	30.63
15/05/2018	15/05/2021	1,500	1,500	-	40.75	31.36
15/05/2018	15/05/2023	7,326	6,853	6,853	40.75	17.01
15/05/2018	15/05/2021	177,117	116,978	116,978	40.75	18.35
25/04/2018	01/02/2020	11,955	6,742	-	41.89	35.15
20/04/2017	20/04/2022	5,666	5,666	5,666	51	27.25
20/04/2017	20/04/2020	156,307	84,021	84,021	51	28.49
20/04/2017	31/01/2020	245	245	-	51	43.17
13/05/2016	13/05/2020	7,178	4,085	4,085	53.29	34.45
TOTAL		**820,129**	**641,801**	**381,073**		

(i) Performance conditions mainly concern organic sales growth and the level of trading profit or EBITDA of the company that employs the grantee.
(ii) Weighted average

CHANGES IN FREE SHARES

Free share grants	2019	2018
Unvested shares at 1 January	**487,276**	**542,580**
Free share rights granted	**400,755**	349,565
Free share rights cancelled	**(113,768)**	(124,120)
Shares issued	**(132,462)**	(280,749)
Unvested shares at 31 December	**641,801**	**487,276**

8.3.4 Features of GPA stock option plans

- "B Series" stock options are exercisable between the 37th and the 42nd months following the grant date. The exercise price is BRL 0.01 per option.
- "C Series" stock options are exercisable between the 37th and the 42nd months following the grant date. The exercise price corresponds to 80% of the average of the last 20 closing prices for GPA shares quoted on Bovespa.

Name of plan	Grant date	Exercise period start date	Expiry date	Number of options granted (thousands)	Option exercise price *(BRL)*	Number of options outstanding at 31/12/2019
C6 Series	31/05/2019	31/05/2022	30/11/2022	331	70.62	**312**
B6 Series	31/05/2019	31/05/2022	30/11/2022	434	0.01	**414**
C5 Series	31/05/2018	31/05/2021	30/11/2021	594	62.61	**441**
B5 Series	31/05/2018	31/05/2021	30/11/2021	594	0.01	**441**
C4 Series	31/05/2017	31/05/2020	30/11/2020	537	56.78	**273**
B4 Series	31/05/2017	31/05/2020	30/11/2020	537	0.01	**272**
					30.25	**2,153**

MAIN ASSUMPTIONS USED TO VALUE STOCK OPTIONS

GPA uses the following assumptions to value its plans ("Series" 4, 5 and 6 respectively):

- dividend yield: 0.57%, 0.41% and 0.67%;
- projected volatility: 35.19%, 36.52% and 32.74%;
- risk-free interest rate: 9.28% / 10.07%, 9.29% and 7.32%.

The average fair value of outstanding stock options at 31 December 2019 was BRL 56.41.

The table below shows changes in the number of outstanding options and weighted average exercise prices in the years presented:

	2019		2018	
	Number of outstanding options *(thousands)*	Weighted average exercise price *(BRL)*	Number of outstanding options *(thousands)*	Weighted average exercise price *(BRL)*
Options outstanding at 1 January	**2,755**	**26.03**	**2,539**	**29.48**
of which exercisable options	**-**	**-**	-	-
Options granted during the period	**765**	**30.55**	1,378	30.91
Options exercised during the period	**(1,080)**	**21.55**	(697)	31.96
Options cancelled during the period	**(126)**	**31.75**	(229)	38.64
Options that expired during the period	**(161)**	**16.74**	(236)	68.62
Options outstanding at 31 December	**2,153**	**30.25**	**2,755**	**26.03**
of which exercisable options	**-**		-	-

8.4 Gross remuneration and benefits of the members of the Group Executive Committee and the Board of Directors

(€ millions)	**2019**	**2018**
Short-term benefits excluding social security contributions(i)	**21**	32
Social security contributions on short-term benefits	**3**	5
Termination benefits for key executives	**-**	3
Share-based payments(ii)	**4**	7
Total	**28**	**47**

(i) Gross salaries, bonuses, discretionary and statutory profit-sharing, benefits in kind and directors' fees.
(ii) Expense recognised in the income statement in respect of stock option and free share plans.

The members of the Group Executive Committee are not entitled to any specific supplementary pension benefits.

8.5 Average number of Group employees

Average full-time equivalent employees by category	2019	2018 (restated)
Managers	**10,975**	10,816
Staff	**177,359**	177,144
Supervisors	**21,362**	21,377
Group total	**209,696**	**209,337**

Note 9 Income taxes

Accounting principle

Income tax expense corresponds to the sum of the current taxes due by the various Group companies, adjusted for deferred taxes.
Substantially all qualifying French subsidiaries are members of the tax group headed by Casino, Guichard‑ Perrachon and file a consolidated tax return.
Current tax expense reported in the income statement corresponds to the tax expense of the parent company of the tax group and of companies that are not members of a tax group.
Deferred tax assets correspond to future tax benefits arising from deductible temporary differences, tax loss carryforwards, unused tax credits and certain consolidation adjustments that are expected to be recoverable.
Deferred tax liabilities are recognised in full for:

- taxable temporary differences, except where the deferred tax liability results from recognition of a non-deductible impairment loss on goodwill or from initial recognition of an asset or liability in a transaction which is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or the tax loss; and
- taxable temporary differences related to investments in subsidiaries, associates and joint ventures, except when the Group controls the timing of the reversal of the difference and it is probable that it will not reverse in the foreseeable future.

Deferred taxes are recognised using the balance sheet approach and in accordance with IAS 12. They are calculated by the liability method, which consists of adjusting deferred taxes recognised in prior periods for the effect of any enacted changes in the income tax rate.
The Group reviews the probability of deferred tax assets being recovered on a periodic basis for each tax entity. This review may, if necessary, lead to the derecognition of deferred tax assets recognised in prior years. The probability for recovery is assessed based on a tax plan indicating the level of projected taxable profits.
The assumptions underlying the tax plan are consistent with those used in the medium-term business plans and budgets prepared by Group entities and approved by management.

The French corporate value-added tax (*Cotisation sur la Valeur Ajoutée des Entreprises* – CVAE) which is based on the value-added reflected in the separate financial statements, is included in "Income tax expense" in the consolidated income statement.

When payments to holders of equity instruments are deductible for tax purposes, the tax effect is recognised by the Group in the income statement.

The introduction of IFRIC 23 – *Uncertainty over Income Tax Treatments* did not result in any significant changes to the measurement of uncertain tax positions in the financial statements at 31 December 2018. The impact of applying IFRIC 23 was not material, decreasing equity by €7 million at 1 January 2019. In the first half of 2019, the IFRIC was consulted on the classification of liabilities relating to uncertain tax positions in the consolidated statement of financial position. In September 2019, the IFRIC decided that these should be presented within current tax liabilities and/or deferred taxes. This classification was not previously applied by the Group, which reported provisions for uncertain income tax positions within provisions for risks and expenses. As a result of applying IFRIC 23 using the modified retrospective method (i.e., with no restatement of comparative information), the Group reclassified €9 million at 1 January 2019.

9.1 Income tax expense

9.1.1 Analysis of income tax expense

(€ millions)	2019			2018 (restated)		
	France	International	Total	France	International	Total
Current income tax	**(45)**	**(80)**	**(126)**	(89)	(137)	(227)
Other taxes (CVAE)	**(63)**	**-**	**(63)**	(61)	-	(61)
Deferred taxes	**51**	**1**	**52**	87	13	100
Total income tax (expense)/benefit recorded in the income statement	**(58)**	**(79)**	**(137)**	**(64)**	**(124)**	**(188)**
Income tax on items recognised in "Other comprehensive income" (Note 12.7.2)	**14**	**(2)**	**12**	1	(1)	-
Income tax on items recognised in equity	**1**	**13**	**14**	**(2)**	**-**	**(2)**

9.1.2 Tax proof

(€ millions)	2019		2018 (restated)	
Profit/(loss) before tax	**(176)**		**286**	
Theoretical income tax benefit/(expense)[i]	**61**	**-34.43%**	**(99)**	-34.43%
Reconciliation of theoretical income tax expense to actual income tax expense				
Impact of differences in foreign tax rates	**9**	**-4.9%**	7	2.4%
Recognition of previously unrecognised tax benefits on tax losses and other deductible temporary differences[ii]	**15**	**-8.3%**	76	26.6%
Unrecognised deferred tax assets/valuation allowances on recognised deferred tax assets on tax loss carryforwards or other deductible temporary differences[iii]	**(52)**	**29.6%**	(39)	-13.5%
Change in corporate tax rate[iv]	**(44)**	**25.0%**	(36)	-12.5%
CVAE net of income tax	**(42)**	**23.5%**	(40)	-14.1%
Non-deductible interest expense[v]	**(22)**	**12.4%**	(28)	-9.7%
Non-taxable CICE tax credits[vi]	**-**	**-0.2%**	25	8.7%
Non-deductible asset impairment losses	**(24)**	**13.8%**	(34)	-11.8%
Non-deductible exchange losses[vii]	**-**	**-%**	(22)	-7.8%
Tax effect of Brazilian dividends[viii]	**9**	**-5.1%**	18	6.1%
Other taxes on distributed earnings[ix]	**(15)**	**8.7%**	(10)	-3.5%
Deductible interest on deeply-subordinated perpetual bonds	**10**	**-5.9%**	17	5.9%
Taxation of Mercialys shares	**(3)**	**1.8%**	(6)	-2.2%
Reduced-rate asset disposals and changes in scope of consolidation	**(14)**	**8.0%**	2	0.7%
Other	**(24)**	**13.6%**	(18)	-6.4%
Actual income tax benefit/(expense)/Effective tax rate	**(137)**	**77.8%**	**(188)**	**-65.7%**

(i) The reconciliation of the effective tax rate paid by the Group is based on the current French rate of 34.43%, unchanged from 2018.

(ii) In 2019, this concerned the E-commerce segment for €3 million and the France Retail segment for €11 million. In 2018, this concerned the E-commerce segment for €39 million and the France Retail segment for €32 million.

(iii) In 2019, this concerned the E-commerce segment for €29 million and the France Retail segment for €20 million. In 2018, this concerned the E-commerce segment for €29 million and the France Retail segment for €10 million.

(iv) In 2019, the main impact relates to disposals of store properties and stores in the France Retail segment. In 2018, the main impact related to disposals of Monoprix store properties.

(v) Tax laws in some countries cap the deductibility of interest paid by companies. Up to 31 December 2018, French companies were required to add back 25% of interest expense to their taxable profit. This capping mechanism was reformed and a new mechanism put in place as of 1 January 2019. The impact on the two periods presented essentially concerns the France scope.

(vi) See Note 6.3.

(vii) In 2018, this item corresponded to the non-deductible negative foreign currency translation reserve reclassified to profit or loss (Note 6.5).

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

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

9.2 Deferred taxes

9.2.1 Change in deferred tax assets

(€ millions)	2019	2018 (restated)
At 1 January	**667**	**619**
(Expense)/benefit for the year	**46**	67
Impact of changes in scope of consolidation	**(1)**	5
IFRS 5 reclassifications	**(21)**	(4)
Effect of movements in exchange rates and other reclassifications	**54**	(21)
Changes in deferred tax liabilities recognised directly in equity	**26**	1
At 31 December	**772**	**667**

The deferred tax benefit, net of deferred tax liabilities (Note 9.2.2) of discontinued operations, was €46 million in 2019 (2018: deferred tax expense of €7 million).

9.2.2 Change in deferred tax liabilities

(€ millions)	2019	2018 (restated)
At 1 January	**667**	**740**
Expense/(benefit) for the year	**(51)**	(26)
Impact of changes in scope of consolidation	**(44)**	4
IFRS 5 reclassifications	**1**	(10)
Effect of movements in exchange rates and other reclassifications	**(6)**	(45)
Changes in deferred tax liabilities recognised directly in equity	**-**	3
At 31 December	**566**	**667**

9.2.3 Deferred tax assets and liabilities by source

(€ millions)	Notes	Net	
		31 December 2019	31 December 2018 (restated)
Intangible assets		**(599)**	(662)
Property, plant and equipment		**(132)**	(155)
Right-of-use assets net of lease liabilities		**130**	63
Inventories		**31**	(6)
Financial instruments		**71**	34
Other assets		**(78)**	(75)
Provisions		**200**	210
Regulated provisions		**(89)**	(128)
Other liabilities		**14**	77
Tax loss carryforwards and tax credits		**657**	643
Net deferred tax asset (liability)		**206**	**-**
Deferred tax assets recognised in the statement of financial position	9.2.1	**772**	667
Deferred tax liabilities recognised in the statement of financial position	9.2.2	**566**	667
Net		**206**	**-**

The tax saving realised by the Casino, Guichard-Perrachon tax group amounted to €346 million in 2019 (2018: €399 million).

Recognised tax loss carryforwards and tax credits mainly concern the Casino Guichard-Perrachon, Éxito and GPA tax groups. The corresponding deferred tax assets have been recognised in the statement of financial position as their utilisation is considered probable in view of the forecast future taxable profits of the companies concerned. At 31 December 2019, deferred tax assets amounted to €347 million for Casino, Guichard-Perrachon, €117 million for Éxito and €62 million for GPA. These amounts are expected to be recovered by 2026 for Casino, Guichard-Perrachon, 2024 for Éxito and 2024 for GPA.

9.2.4 Unrecognised deferred tax assets

At 31 December 2019, unrecognised deferred tax assets for tax loss carryforwards amounted to around €551 million (excluding Leader Price), representing an unrecognised deferred tax effect of €147 million (31 December 2018: €400 million, representing an unrecognised deferred tax effect of €106 million). These tax loss carryforwards mainly concern the Franprix sub-group and Cdiscount.

Expiry dates of unrecognised tax loss carryforwards

(€ millions)	2019	2018
Within one year	**1**	-
In one to two years	**2**	-
In two to three years	**1**	2
In more than three years	**1**	6
Without expiry date	**142**	98
Total	**147**	**106**

Note 10 Intangible assets, property, plant and equipment, and investment property

Accounting principle

The cost of non-current assets corresponds to their purchase cost plus transaction expenses including tax. For intangible assets, property, plant and equipment, and investment property, these expenses are added to the assets' carrying amount and follow the same accounting treatment.

10.1 Goodwill

Accounting principle

At the acquisition date, goodwill is measured in accordance with the accounting principle applicable to "Business combinations", described in Note 3. It is allocated to the cash generating unit (CGU) or groups of cash generating units that benefit from the synergies of the combination, based on the level at which the return on investment is monitored for internal management purposes. Goodwill is not amortised. It is tested for impairment at each year-end, or whenever events or a change of circumstances indicate that it may be impaired. Impairment losses on goodwill are not reversible. The methods used by the Group to test goodwill for impairment are described in the "Impairment of non-current assets" section in Note 10.5. Negative goodwill is recognised directly in the income statement for the period of the business combination, once the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities have been verified.

10.1.1 Breakdown by business line and geographical area

(€ millions)	31 December 2019 Net	31 December 2018 Net
France Retail	**4,359**	**5,487**
Hypermarkets, supermarkets and convenience stores	*1,405*	*1,432*
Franprix-Leader Price[(i)]	*1,599*	*2,693*
Monoprix	*1,333*	*1,323*
Other	*22*	*38*
E-commerce (France)	**61**	**61**
Latam Retail	**3,068**	**3,134**
Argentina	*64*	*66*
Brazil (GPA Food)	*2,236*	*2,272*
Colombia	*505*	*501*
Uruguay	*263*	*296*
Casino Group	**7,489**	**8,682**

(i) Including €1,106 million in Leader Price goodwill separated in 2019 when classification in assets held for sell in accordance with IFRS 5.

10.1.2 Movements for the year

(€ millions)	2019	2018 (restated)
Carrying amount at 1 January	**8,682**	**9,092**
Goodwill recognised during the year[i]	**18**	113
Impairment losses recognised during the year	**(18)**	(1)
Goodwill written off on disposals	**(4)**	(4)
Effect of movements in exchange rates	**(88)**	(316)
Reclassifications and other movements[ii]	**(1,103)**	(203)
Carrying amount at 31 December	**7,489**	**8,682**

(i) The €113 million increase in goodwill at 31 December 2018 mainly reflected (a) goodwill of €76 million recognised on the acquisition of various sub-groups and individual businesses by Franprix-Leader Price (Note 3.2.2) and (b) goodwill of €16 million recognised on the acquisition of Sarenza (Note 3.2.1).

(ii) In 2019, this line reflects the reclassification of Leader Price within assets held for sale in an amount of €1,106 million. In 2018, this line reflected (i) the reclassification of assets from the France Retail segment within assets held for sale; and (ii) the remeasurement of goodwill in Argentina for €61 million, in application of IAS 29.

10.2 Other intangible assets

Accounting principle

Intangible assets acquired separately by the Group are initially recognised at cost and those acquired in business combinations are initially recognised at fair value. Intangible assets consist mainly of purchased software, software developed for internal use, trademarks, patents and costs to obtain contracts. Trademarks that are created and developed internally are not recognised in the statement of financial position. Intangible assets are amortised on a straight-line basis over their estimated useful lives, as determined separately for each asset category. Capitalised development costs are amortised over three years and software over three to ten years. Indefinite life intangible assets (including purchased trademarks) are not amortised, but are tested for impairment at each year-end or whenever there is an indication that their carrying amount may not be recovered.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from derecognition of an asset is determined as the difference between the net sale proceeds, if any, and the carrying amount of the asset. It is recognised in profit or loss ("Other operating income and expenses") when the asset is derecognised.

Residual values, useful lives and depreciation methods are reviewed at each year-end and revised prospectively if necessary.

10.2.1 Breakdown

(€ millions)	31 December 2019			31 December 2018 (restated)		
	Gross amount	Accumulated amortisation and impairment	Net	Gross amount	Accumulated amortisation and impairment	Net
Concessions, trademarks, licences and banners	**1,536**	**(26)**	**1,511**	1,552	(26)	1,526
Software	**1,295**	**(855)**	**441**	1,142	(764)	378
Other	**505**	**(161)**	**345**	525	(165)	360
Intangible assets	**3,337**	**(1,041)**	**2,296**	**3,219**	**(954)**	**2,265**

10.2.2 Movements for the year

(€ millions)	Concessions, trademarks, licences and banners	Software	Other intangible assets	Total
Carrying amount at 1 January 2018 (restated)	**1,618**	**358**	**289**	**2,266**
Changes in scope of consolidation	16	-	(4)	12
Additions and acquisitions	1	66	205	271
Assets disposed of during the year	-	-	(3)	(3)
Amortisation for the year	(1)	(106)	(53)	(160)
Impairment (losses)/reversals, net	(6)	(6)	(2)	(14)
Effect of movements in exchange rates	(98)	(16)	-	(114)
IFRS 5 reclassifications	(5)	-	(1)	(6)
Other reclassifications and movements	1	82	(70)	13
Carrying amount at 31 December 2018 (restated)	**1,526(i)**	**378**	**360(ii)**	**2,265**
Changes in scope of consolidation	**-**	**-**	**(5)**	**(5)**
Additions and acquisitions	**2**	**66**	**201**	**269**
Assets disposed of during the year	**1**	**(4)**	**(4)**	**(7)**
Amortisation for the year	**-**	**(113)**	**(64)**	**(177)**
Impairment (losses)/reversals, net	**(3)**	**(2)**	**(4)**	**(8)**
Effect of movements in exchange rates	**(14)**	**(3)**	**-**	**(17)**
IFRS 5 reclassifications	**-**	**-**	**(30)**	**(30)**
Other reclassifications and movements	**(2)**	**118**	**(110)**	**7**
Carrying amount at 31 December 2019	**1,511(i)**	**441**	**345(ii)**	**2,296**

(i) Including trademarks for €1,509 million (31 December 2018: €1,525 million).
(ii) Including costs to obtain contracts for €113 million (31 December 2018: €152 million) (Note 6.1.2).

Internally-generated intangible assets (mainly information systems developments) represented €92 million at 31 December 2019 (31 December 2018: €65 million).

Intangible assets at 31 December 2019 include trademarks with an indefinite life, carried in the statement of financial position for €1,509 million, allocated to the following groups of CGUs:

(€ millions)	31 December 2019	31 December 2018
Latam Retail	**926**	**939**
of which Brazil (GPA Food)(i)	***742***	*753*
of which Colombia	***159***	*157*
of which Uruguay	***25***	*28*
France Retail	**573**	**577**
of which Casino France	***1***	*1*
of which Monoprix(i)	***572***	*576*
E-commerce	**9**	**9**

(i) Trademarks are allocated to the following GPA Food banners in Brazil and Monoprix banners in France:

(€ millions)	31 December 2019	31 December 2018
GPA Food	**742**	**753**
Pão de Açúcar	231	235
Extra	397	404
Assaí	113	115
Other	1	-
Monoprix	**572**	**576**
Monoprix	552	552
Other	20	24

Intangible assets were tested for impairment at 31 December 2019 using the method described in Note 10.5 "Impairment of non-current assets". The test results are presented in the same note.

10.3 Property, plant and equipment

Accounting principle

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.
Subsequent expenditures are recognised in assets if they satisfy the recognition criteria of IAS 16. The Group examines these criteria before incurring the expenditure.

Land is not depreciated. All other items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives for each category of assets, with generally no residual value. The main useful lives are as follows:

Asset category	Depreciation period (years)
Land	-
Buildings (structure)	50
Roof waterproofing	15
Fire protection of the building structure	25
Land improvements	10 to 40
Building fixtures and fittings	5 to 20
Technical installations, machinery and equipment	5 to 20
Computer equipment	3 to 5

"Roof waterproofing" and "Fire protection of the building structure" are classified as separate items of property, plant and equipment only when they are installed during major renovation projects. In all other cases, they are included in the "Building (structure)" category.

Property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. The gain or loss arising from derecognition of an asset is determined as the difference between the net sale proceeds, if any, and the carrying amount of the asset. It is recognised in profit or loss ("Other operating income and expenses") when the asset is derecognised.

Residual values, useful lives and depreciation methods are reviewed at each year-end and revised prospectively if necessary.

10.3.1 Breakdown

(€ millions)	31 December 2019			31 December 2018 (restated)		
	Gross amount	Accumulated depreciation and impairment	Net	Gross amount	Accumulated depreciation and impairment	Net
Land and land improvements	**959**	**(74)**	**886**	1,225	(78)	1,146
Buildings, fixtures and fittings	**3,262**	**(1,229)**	**2,033**	3,729	(1,458)	2,271
Other	**6,287**	**(4,093)**	**2,194**	6,761	(4,336)	2,425
Property, plant and equipment	**10,508**	**(5,395)**	**5,113**	**11,714**	**(5,871)**	**5,843**

10.3.2 Movements for the year

(€ millions)	Land and land improvements	Buildings, fixtures and fittings	Other	Total
Carrying amount at 1 January 2018 (restated)	**1,868**	**2,816**	**2,641**	**7,325**
Changes in scope of consolidation	18	25	34	77
Additions and acquisitions	18	175	686	879
Assets disposed of during the year	(65)	(108)	(153)	(326)
Depreciation for the year	(4)	(138)	(376)	(518)
Impairment (losses)/reversals, net	(14)	21	(66)	(59)
Effect of movements in exchange rates	(56)	(169)	(88)	(313)
IFRS 5 reclassifications	(598)	(399)	(158)	(1,155)
Other reclassifications and movements	(21)	48	(95)	(68)
Carrying amount at 31 December 2018 (restated)	**1,146**	**2,271**	**2,425**	**5,843**
Changes in scope of consolidation	**-**	**(2)**	**3**	**1**
Additions and acquisitions	**20**	**217**	**631**	**868**
Assets disposed of during the year	**(21)**	**(110)**	**(57)**	**(188)**
Depreciation for the year	**(3)**	**(124)**	**(348)**	**(476)**
Impairment (losses)/reversals, net	**(7)**	**(9)**	**(54)**	**(70)**
Effect of movements in exchange rates	**(23)**	**(42)**	**(15)**	**(80)**
IFRS 5 reclassifications	**(227)**	**(269)**	**(257)**	**(754)**
Other reclassifications and movements	**1**	**101**	**(133)**	**(31)**
Carrying amount at 31 December 2019	**886**	**2,033**	**2,194**	**5,113**

Property, plant and equipment were tested for impairment at 31 December 2019 using the method described in Note 10.5 “Impairment of non-current assets”. The test results are presented in the same note.

10.3.3 Capitalised borrowing costs

Accounting principle

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale (typically more than six months) are capitalised in the cost of that asset. All other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing costs are interest and other costs incurred by an entity in connection with the borrowing of funds.

Interest capitalised in 2019 amounted to €5 million, reflecting an average interest rate of 6.1% (2018: €11 million at an average rate of 6.1%).

10.4 Investment property

Accounting principle

Investment property is property held by the Group or leased by the Group (in which case it gives rise to a right-of-use asset) to earn rental revenue or for capital appreciation or both. The shopping malls owned by the Group are classified as investment property.

Subsequent to initial recognition, they are measured at historical cost less accumulated depreciation and any accumulated impairment losses. Investment property is depreciated over the same useful life and according to the same rules as owner-occupied property.

10.4.1 Breakdown

(€ millions)	31 December 2019			31 December 2018		
	Gross amount	Accumulated depreciation and impairment	Net	Gross amount	Accumulated depreciation and impairment	Net
Investment property	**609**	**(115)**	**493**	**603**	**(106)**	**497**

10.4.2 Movements for the year

(€ millions)	2019	2018
Carrying amount at 1 January	**497**	**494**
Changes in scope of consolidation	**4**	1
Additions and acquisitions	**14**	59
Assets disposed of during the year	**-**	(1)
Depreciation for the year	**(14)**	(8)
Impairment (losses)/reversals, net	**(4)**	(1)
Effect of movements in exchange rates	**(15)**	(29)
IFRS 5 reclassifications	**(7)**	(18)
Other reclassifications and movements[(i)]	**19**	-
Carrying amount at 31 December	**493**	**497**

(i) Including €19 million relating to the remeasurement at Libertad in application of IAS 29 – *Financial Reporting in Hyperinflationary Economies*.

At 31 December 2019, investment property totalled €493 million, of which 72% (€356 million) concerned Éxito. Investment property at 31 December 2018 amounted to €497 million, of which 69% concerned Éxito.

Amounts recognised in the income statement in respect of rental revenue and operating expenses on investment properties were as follows:

(€ millions)	2019	2018
Rental revenue from investment properties	**86**	74
Directly attributable operating expenses on investment properties		
- that generated rental revenue during the year	**(19)**	(18)
- that did not generate rental revenue during the year	**(33)**	(28)

Fair value of investment property

The main investment properties at 31 December 2019 were held by Éxito.
At 31 December 2019, the fair value of investment property was €816 million (31 December 2018: €847 million) For most investment properties, fair value is determined on the basis of valuations carried out by independent valuers. In accordance with international valuation standards, they are based on market value as confirmed by market indicators, representing a level 3 fair value input.
The fair value of investment property classified as "Assets held for sale" was €16 million at 31 December 2019 and primarily concerned the France Retail segment (31 December 2018: €24 million).

10.5 Impairment of non-current assets (intangible assets, property, plant and equipment, investment property and goodwill)

Accounting principle

The procedure to be followed to ensure that the carrying amount of assets does not exceed their recoverable amount (recovered by use or sale) is defined in IAS 36.
Intangible assets and property, plant and equipment are tested for impairment whenever there is an indication that their carrying amount may not be recoverable and at least annually, at the end of the year, for goodwill and intangible assets with an indefinite useful life.

Cash Generating Units (CGUs)

A cash generating unit is the smallest identifiable group of assets that includes the asset and that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.
The Group has defined its cash generating units as follows:

- for hypermarkets, supermarkets and discount stores, each store is treated as a separate CGU;
- for other networks, each network represents a separate CGU.

Impairment indicators

Apart from the external sources of data monitored by the Group (economic environment, market value of the assets, etc.), the impairment indicators used are based on the nature of the assets:

- land and buildings: loss of rent or early termination of a lease;
- operating assets related to the business (assets of the CGU): ratio of net carrying amount of store assets divided by sales (including VAT) higher than a defined level determined separately for each store category;
- assets allocated to administrative activities (headquarters and warehouses): site closure or obsolescence of equipment used at the site.

Recoverable amount

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. It is generally determined separately for each asset. When this is not possible, the recoverable amount of the group of CGUs to which the asset belongs is used.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. In the retail industry, fair value less costs to sell is generally determined on the basis of a sales or EBITDA multiple.

Value in use is the present value of the future cash flows expected to be derived from continuing use of an asset plus a terminal value. It is determined internally or by external experts on the basis of:

- cash flow projections contained usually in business plans covering three years. Cash flows beyond this projection period are usually estimated over a period of three years by applying a growth rate as determined by management (generally constant);
- a terminal value determined by applying a perpetual growth rate to the final year's cash flow projection.

The cash flows and terminal value are discounted at long-term after-tax market rates reflecting market estimates of the time value of money and the specific risks associated with the asset.

Impairment losses

An impairment loss is recognised when the carrying amount of an asset or the CGU to which it belongs is greater than its recoverable amount. Impairment losses are recorded as an expense under "Other operating income and expenses".

Impairment losses recognised in a prior period are reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. However, the increased carrying amount of an asset attributable to a reversal of an impairment loss may not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Impairment losses on goodwill cannot be reversed.

10.5.1 Movements for the year

Net impairment losses recognised in 2019 on goodwill, intangible assets, property, plant and equipment, investment property and right-of-use assets totalled €111 million (Note 6.5), of which €52 million arose from restructuring operations (mainly in the France Retail segment for €31 million and in the Latam Retail segment for €21 million) and €59 million corresponded to write-downs of individual assets (mainly in the France Retail segment for €55 million, the E-commerce segment for €3 million and the Latam Retail segment for €1 million).

Following the tests carried out in 2018, impairment losses totalling €68 million had been recognised on goodwill, intangible assets and property, plant and equipment, of which €24 million arose from restructuring operations mainly in the France Retail segment and €43 million corresponded to write-downs of individual assets (primarily in the France Retail segment for €41 million and in the E-commerce segment for €4 million).

10.5.2 Goodwill impairment losses

Annual impairment testing consists of determining the recoverable amounts of the CGUs or groups of CGUs to which the goodwill is allocated and comparing them with the carrying amounts of the relevant assets. Goodwill arising on the initial acquisition of networks is allocated to the groups of CGUs in accordance with the classifications presented in Note 10.1.1. Some goodwill may also occasionally be allocated directly to CGUs.

Annual impairment testing consists of determining the recoverable amount of each CGU based on value in use, in accordance with the principles described in Note 10.1. Value in use is determined by the discounted cash flows method, based on after-tax cash flows and using the following rates.

Assumptions used in 2019 for internal calculations of values in use

Region	2019 perpetual growth rate(i)	2019 after-tax discount rate(ii)	2018 perpetual growth rate(i)	2018 after-tax discount rate(ii)
France (retail)	**1.7%**	**5.6%**	**1.9%**	**5.6%**
France (other)	**1.7% and 2.2%**	**5.6% and 7.9%**	**1.9% and 2.4%**	**5.6% and 7.7%**
Argentina	**5.0%**	**21.1%**	**4.9%**	**14.4%**
Brazil(iii)	**4.8%**	**8.4%**	**5.5%**	**10.1%**
Colombia(iii)	**3%**	**8.0%**	**3.0%**	**9.0%**
Uruguay	**7%**	**11.9%**	**6.1%**	**11.2%**

(i) The inflation-adjusted perpetual growth rate ranges from 0% to 1.5% depending on the nature of the CGU's business/banner and country.
(ii) The discount rate corresponds to the weighted average cost of capital (WACC) for each country. WACC is calculated at least once a year during the annual impairment testing exercise by taking account of the sector's levered beta, a market risk premium and the Group's cost of debt for France and the local cost of debt for subsidiaries outside France.
(iii) At 31 December 2019, the market capitalisation of the listed subsidiaries GPA, Éxito and Cnova was €5,202 million, €1,683 million and €856 million, respectively. With the exception of Cnova, these market capitalisations were less than the carrying amount of the subsidiaries' net assets. Impairment tests on GPA and Éxito goodwill were performed based on their value in use (see below).

At 31 December 2019 the Group recognised a €17 million impairment loss against the catering business in France as a result of the year-end goodwill impairment test.

In view of the positive difference between value in use and carrying amount, the Group believes that on the basis of reasonably foreseeable events, any changes in the key assumptions set out above would not lead to the recognition of an impairment loss. The Group considers reasonably foreseeable changes in key assumptions to be a 100-basis point increase in the discount rate or a 25-basis point decrease in the perpetual growth rate used to calculate terminal value or a 50-basis point decrease in the EBITDA margin for the cash flow projection used to calculate the terminal value.

10.5.3 Trademark impairment losses

The recoverable amounts of trademarks were estimated at the year-end using the discounted cash flows method. The main trademarks concern GPA. The Extra banner's trademark (representing a carrying amount of €397 million at 31 December 2019) is less exposed to a risk of impairment than at the end of 2018. No impairment losses were recognised at 31 December 2019 as a result of these tests and none would have been recognised in the event of a reasonable change in the main assumptions used in those tests.

Note 11 Financial structure and finance costs

Accounting principle

Financial assets

Financial assets are initially measured at fair value plus directly attributable transaction costs in the case of instruments not measured at fair value through profit or loss. Directly attributable transaction costs of financial assets measured at fair value through profit or loss are recorded in the income statement.

Financial assets are classified in the following three categories:
- financial assets at amortised cost;
- financial assets at fair value through other comprehensive income (FVOCI);
- financial assets at fair value through profit or loss.

The classification depends on the business model within which the financial asset is held and the characteristics of the instrument's contractual cash flows.

Financial assets are classified as current if they are due in less than one year at the closing date and non-current if they are due in more than one year.

Financial assets at amortised cost

Financial assets are measured at amortised cost when (i) they are not designated as financial assets at fair value through profit or loss, (ii) they are held within a business model whose objective is to hold assets in order to collect contractual cash flows and (iii) they give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding ("SPPI" criterion).
They are subsequently measured at amortised cost, determined using the effective interest method, less any expected impairment losses in relation to the credit risk. Interest income, exchange gains and losses, impairment losses and gains and losses arising on derecognition are all recorded in the income statement.
This category primarily includes trade receivables (except for GPA credit card receivables), cash and cash equivalents as well as other loans and receivables.
Long-term loans and receivables that are not interest-bearing or that bear interest at a below-market rate are discounted when the amounts involved are material.

Financial assets at fair value through other comprehensive income (OCI)

This category comprises debt instruments and equity instruments.
- Debt instruments are measured at fair value through OCI when (i) they are not designated as financial assets at fair value through profit or loss, (ii) they are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and (iii) they give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding ("SPPI" criterion). Interest income, exchange gains and losses and impairment losses are recorded in the income statement. Other net gains and losses are recorded in OCI. When the debt instrument is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified to profit or loss.
  This category mainly consists of GPA credit card receivables.
- Equity instruments that are not held for trading may also be measured at fair value through OCI. This method may be chosen separately for each investment. The choice is irrevocable. Dividends received are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other gains and losses are recorded in OCI and are never reclassified to profit or loss. At present, the Group's use of this option is non-material.

Financial assets at fair value through profit or loss

All financial assets that are not classified as financial assets at amortised cost or at fair value through OCI are measured at fair value through profit or loss. Gain and losses on these assets, including interest or dividend income, are recorded in the income statement.
This category mainly comprises derivative instruments that do not qualify for hedge accounting and investments in non-consolidated companies, for which the Group decided not to use the fair value through other comprehensive income (OCI) option.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and short-term investments.
To be classified as cash equivalents under IAS 7, investments must be:
- short-term investments;
- highly liquid investments;
- readily convertible to known amounts of cash;
- subject to an insignificant risk of changes in value.

Usually, the Group uses interest bearing bank accounts or term deposits of less than three months.

IMPAIRMENT OF FINANCIAL ASSETS

IFRS 9 requires the recognition of lifetime expected credit losses on financial assets. This impairment model applies to financial assets at amortised cost (including cash-based instruments), contract assets and debt instruments at fair value through OCI.
The main financial assets concerned are trade receivables relating to Brazilian credit activities, trade receivables from franchisees and affiliated stores and rent receivables.
For trade and rent receivables and contract assets, the Group applies the simplified approach provided for in IFRS 9. This approach consists of estimating lifetime expected credit losses on initial recognition, usually using a provision matrix that specifies provision rates depending on the number of days that a receivable is past due.
For other financial assets, the Group applies the general impairment model.

DERECOGNITION OF FINANCIAL ASSETS

Financial assets are derecognised in the following two cases:

- the contractual rights to the cash flows from the financial asset have expired; or,
- the contractual rights have been transferred. In this latter case:
  - if substantially all the risks and rewards of ownership of the financial asset have been transferred, the asset is derecognised in full;
  - if substantially all the risks and rewards of ownership are retained by the Group, the financial asset continues to be recognised in the statement of financial position for its total amount.

Financial liabilities

Financial liabilities are classified as current if they are due in less than one year at the closing date and non-current if they are due in more than one year.

The accounting treatment of put options granted to owners of non-controlling interests ("NCI puts") is described in Note 3.4.1.

FINANCIAL LIABILITIES RECOGNISED AT AMORTISED COST

Borrowings and other financial liabilities at amortised cost are initially measured at the fair value of the consideration received, and subsequently at amortised cost, using the effective interest method. Transaction costs and issue and redemption premiums directly attributable to the acquisition or issue of a financial liability are deducted from the liability's carrying amount. The costs are then amortised over the life of the liability by the effective interest method.
Within the Group, some loans and other financial liabilities at amortised cost are hedged.
Several subsidiaries have set up reverse factoring programmes with financial institutions to enable their suppliers to collect receivables more quickly in the ordinary course of the purchasing process. The accounting policy for these transactions depends on whether or not the characteristics of the liabilities concerned have been changed. For example, when trade payables are not substantially modified (term and due date, consideration, face value) they continue to be recorded under "Trade payables". Otherwise, they are qualified as financing transactions and included in financial liabilities under "Trade payables – structured programme".

FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

These are mainly derivative instruments (see below). There are no financial liabilities intended to be held on a short-term basis for trading purposes. They are measured at fair value and gains and losses arising from remeasurement at fair value are recognised in the income statement. The Group does not hold any financial liabilities for trading other than derivative instruments at fair value through profit or loss.

Derivative instruments

All derivative instruments are recognised in the statement of financial position and measured at fair value.

DERIVATIVE FINANCIAL INSTRUMENTS THAT QUALIFY FOR HEDGE ACCOUNTING: RECOGNITION AND PRESENTATION

In accordance with IFRS 9, the Group applies hedge accounting to:

- fair value hedges of a liability (for example, swaps to convert fixed rate debt to variable rate); the hedged item is recognised at fair value and any change in fair value is recognised in profit or loss. Gains and losses arising from remeasurement of the hedge at fair value are also recognised in profit or loss. If the hedge is entirely effective, the loss or gain on the hedged debt is offset by the gain or loss on the derivative;

- cash flow hedges (for example, swaps to convert floating rate debt to fixed rate or to change the borrowing currency, and hedges of budgeted purchases billed in a foreign currency). For these hedges, the ineffective portion of the change in the fair value of the derivative is recognised in profit or loss and the effective portion is recognised in "Other comprehensive income" and subsequently reclassified to profit or loss on a symmetrical basis with the hedged cash flows in terms of both timing and classification (i.e., in trading profit for hedges of operating cash flows and in net financial income and expense for other hedges). The premium/discount component of forward foreign exchange contracts is treated as a hedging cost.

- Changes in the fair value of this component are recorded in "Other comprehensive income" and reclassified to profit or loss as part of the cost of the hedged transaction on the transaction date (basis of adjustment method);

- hedges of net investments in foreign operations. For these hedges, the effective portion of the change in fair value attributable to the hedged foreign currency risk is recognised net of tax in other comprehensive income and the ineffective portion is recognised directly in financial income or expense. Gains or losses accumulated in other comprehensive income are reclassified to profit or loss on the date of liquidation or disposal of the net investment.

Hedge accounting may only be used if:
- the hedging instruments and hedged items included in the hedging relationship are all eligible for hedge accounting;
- the hedging relationship is clearly defined and documented at inception; and
- the effectiveness of the hedge can be demonstrated at inception and throughout its life.

DERIVATIVE FINANCIAL INSTRUMENTS THAT DO NOT QUALIFY FOR HEDGE ACCOUNTING: RECOGNITION AND PRESENTATION

When a derivative financial instrument does not qualify or no longer qualifies for hedge accounting, successive changes in its fair value are recognised directly in profit or loss for the period under "Other financial income and expenses".

Definition of net debt

Net debt corresponds to gross borrowings and debt including derivatives designed as fair value hedge (liabilities) and trade payables - structured programme, less (i) cash and cash equivalents, (ii) financial assets held for cash management purposes and as short-term investments, (iii) derivatives designated as fair value hedge (assets), (iv) financial assets arising from a significant disposal of non-current assets and (v) net assets held for sale attributable to owners of the parent of the selling subsidiary.

11.1 Net cash and cash equivalents

(€ millions)	**31 December 2019**	**31 December 2018**
Cash equivalents	**1,074**	1,184
Cash	**2,497**	2,546
Cash and cash equivalents	**3,572**	**3,730**
Bank overdrafts (Note 11.2.4)	**(101)**	(138)
Net cash and cash equivalents	**3,471**	**3,592**

As of 31 December 2019, cash and cash equivalents are not subject to any material restriction.

Bank guarantees are presented in Note 6.11.1.

11.2 Loans and borrowings

11.2.1 Breakdown

Gross borrowings and debt amounted to €9,649 million at 31 December 2019 (31 December 2018: €8,980 million), breaking down as follows:

(€ millions)	Notes	31 December 2019			31 December 2018 (restated)		
		Non-current portion	Current portion	Total	Non-current portion	Current portion	Total
Bonds[i]	11.2.3	**6,661**	**758**	**7,418**	5,470	939	6,409
Other loans and borrowings	11.2.4	**1,430**	**784**	**2,214**	1,311	1,257	2,568
Fair value hedges – liabilities[ii]	11.5.1	**10**	**8**	**17**	-	3	3
Gross borrowings and debt		**8,100**	**1,549**	**9,649**	**6,782**	**2,199**	**8,980**
Fair value hedges – assets[iii]	11.5.1	**(62)**	**(17)**	**(78)**	(67)	(34)	(101)
Other financial assets	6.8.1/6.9.1	**(54)**	**(288)**	**(342)**	(8)	(78)	(86)
Loans and borrowings[v]		**7,984**	**1,244**	**9,229**	**6,707**	**2,086**	**8,794**
of which France Retail		*5,425*	*139*	*5,563*	*4,793*	*1,131*	*5,924*
of which Latam Retail[iv]		*2,560*	*806*	*3,366*	*1,914*	*721*	*2,635*
of which E-commerce		*-*	*299*	*299*	*-*	*234*	*234*
Net assets held for sale attributable to owners of the parent of the selling subsidiary	3.5	**-**	**(1,604)**	**(1,604)**	-	(1,686)	(1,686)
Cash and cash equivalents	11.1	**-**	**(3,572)**	**(3,572)**	-	(3,730)	(3,730)
of which France Retail				*(1,715)*			*(2,097)*
of which Latam Retail				*(1,778)*			*(1,597)*
of which E-commerce				*(78)*			*(36)*
Cash and cash equivalents and net assets held for sale		**-**	**(5,175)**	**(5,175)**	**-**	**(5,416)**	**(5,416)**
NET DEBT		**7,984**	**(3,931)**	**4,053**	**6,707**	**(3,329)**	**3,378**
of which France Retail				*2,282*			*2,724*
of which Latam Retail				*1,550*			*1,018*
of which Latam Electronics				*-*			*(563)*
of which E-commerce				*221*			*199*

(i) Of which bond issues totalling €4,850 million in France and €2,568 million at GPA at 31 December 2019 (31 December 2018: of which bond issues totalling €5,491 million in France and €919 million at GPA).
(ii) Including €11 million in France and €7 million in Brazil at as 31 December 2019 (31 December 2018: €2 million in Colombia and €1 million in Brazil).
(iii) Including €66 million in France and €13 million in Brazil at 31 December 2019 (31 December 2018: €54 million in France, €20 million in Brazil and €27 million in Colombia).
(iv) Including Segisor amounting to €195 million at 31 December 2019 (31 December 2018: €398 million).
(v) The Group defines “Loans and borrowings” as gross borrowings and debt adjusted for fair value hedges (assets) and other financial assets. This indicator is used to calculate the covenants included in the new revolving credit facility (RCF).

11.2.2 Change in financial liabilities

(€ millions)	2019	2018 (restated)
Gross borrowings and debt at 1 January	*8,980*	*8,677*
Fair value hedges – assets	*(101)*	*(98)*
Other financial assets	*(86)*	*(38)*
Loans and borrowings at beginning of period	**8,794**	**8,541**
New borrowings[(i)(iii)(vi)]	**4,542**	1,542
Repayments of borrowings[(ii)(iii)(vi)]	**(3,701)**	(1,331)
Change in fair value of hedged debt	**86**	60
Change in accrued interest	**26**	(34)
Foreign currency translation adjustments	**(63)**	(165)
Changes in scope of consolidation[(iv)]	**(135)**	303
Reclassification of financial liabilities associated with non-current assets held for sale	**(13)**	54
Change in other financial assets	**(256)**	(48)
Other and reclassifications[(v)]	**(51)**	(129)
Loans and borrowings at end of period	**9,229**	**8,794**
Gross borrowings and debt at 31 December (Note 11.2.1)	*9,649*	*8,980*
Fair value hedges – assets (Note 11.2.1)	*(78)*	*(101)*
Other financial assets (see Note 11.2.1)	*(342)*	*(86)*

(i) New borrowings in 2019 primarily include the following: (a) a bond issue by Quatrim, a wholly-owned subsidiary of Casino, Guichard-Perrachon, and an issue by Casino, Guichard-Perrachon of a term loan placed with investors ("Term Loan B") for a total amount of €1,800 million in November 2019 (as described in Note 2); and (b) issues by the GPA sub-group of BRL 8,000 million (€1,812 million) in bonds, primarily following efforts to simplify the Group's structure in Latin America (as described in Note 2), BRL 1,600 million (€362 million) in promissory notes, and BRL 2,168 million (€491 million) in loans taken out with banks.
New borrowings in 2018 primarily included the following: (a) a €200 million bond issue by Casino, Guichard-Perrachon (Note 2), (b) at GPA, three bond issues for a total of BRL 2,000 million (€464 million) and new bank loans for BRL 1,168 million (€271 million), (c) a €400 million loan taken out by Segisor and (d) drawdowns on lines of credit by Éxito for COP 500 billion (€143 million).

(ii) Repayments of borrowings in 2019 mainly concern Casino, Guichard-Perrachon, Quatrim and Casino Finance for €1,560 million (of which (a) the €784 million bond tender in November 2019 described in Note 2, and (b) redemption of a €675 million bond issue in August 2019), Éxito for €1,160 million and Segisor for €204 million (including €198 million following efforts to simplify the Group's structure in Latin America (Note 2)), and GPA for €717 million.
Repayments of borrowings in 2018 mainly concerned Casino, Guichard-Perrachon for €516 million (of which (a) the €135 million bond tender, and (b) redemption of a €348 million bond issue), GPA for €583 million and Éxito for €240 million.

(iii) In 2019, cash flows relating to financing activities can be summarised as a net inflow of €488 million, consisting of repayments of borrowings for €3,694 million and net interest paid (excluding on lease liabilities) for €361 million (Note 4.10), offset by new borrowings in an amount of €4,542 million.
In 2018, cash flows relating to financing activities can be summarised as a net disbursement of €203 million, consisting of repayments of borrowings for €1,330 million and net interest paid (excluding on lease liabilities) for €416 million (Note 4.10), offset by new borrowings in an amount of €1,543 million.

(iv) Including €97 million and €50 million in 2019 related to total return swaps (TRS) on Mercialys (Note 3.1.1) and Via Varejo shares respectively (Note 2). The 2019 TRS on Via Varejo was unwound in June 2019.
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.

(v) In 2019, including a €20 million reduction in bank overdrafts.

(vi) Changes in negotiable European commercial paper ("NEU CP") are presented net in this table.

11.2.3 Breakdown of bonds

(€ millions)	Principal(i)	Nominal interest rate(ii)	Effective interest rate(ii)	Issue date	Maturity date	2019(iii)	2018(iii)
Casino, Guichard-Perrachon bonds in euros	**3,879**					**4,059**	**5,491**
2019 bonds	-	F: 4.41	4.04%	August 2012 April 2013	August 2019	**-**	681
2020 bonds	257 (iv)	F: 5.24	5.28%	March 2012	March 2020	**258**	507
2021 bonds	597(iv)	F: 5.98	6.53%	May 2011	May 2021	**611**	884
2022 bonds	452(iv)	F: 1.87	2.55%	June 2017 January	June 2022	**447**	732
2023 bonds	720	F: 4.56	4.47%	January 2013 May 2013	January 2023	**762**	766
2024 bonds	900	F: 4.50	4.88%	March 2014	March 2024	**950**	941
2025 bonds	444	F: 3.58	3.62%	December 2014	February 2025	**469**	451
2026 bonds	508	F: 4.05	4.09%	August 2014	August 2026	**562**	530
Quatrim bonds in euros	**800**					**791**	**-**
2024 bonds	800	F: 5.88	6.31%	November 2019	January 2024	**791**	-
GPA bonds in BRL	**2,585**					**2,568**	**919**
2019 bonds	-	V: 97.5% CDI	V: 97.5% CDI	December 2016	December 2019	**-**	227
2020 bonds	239	V: 96.0% CDI	V: 96.0% CDI	April 2017	April 2020	**239**	242
2020 bonds	11	V: CDI +0.72%	V: CDI +0.72%	July 2019	July 2020	**11**	-
2020 bonds	221	V: CDI +1.60%	V: CDI +1.60%	September 2019	August 2020	**221**	-
2021 bonds	177	V: 104.75% CDI	V: 104.75% CDI	January 2018	January 2021	**177**	180
2021 bonds	155	V: 106.0% CDI	V: 106.0% CDI	September 2018	September 2021	**155**	158
2021 bonds	11	V: CDI +0.72%	V: CDI +0.72%	July 2019	July 2021	**11**	-
2021 bonds	443	V: CDI +1.74%	V: CDI +1.74%	September 2019	August 2021	**443**	-
2022 bonds	111	V: 107.4% CDI	V: 107.4% CDI	September 2018	September 2022	**111**	112
2022 bonds	177	V: 105.75% CDI	V: 105.75% CDI	January 2019	January 2022	**177**	-
2022 bonds	11	V: CDI +0.72%	V: CDI +0.72%	July 2019	July 2022	**11**	-
2022 bonds	443	V: CDI +1.95%	V: CDI +1.95%	September 2019	August 2022	**443**	-
2023 bonds	55	V: CDI +0.72%	V: CDI +0.72%	July 2019	July 2023	**55**	-
2023 bonds	443	V: CDI +2.20%	V: CDI +2.20%	September 2019	August 2023	**426**	-
2024 bonds	44	V: CDI +0.72%	V: CDI +0.72%	July 2019	July 2024	**44**	-
2025 bonds	44	V: CDI +0.72%	V: CDI +0.72%	July 2019	July 2025	**44**	-
Total bonds						**7,418**	**6,409**

(i) Corresponds to the principal of the bonds outstanding at 31 December 2019.
(ii) F (Fixed rate) – V (Variable rate) – CDI (*Certificado de Depósito Interbancário*). The effective interest rates on Casino, Guichard-Perrachon bonds do not reflect the possible impact of the remeasurement component relating to fair value hedges.
(iii) The amounts above include the remeasurement component relating to fair value hedges. They are presented excluding accrued interest.
(iv) In November 2019, the Group made a tender offer for the bond tranches maturing in 2020, 2021 and 2022, which were partially redeemed for €239 million, €253 million and €292 million, respectively.

11.2.4 Other loans and borrowings

(€ millions)	Principal(i)	Type of rate	Issue date	Maturity date	2019	2018
France						
Term Loan B	*1,000*	*Variable(ii)*	*November 2019*	*January 2024*	**959**	*-*
Negotiable European commercial paper (Casino Guichard‑Perrachon)	*129*	*Fixed*	*(iii)*	*(iii)*	**129**	*221*
Mercialys TRS (Casino, Guichard-Perrachon)	*102*	*Variable*	*July 2018*	*December 2020*	**102**	*198*
Other(iv)					**29**	*100*
International						
GPA	*436*	*Variable(v)/Fixed(vi)*	*June 2013 to December 2019*	*January 2020 to May 2027*	**431**	*223*
Via Varejo TRS (GPA)		*Variable*	*December 2018*	*April 2019*	**-**	*49*
Éxito	*70*	*Variable(v)*	*June 2017 to December 2019*	*March 2020 to June 2022*	**71**	*1,048*
Segisor	*196*	*Variable*	*June 2018*	*December 2021*	**195**	*397*
Other(vi)					**-**	*10*
Bank overdrafts(vii)					**101**	138
Accrued interest(viii)					**197**	183
Total other borrowings					**2,214**	**2,568**
of which variable rate					***1,885***	***1,599***

(i) Corresponds to the nominal amount at 31 December 2019.
(ii) Interest on this loan is based on Euribor with a zero floor, plus a 5.5% spread.
(iii) Negotiable European commercial paper (NEUCP) is short-term financing generally with a maturity of less than 12 months.
(iv) Of which €11 million concerning Cdiscount (31 December 2018: €12 million concerning Cdiscount and €75 million concerning Franprix-Leader Price).
(v) Most of GPA and Éxito's variable-rate loans pay interest at rates based on the CDI and IBR, respectively.
(vi) Of which fixed-rate loans amounting to nil at 31 December 2019 (31 December 2018: €8 million).
(vii) Overdrafts are mostly in France.
(viii) The amount reported for accrued interest is for all borrowings including bonds. At 31 December 2019, accrued interest primarily concerned Casino for €136 million and GPA for €61 million (31 December 2018: Casino, Guichard-Perrachon for €159 million and GPA for €19 million).

CONFIRMED BANK CREDIT LINES IN 2019 AND 2018

2019 (€ millions)	Interest rate	Due		Amount of the facility	Drawdowns
		Within one year	In more than one year		
Syndicated lines – Casino, Guichard-Perrachon, Casino Finance, Monoprix(i)	Variable(i)	-	2,220	2,220	-
Other confirmed bank credit lines(iv)	Variable(iii)	389	111	500	54
Total		**389**	**2,331**	**2,720**	**54**

2018 (€ millions)	Interest rate	Due		Amount of the facility	Drawdowns
		Within one year	In more than one year		
Casino, Guichard-Perrachon syndicated credit lines(i)	Variable(i)	-	1,855	1,855	-
Casino, Guichard-Perrachon bilateral credit lines	Variable(ii)	175	265	440	-
Other confirmed bank credit lines(iv)	Variable(iii)	225	911	1,136	27
Total		**400**	**3,031**	**3,431**	**27**

(i) At 31 December 2019, syndicated credit lines comprise (a) the revolving credit facility (RCF) for €2,000 million maturing in October 2023 (or in October 2022 if the bond tranche maturing in January 2023 has not been refinanced at that date), bearing interest at Euribor with a zero floor, plus a spread that depends on the amount drawn down and the "loans and borrowings"/EBITDA ratio for the France Retail and E-commerce segments, as well as the Segisor holding company (no more than 3.50%); (b) a €198 million line maturing in February 2021 and bearing interest at Euribor plus a spread that depends on the amount drawn down and the Group's net debt/EBITDA ratio; and (c) a USD 25 million line maturing in July 2022 and bearing interest at US Libor plus a spread that depends on the Group's net debt/EBITDA ratio.
In 2018, syndicated credit lines comprised a €1,200 million line expiring in February 2021 and a USD 750 million line expiring in July 2022. Interest was 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) Following the November 2019 refinancing transactions, Casino, Guichard-Perrachon no longer held any bilateral credit lines at 31 December 2019. In 2018, interest on the bilateral credit lines was based on the Euribor for the drawdown period plus a spread. In some cases, the spread varied 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 was partially indexed to the Group's Sustainalytics CSR rating.

(iii) Interest on the other lines is based on the reference rate (which depends on the borrowing currency) plus a spread. In some cases, the spread varies depending on the subsidiary's net debt/EBITDA ratio and the amount drawn down (lines totalling €111 million).

(iv) In 2019, other confirmed bank credit lines concern Monoprix (€111 million), GPA (€199 million) and Éxito (€190 million). In 2018, other confirmed bank credit lines concerned Monoprix (€570 million), GPA (€405 million) and Éxito (€161 million).

11.3 Net financial income/(expense)

Accounting principle

Net finance costs

Net finance costs correspond to all income and expenses generated by cash and cash equivalents and loans and borrowings during the period, including income from cash and cash equivalents, gains and losses on disposals of cash equivalents, interest expense on loans and borrowings, gains and losses on interest rate hedges (including the ineffective portion) and related currency effects, and trade payable – structured programme costs.

Other financial income and expenses

This item corresponds to financial income and expenses that are not included in net finance costs.

It includes dividends received from non-consolidated companies, non-recourse factoring and associated transaction costs, discounting adjustments (including to provisions for pensions and other post-employment benefit obligations), interest expense on lease liabilities, gains and losses arising from remeasurement at fair value of equity derivatives, and impairment losses and realised gains and losses on financial assets other than cash and cash equivalents. Exchange gains and losses are also recorded under this caption, apart from (i) exchange gains and losses on cash and cash equivalents and loans and borrowings, which are presented under net finance costs, and (ii) the effective portion of accounting hedges of operating transactions, which are included in trading profit.

Financial discounts for prompt payments are recognised in financial income for the portion corresponding to the normal market interest rate and as a deduction from cost of goods sold for the supplement.

11.3.1 Net finance costs

(€ millions)	2019	2018 (restated)
Gains (losses) on disposals of cash equivalents	-	-
Income from cash and cash equivalents	39	37
Income from cash and cash equivalents	**39**	**37**
Interest expense on borrowings after hedging(i)	(396)	(356)
Finance costs	**(396)**	**(356)**
Net finance costs	**(356)**	**(320)**
of which France Retail	*(161)*	*(141)*
of which Latam Retail	*(184)*	*(169)*
of which E-commerce	*(12)*	*(10)*

(i) In 2019, interest expense on borrowings after hedging include 11 months of cost of debt before the refinancing transactions and one month after the refinancing transactions (Note 2).

11.3.2 Other financial income and expenses

(€ millions)	2019	2018 (restated)
Investment income	**1**	-
Foreign currency exchange gains (other than on borrowings)	**53**	34
Discounting and accretion adjustments	**1**	2
Gains on remeasurement at fair value of non-hedging derivative instruments(i)	**106**	8
Gains on remeasurement at fair value of financial assets	**1**	2
Impact of applying IAS 29 to operations in Argentina	**-**	-
Other financial income(ii)	**104**	76
Other financial income	**265**	**122**
Foreign currency exchange losses (other than on borrowings)	**(63)**	(44)
Discounting and accretion adjustments	**(6)**	(7)
Interest expense on lease liabilities (Note 7.1.2)	**(268)**	(218)
Losses on remeasurement at fair value of non-hedging derivative instruments(i)	**(137)**	(52)
Losses on remeasurement at fair value of financial assets	**(10)**	(3)
Non-recourse factoring and associated transaction costs	**(77)**	(81)
Impact of applying IAS 29 to operations in Argentina	**(10)**	(13)
Other	**(88)**	(60)
Other financial expenses	**(659)**	**(478)**
Total other financial income and expenses	**(394)**	**(356)**

(i) The net loss of €31 million on remeasurement at fair value of non-hedging derivative instruments reported in 2019 mainly reflects (a) fair value adjustments to the GPA TRS (negative adjustment of €6 million) and GPA forward (negative adjustment of €9 million) as well as dividend income (€2 million) and the cost of carry (€13 million) associated with these instruments, and (b) negative impacts related to other derivative instruments (€3 million). The net loss of €44 million on remeasurement at fair value of non-hedging derivative instruments reported in 2018 mainly reflects (a) fair value adjustments to the GPA TRS (positive adjustment of €5 million) and GPA forward (negative adjustment of €17 million) as well as dividend income (€3 million) and the cost of carry (€14 million) associated with these instruments, and (b) negative impacts related to other derivative instruments (€3 million).

(ii) Including €45 million in interest recognised by GPA for PIS & COFINS tax credits in 2019. In 2018: Including BRL 101 million (€23 million) in interest recognised by GPA on the Paes Mendonça receivable.

GPA TRS and forward

The total return swap (TRS) and forward contracts on GPA shares are cash-settled instruments. The documentation states that when the contracts expire, the shares will be sold on the market by the banking counterparties. If the instruments are unwound, the Group receives or pays the difference between the sale proceeds and the amount paid by the counterparties to purchase the shares at the contracts' inception. The Group retains the economic benefits of ownership of the shares (exposure to changes in the subsidiaries' share prices and collection of dividends) but does not have legal title to the shares and cannot exercise the related voting rights. Details of the contracts are as follows:

- In December 2011, the Group entered into a 2.5-year TRS with a financial institution on 7.9 million GPA American Depositary Receipts (ADRs). The contract's maturity was extended on 23 December 2016 and again on 27 October 2017. The interest rate is currently set at 3-month Euribor plus 199 bps and the contract expires in June 2020. It will start to be unwound as from 1 April 2020. This TRS is a derivative instrument measured at fair value through profit or loss. At 31 December 2019, it concerned 7.8 million ADRs (2.9% of GPA's capital) representing a notional amount of €332 million, and had a negative fair value of €177 million (31 December 2018: 7.8 million ADRs, a notional amount of €332 million and a negative fair value of €172 million).
  This instrument's fair value is determined based on the estimated settlement price on 31 December, using the share price on that date. A 10% increase in the share price would have reduced the loss for the period by €15 million. A 10% decline in the share price would have produced the opposite effect.

- At the end of December 2012, the Group entered into a 2-year forward contract with a financial institution on 5.8 million GPA shares. On 28 July 2016, the maturity was extended and the notional amount was reduced by USD 105 million (€95 million), resulting in a cash payment made by the Group on the same day. The maturity was extended again in June 2017. The forward concerned 5.8 million shares at 31 December 2018 and was unwound between August and December 2019. A cash payment of €109 million was made in 2019 (versus a negative fair value of €101 million at 31 December 2018).

11.4 Fair value of financial instruments

Accounting principle

Fair value measurements are classified using the following fair value hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices) (Level 2);
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The fair value of financial instruments traded in an active market is the quoted price on the reporting date. A market is considered active if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are classified as Level 1.

The fair value of financial instruments which are not quoted in an active market (such as over-the-counter derivatives) is determined using valuation techniques. These techniques use observable market data wherever possible and make little use of the Group's own estimates. If all the inputs required to calculate fair value are observable, the instrument is classified as Level 2.

If one or more significant inputs are not based on observable market data, the instrument is classified as Level 3.

11.4.1 Financial assets and liabilities by category of instrument

FINANCIAL ASSETS

The tables below analyse financial assets according to the new measurement categories used as from 1 January 2018 under IFRS 9.

(€ millions)	Total financial assets	Breakdown by category of instrument			
		Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income (OCI)	Hedging instruments	Financial assets at amortised cost
At 31 December 2019					
Other non-current assets(i)	401	48	4	62	287
Trade receivables	836	-	22	-	813
Other current assets(i)	975	6	1	17	950
Cash and cash equivalents	3,572	17	-	-	3,554

(€ millions)	Total financial assets	Breakdown by category of instrument			
		Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income (OCI)	Hedging instruments	Financial assets at amortised cost
At 31 December 2018					
Other non-current assets(i)	367	44	4	67	252
Trade receivables	905	-	28	-	877
Other current assets(i)	973	-	7	40	927
Cash and cash equivalents	3,730	17	-	-	3,713

(i) Excluding non-financial assets.

FINANCIAL LIABILITIES

The following table shows financial liabilities by category.

(€ millions)	Total financial liabilities	Breakdown by category of instrument		
		Liabilities at amortised cost	NCI Puts	Derivative instruments
At 31 December 2019				
Bonds	**7,418**	**7,418**	**-**	**-**
Other loans and borrowings	**2,231**	**2,214**		**17**
Liabilities for put options granted to owners of non-controlling interests	**166**	**-**	**166**	**-**
Lease liabilities	**4,676**	**4,676**	**-**	**-**
Trade payables	**6,580**	**6,580**	**-**	**-**
Other liabilities(i)	**1,973**	**1,746**	**-**	**227**

(€ millions)	Total financial liabilities	Breakdown by category of instrument		
		Liabilities at amortised cost	NCI Puts	Derivative instruments
At 31 December 2018 (restated)				
Bonds	**6,409**	6,409	-	-
Other loans and borrowings	**2,571**	2,568	-	3
Liabilities for put options granted to owners of non-controlling interests	**188**	-	188	-
Lease liabilities	**4,238**	4,238	-	-
Trade payables	**6,668**	6,668	-	-
Other liabilities(i)	**2,053**	1,765	-	287

(i) Excluding non-financial liabilities.

11.4.2 Fair value hierarchy for assets and liabilities

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.

At 31 December 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	**161**	**161**	**6**	**108**	**47**
Financial assets at fair value through profit or loss[(i)]	41	41	1	-	41
Financial assets at fair value through other comprehensive income[(i)]	27	27	5	22	
Fair value hedges – assets[(ii)]	78	78	-	78	-
Cash flow hedges and net investment hedges – assets[(ii)]	1	1	-	1	-
Other derivative instruments – assets	13	13	-	6	7
Liabilities	**14,719**	**14,402**	**4,687**	**9,548**	**167**
Bonds[(iii)]	7,418	7,102	4,687	2,416	-
Other borrowings[(iv)]	2,214	2,213	-	2,213	-
Lease liabilities	4,676	4,676	-	4,676	-
Fair value hedges – liabilities[(ii)]	17	17	-	17	-
Cash flow hedges and net investment hedges – liabilities[(ii)]	41	41	-	41	-
Other derivative instruments – liabilities[(ii)]	186	186	-	186	-
Put options granted to owners of non-controlling interests[(v)]	166	166	-	-	166

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	**13,694**	**13,372**	**5,180**	**8,003**	**188**
Bonds[(iii)]	6,409	6,087	5,180	907	-
Other borrowings[(iv)]	2,568	2,568	-	2,568	-
Lease liabilities	4,238	4,238	-	4,238	-
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 multiples (Note 3.4.1).

11.5 Financial risk management objectives and policies

The main risks associated with the Group's financial instruments are market risks (foreign currency risk, interest rate risk and equity risk), counterparty risk and liquidity risk.

Financial risk monitoring and management is the responsibility of the Corporate Finance department, which is part of the Group Finance department. This team manages all financial exposures in coordination with the Finance departments of the Group's main subsidiaries and reports to Senior Management.

Financing, short-term investment and financial risk management policies are overseen by the Corporate finance department in coordination with the subsidiaries' finance departments, using a conservative and pro-active approach particularly with respect to counterparty and liquidity risk management. Major transactions are monitored individually.

The Group Corporate Finance department has issued a guide to financing, investment and hedging best practices which is distributed to subsidiary Finance departments. The guide sets out financing methods, selection criteria for banking partners, appropriate hedging products and required authorisation levels.

The French and international business units' cash positions and forecasts are reported weekly and continuously monitored. The Group's other financial risk exposures, such as interest rate risk, currency risk on financial transactions and banking counterparty risk, are measured and analysed in monthly reports to Senior Management that also include action plans for dealing with any material identified risks.

The Group manages its exposure to interest rate risks and foreign currency risks using standard derivative financial instruments such as interest rate swaps and options (caps, floors, swaptions), currency swaps, forward currency contracts and currency options. These instruments are mainly over-the-counter instruments contracted with first-tier bank counterparties. Most of these transactions or derivative instruments qualify for hedge accounting.
Like many other large corporates, the Group may take very small, strictly controlled positions that do not qualify for hedge accounting, for more dynamic and flexible management of its interest rate and currency exposures.

11.5.1 Breakdown of derivative financial instruments

The table below shows a breakdown of derivative financial instruments by type of hedged risk and accounting classification:

(€ millions)	Note	2019	Interest rate risk	Foreign currency risk	Other market risks	2018
Derivatives – assets						
Derivatives at fair value through profit or loss	6.8.1 - 6.9	**13**	**-**	**6**	**7**	9
Cash flow hedges	6.8.1	**1**	**-**	**1**	**-**	6
Fair value hedges	6.8.1 - 6.9 - 11.2	**78**	**69**	**10**	**-**	101
Total derivatives – assets		***93***	***69***	***17***	***7***	**116**
of which non-current		***69***	***62***	***-***	***7***	*76*
of which current		***24***	***7***	***17***	***-***	*40*
Derivatives – liabilities						
Derivatives at fair value through profit or loss	6:10	**186**	**4**	**4**	**178**	273
Cash flow hedges	6:10	**41**	**41**	**-**	**-**	15
Fair value hedges	11.2	**17**	**11**	**7**	**-**	3
Total derivatives – liabilities		***244***	***55***	***10***	***178***	**291**
of which non-current		***51***	***50***	***-***	***1***	*286*
of which current		***193***	***5***	***10***	***178***	*5*

At 31 December 2019, derivatives held as fair value hedges (on a notional amount of €4,372 million) had a positive net fair value of €61 million. The total included (i) interest rate hedges in France on a notional amount of €4,160 million with a positive fair value of €55 million, and (ii) currency and interest rate hedges in Brazil on a notional amount of €211 million with a positive fair value of €6 million. All the currency and interest rate derivatives are backed by bank borrowings or bonds denominated either in the same currency or in a currency other than the borrower entity's functional currency. The ineffective portion of these fair value hedges is not material.
At 31 December 2019, the cash flow hedge reserve included in equity had a debit balance of €32 million (31 December 2018: debit balance of €8 million after tax).

These derivatives concern operations in France and Colombia. In France, they hedge goods purchases billed in currencies other than the euro (mainly the US dollar). Their notional amount at 31 December 2018 was USD 148 million (€132 million – Note 11.5.2). In Colombia, the notional amount hedged by the derivatives is €55 million. France applied cash flow hedge accounting to hedge interest rates on variable rate borrowings for a notional amount of €1,559 million at 31 December 2019. The ineffective portion of these cash flow hedges is not material.

Derivative instruments that do not qualify for hedge accounting under IFRS 9 had a negative fair value of €173 million at 31 December 2019 (31 December 2018: negative fair value of €263 million), including TRSs on GPA shares with a negative fair value of €177 million, versus a negative fair value of €272 million) (Note 11.3.2).

The fair value calculation at 31 December 2019 takes into account the credit valuation adjustment (CVA) and the debit valuation adjustment (DVA) in accordance with IFRS 13. The impact of these adjustments is not material.

11.5.2 Market risk

INTEREST RATE RISK

The Group's objective is to manage its exposure to the risk of interest rate changes and optimise its financing cost. Its strategy therefore consists of dynamic debt management by monitoring and, where necessary, adjusting its hedging ratio based on forecast trends in interest rates.

Interest rate risks are managed using various vanilla instruments. The main instruments are interest rate swaps and options (caps, floors and swaptions). These instruments do not always qualify for hedge accounting; however all interest-rate instruments are contracted in line with the above risk management policy.

Specifically, Casino, Guichard-Perrachon's debt is mainly composed of fixed-rate bonds and the Term Loan B, representing a principal amount of €4,679 million and €1,000 million, respectively, at 31 December 2019 (Note 11.2.3). This bond debt may be hedged through fixed-to-variable rate swaps generally contracted at the issue date; all of these hedges qualify for hedge accounting.

At 31 December 2019, Casino, Guichard-Perrachon had a portfolio of 56 interest-rate swaps and options with around ten bank counterparties. These instruments expire at various dates between 2020 and 2026.
At 31 December 2019, the interest rate risk on Casino, Guichard-Perrachon's bond debt and on the Term Loan B breaks down as: 26% at fixed rates (€1,471 million), 28% at a capped or floored variable rate (€1,607 million) and 46% at a variable rate (€2,601 million).

SENSITIVITY TO A CHANGE IN INTEREST RATES

Sensitivity to rate changes is calculated as shown in the table below.

(€ millions)	Notes	31 December 2019	31 December 2018 (restated)
Casino, Guichard-Perrachon variable-rate bonds(i)		**2,601**	**1,814**
Casino, Guichard-Perrachon capped variable-rate bonds(i)		**607**	**1,847**
Term Loan B		**959**	**-**
Brazil variable-rate bonds(ii)	11.2.3	**2,585**	**921**
Other variable-rate loans and borrowings(iii)(iv)(v)	11.2.4	**926**	**1,599**
Total variable-rate bonds, other loans and borrowings		**7,678**	**6,180**
Cash and cash equivalents	11.1	(3,572)	(3,730)
Net variable-rate position		**4,106**	**2,451**
100-bps change in interest rates		**33**	12
Net finance costs	11.3.1	**356**	320
Impact of change on net finance costs		**9.4%**	**3.9%**

(i) Corresponding to fixed-rate bonds and to the Term Loan B, representing a principal amount of €5,679 million (31 December 2018: €5,338 million) (Note 11.2.3), including a principal amount of €4,208 million (31 December 2018: €3,660 million) swapped for variable-rate debt, of which €1,607 million includes a capped or floored rate.
(ii) Principal.
(iii) Excluding accrued interest.
(iv) Including borrowings in Brazil originally denominated in BRL or USD for BRL 1,947 million (€431 million) swapped for variable-rate debt in BRL by means of cross-currency swaps where applicable (31 December 2018: BRL 974 million, representing €219 million).
(v) Including borrowings in Colombia originally denominated in COP for COP 259 billion, representing €70 million (31 December 2018: COP 1,860 billion, representing €499 million, swapped for variable rate debt).

Assuming a constant net debt structure and management policy, a 100-bps annual increase (decrease) in rates across the yield curve would lead to a 9.4% or €33 million increase (7.1% or €25 million decrease) in finance costs. For the purposes of the analysis, all other variables, particularly exchange rates, are assumed to be constant.

EXPOSURE TO FOREIGN CURRENCY RISK

Due to its geographically diversified business base, the Group is exposed to both currency translation risk on the translation of the balance sheets and income statements of subsidiaries outside the euro zone and to transaction risk on transactions denominated in currencies other than the euro.

Translation risk (or balance sheet currency risk) is the risk of an unfavourable change in the exchange rates used to translate the financial statements of subsidiaries located outside the euro zone into euros for inclusion in the consolidated financial statements adversely affecting the amounts reported in the consolidated statement of financial position and income statement, leading to a deterioration of the Group's financial structure ratios.

Transaction risk is the risk of an unfavourable change in exchange rates that adversely affects a cash flow denominated in foreign currency.

The Group's policy for managing transaction risk is to hedge highly probable budgeted exposures, which mainly concern cash flows arising from purchases made in a currency other than the buyer's functional currency and particularly purchases in US dollars which are hedged using forward contracts. These instruments are mainly over-the-counter instruments contracted with first-tier bank counterparties. Most of these transactions or derivative instruments qualify for hedge accounting.

As a general principle, budgeted purchases are hedged using instruments with the same maturities as the underlying transactions.

Currency risks on debts denominated in a currency other than the borrower's functional currency are systematically hedged, except where the debt represents a designated and documented hedge of a net investment in a foreign operation.

The Group's net exposure based on notional amounts after hedging mainly concerns the US dollar (excluding the functional currencies of entities), as shown below:

(€ millions)	Total exposure 2019	of which USD	Total exposure 2018
Exposed trade receivables	**(23)**	**(12)**	(33)
Exposed other financial assets	**(77)**	**(51)**	(117)
Exposed derivatives at fair value through profit or loss	**271**	**271**	272
Exposed trade payables	**263**	**233**	226
Exposed financial liabilities	**245**	**245**	723
Exposed other financial liabilities	**42**	**42**	-
Gross exposure payable/(receivable)	**722**	**728**	**1,071**
Hedged other financial assets	**94**	**94**	-
Hedged trade payables	**85**	**82**	111
Hedged financial liabilities	**229**	**229**	721
Other hedged financial liabilities	**32**	**32**	-
Net exposure payable/(receivable)	**282**	**290**	**240**
Hedges of future purchases	**132**	**132**	**143**
Exposed put options granted to owners of non-controlling interests[i]	**104**	**104**	119

(i) Changes in fair value of put options granted to owners of non-controlling interests (including the effect of movements in exchange rates) have no impact on profit or loss, because the puts are treated as transactions between owners and changes in their fair value are therefore recorded directly in equity (Note 3.4.1).

At 31 December 2018, the net statement of financial position exposure of €240 million mainly concerned the US dollar.

Sensitivity of net exposure after foreign currency hedging

A 10% appreciation of the euro at 31 December 2019 and 2018 against the currencies included in the Group's exposure would lead to an increase in profit for the amounts indicated in the table below.
For the purposes of the analysis, all other variables, particularly interest rates, are assumed to be constant.

(€ millions)	2019	2018
US dollar	**25**	27
Other currencies	**(1)**	(3)
Impact on net financial income (expense)	**24**	**24**

A 10% decline in the euro against those currencies at 31 December 2019 and 2018 would have produced the opposite effect.

Sensitivity to translation risk

A 10% appreciation of the euro compared to the Group's other main currencies would have the following impact on the translation into euros of the sales, profit and equity of subsidiaries whose functional currency is not the euro:

(€ millions)	2019		2018 (restated)	
	Brazilian real	Colombian peso	Brazilian real	Colombian peso
Total revenue	**(1,124)**	**(291)**	(1,042)	(292)
Trading profit	**(39)**	**(14)**	(52)	(13)
Net profit	**(10)**	**(1)**	(24)	(1)
Equity	**(466)**	**(167)**	(581)	(72)

A 10% decline in the euro against those currencies would have produced the opposite effect.
For the purposes of the analysis, all other variables are assumed to be constant.

BREAKDOWN OF CASH AND CASH EQUIVALENTS BY CURRENCY

(€ millions)	2019	%	2018	%
Euro	1,743	49%	1,931	52%
US dollar	79	2%	100	3%
Brazilian real	1,071	30%	1,109	30%
Colombian peso	608	17%	530	14%
Uruguayan peso	34	1%	28	1%
Other currencies	37	1%	32	1%
Cash and cash equivalents	3,572	100%	3,730	100%

EXCHANGE RATES AGAINST THE EURO

Exchange rates against the euro	2019		2018	
	Closing rate	Average rate	Closing rate	Average rate
Brazilian real (BRL)	4.5157	4.4143	4.4440	4.3096
Colombian peso (COP)	3,692.38	3,672.20	3,726.09	3,487.48
Argentine peso (ARS)(i)	67.2695	67.2695	43.0451	43.0451
Uruguayan peso (UYP)	41.7621	39.4526	37.1753	36.2481
US dollar (USD)	1.1234	1.1194	1.1450	1.1806
Polish zloty (PLN)	4.2568	4.2971	4.3014	4.2617

(i) In accordance with IAS 29, the financial statements of Libertad have been translated at the year-end exchange rate.

EQUITY RISK

At 31 December 2019, the Group did not hold any significant investments in any listed companies other than its listed subsidiaries or treasury shares.

The Group may use derivative instruments (e.g., total return swaps, forward contracts, puts and calls) on equities to build a synthetic exposure to the shares of its listed subsidiaries (Note 11.3.2) or a synthetic hedge of a financial exposure to a fall in stock prices. The carrying amount of these instruments corresponds to their estimated value as provided by a financial institution on the reporting date. These values take account of market data such as exchange rates, share prices and interest rates.

In addition, the Group does not hold any options or any derivatives backing its own shares. Its policy as regards cash management is to invest only in money market instruments that are not exposed to equity risk.

11.5.3 Counterparty risk

The Group is exposed to various aspects of counterparty risk through its operating activities, cash deposits and interest rate and currency hedging instruments. It monitors these risks regularly using several objective indicators, and diversifies its exposure by dealing with the least risky counterparties (based mainly on their credit ratings and their reciprocal commitments with the Group).

COUNTERPARTY RISK RELATED TO TRADE RECEIVABLES

Customer credit risk:
Group policy consists of checking the financial health of all customers applying for credit payment terms. Customer receivables are regularly monitored; consequently, the Group's exposure to bad debts is not material.

The table below shows the credit risk exposure and the estimated risk of a loss in value of trade receivables:

(€ millions)	Not yet due	Past-due trade receivables at the reporting date				Total
		Up to one month past due	Between one and six months past due	More than six months past due	Total past-due trade receivables	
31 December 2019						
Trade receivables	**579**	**79**	**120**	**162**	**361**	**940**
Allowance for lifetime expected losses	**(3)**	**(11)**	**(15)**	**(75)**	**(101)**	**(104)**
Total, net (Note 6.7.1)	**576**	**68**	**105**	**86**	**260**	**836**
At 31 December 2018						
Trade receivables	**691**	**95**	**79**	**165**	**339**	**1,030**
Allowance for lifetime expected losses	**(1)**	**(6)**	**(29)**	**(89)**	**(124)**	**(125)**
Total, net (Note 6.7.1)	**690**	**90**	**49**	**76**	**215**	**905**

COUNTERPARTY RISK RELATED TO OTHER ASSETS

Credit risk on other financial assets – mainly comprising cash and cash equivalents, equity instruments, loans, legal deposits paid by GPA and certain derivative financial instruments – corresponds to the risk of failure by the counterparty to fulfil its obligations. The maximum risk is limited and equal to the instruments' carrying amount. The Group's cash management policy consists of investing cash and cash equivalents with first-tier counterparties and in first-tier rated instruments.

11.5.4 Liquidity risk

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.

The liquidity analysis is performed both for the France Retail segment (taking into account the cash pool operated with most French subsidiaries) and for each of the Group's international subsidiaries.

All subsidiaries of the Casino, Guichard-Perrachon holding company scope submit weekly cash reports to the Group and all new financing facilities require prior approval from the Corporate Finance department.

At 31 December 2019, the Group's liquidity position comprised:
- confirmed, undrawn lines of credit for a total of €2,666 million (of which a non-current portion of €2,331 million for France);
- available cash totalling €3,572 million (of which €1,793 million in available cash and €193 million held in escrow in France).

Casino, Guichard-Perrachon had the following financing facilities at 31 December 2019 (France Retail):
- unsecured bonds for €3,879 million;
- secured high-yield bonds for €800 million;
- Term Loan B for €1,000 million.

Casino, Guichard-Perrachon also raises funds through negotiable European commercial paper issues (NEU CP), under which €129 million was outstanding at 31 December 2019 (France Retail); these issues are made under a programme capped at €2,000 million, with the availability of funds depending on market conditions and investor appetite.

The main liquidity risk management methods consist in:
- diversifying sources of financing to include capital markets, private placements, banks (confirmed and unconfirmed facilities), negotiable European commercial paper (NEU CP) issues 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 payment obligations 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.

Management of short-term debt

Access to the European negotiable commercial paper (NEU CP) market is subject to market conditions and investor appetite for Casino debt. Market access has been limited since May 2019 amid heightened volatility (Rallye safeguard proceedings, downgrade in the Group's credit rating by S&P's and Moody's, and general market volatility). Outstanding commercial paper issues represented €129 million at 31 December 2019 versus €221 million at 31 December 2018. In addition, the Group carries out non-recourse receivables discounting without continuing involvement, within the meaning of IFRS 7, as well as reverse factoring.

At 31 December 2019, trade payables totalling €1,594 million (including €445 million in France Retail payables, €1,092 million in Latam Retail payables and €57 million in E-commerce payables) had been reverse factored, versus €1,832 million at 31 December 2018 (€704 million, €971 million, and €157 million, respectively).

Management of medium- and long-term debt

To manage its medium- and long-term liquidity, the Group prepared for the February 2021 maturity of its euro-denominated RCF and in September 2019 refinanced all of its confirmed credit facilities via a new €2 billion confirmed credit line maturing in October 2023 (or in October 2022 if the bond tranche maturing in January 2023 has not been refinanced at that date). This new credit line was subscribed by 21 French and international banks. The refinancing transactions extended the average maturity of the Group's confirmed credit facilities by two years, from 1.6 years at 31 December 2018 to 3.6 years at end-2019.

The Group also proved its ability to raise funds on the capital and private placement markets in two transactions carried out in November 2019 in the form of a €1 billion secured term loan and an €800 million secured bond issue. These two instruments fall due in January 2024 and were heavily oversubscribed. They enable the Group to finance the tender offer on the bonds maturing in 2020, 2021 and 2022 for a nominal amount of €784 million and to repay the drawn credit lines to date for a total amount of €630 million. The average maturity of the Group's debt increased to 3.8 years from 3.3 years previously.

The terms applicable to the new facilities reflect the downgrade of the Group's credit ratings by Moody's (B2/negative outlook) and S&P's (B/negative outlook) following the introduction of safeguard proceedings for Rallye and its parent companies. The table below shows Moody's and Standard & Poor's ratings for the Group's financial instruments following its refinancing:

Financial instrument rating	**Moody's**	**Standard & Poor's**
Casino, Guichard-Perrachon	B2/negative outlook (23 October 2019)	B/negative outlook (28 May 2019)
Secured high-yield bonds	B1/negative outlook (19 November 2019)	B+/negative outlook (22 October 2019)
Term Loan B	B1/negative outlook (19 November 2019)	B+/negative outlook (22 October 2019)
Bonds issued under the EMTN programme	B3/negative outlook (23 October 2019)	B/negative outlook (28 May 2019)
Deeply-subordinated perpetual bonds (TSSDI)	Caa1/negative outlook (23 October 2019)	CCC (28 May 2019)

The high-yield bond issue by Quatrim is secured by shares in L'Immobilière Groupe Casino, a wholly-owned subsidiary of Quatrim which holds property assets (excluding Monoprix and Franprix-Leader Price property assets and certain assets disposed of/pending disposal).

For its new revolving credit facility (RCF) and Term Loan B, Casino has granted security rights over shares, the principal bank accounts and intragroup receivables of its main operating subsidiaries and holding companies in France holding shares in the Group's Latin American operations.

The revolving credit facility is also subject to maintenance covenants tested quarterly as from 31 March 2020.

No security interests or collateral have been granted in respect of Casino, Guichard-Perrachon's other borrowings or the borrowings of its main subsidiaries (GPA, Éxito and Monoprix), except for loans obtained by GPA from BNDES, which totalled €6 million at 31 December 2019.

Casino, Guichard-Perrachon debt covenants

a. Covenants at 31 December 2019

At the reporting date, Casino, Guichard-Perrachon's debt was subject to the following hard covenants to be met at each year-end:

Type of covenant	Main types of debt subject to covenant	Frequency of tests	Ratio at 31 December 2019
Consolidated net debt(1)/Consolidated EBITDA(3) < 3.5	▪ €198 million syndicated credit line	Annual	**3.29x**
Consolidated net debt(2)/Consolidated EBITDA(3) < 3.5	▪ USD 25 million syndicated credit line		**2.33x**

(1) Net debt as defined in these loan agreements may differ from net debt presented in the consolidated financial statements (Note 11.2). It corresponds to gross borrowings and debt including hedging instruments with a negative fair value, less (i) cash and cash equivalents, (ii) financial assets held for cash management purposes and short-term financial investments, (iii) derivatives with a positive fair value classified as hedges of debt and (iv) financial assets arising from a significant disposal of non-current assets.
(2) For these facilities, the definition of net debt includes the net assets held for sale attributable to owners of the parent.
(3) EBITDA (earnings before interest, taxes, depreciation and amortisation) excluding the impacts of applying IFRS 16 corresponds to trading profit/loss plus recurring net depreciation and amortisation expense.

These covenants were respected at 31 December 2019.

b. Additional covenants as from 31 March 2020

Starting 31 March 2020, Casino, Guichard-Perrachon's France Retail and E-commerce segments will be required to comply with the covenants set out below, calculated each quarter on a rolling 12-month basis (not tested at 31 December 2019):

Type of covenant (France and E-commerce)	Main types of debt subject to covenant	Frequency of tests
Debt(1)/EBITDA(2): < 7.75(3)	▪ RCF for €2,000 million	Quarterly
EBITDA(2)/net finance costs: > 2.25		

(1) Debt as defined in the loan agreements reflects loans and borrowings for the France Retail and E-commerce segments as presented in Note 11.2.1, and certain GPA holding companies reported in the Latam segment (notably Segisor).
(2) EBITDA as defined in the loan agreements reflects trading profit/loss for the France Retail and E-commerce segments, adjusted for (i) net depreciation, amortisation and provision expense, (ii) repayments of lease liabilities, and (iii) interest expense on lease liabilities.
(3) 7.75x at 31 March 2020, 7.50x at 30 June 2020, 7.25x at 30 September 2020, 5.75x at 31 December 2020, 6.50x at 31 March 2021, 6.00x at 30 June 2021 and 30 September 2021, and 4.75x as from 31 December 2021.

Casino, Guichard-Perrachon's bonds and negotiable European commercial paper (NEU CP) issues are not subject to any financial covenants.

c. Other clauses and restrictions

Documentation for the RCF, Term Loan B and high-yield bond issue put in place as part of the Group's refinancing in late 2019 include the usual restrictions for high-yield borrowings applicable to the Group as a whole (excluding the Latam segment and companies less than 50%-owned, but including certain holding companies reported in the Latam segment, notably Segisor). These restrictions concern Casino, Guichard-Perrachon dividend payments, sales of assets as defined in the documentation, additional borrowings, and additional security interests and collateral.

The Term Loan B and high-yield bond also include incurrence covenants which only apply upon the occurrence of certain specific events or to enable certain transactions to proceed, in particular:

- an incurrence covenant will apply in the event special dividends are paid in addition to ordinary dividends[1], as follows: gross debt/EBITDA (France Retail + E-commerce): < 3.5x;
- leverage and secured debt leverage covenants or a fixed charge coverage ratio (FCCR) as defined in the documentation may be applied on an independent or additional basis, depending on the transactions planned:
  - FCCR: EBITDA[2]/Fixed charges[2]: > 2
  - Secured debt leverage: Consolidated leverage[2]/EBITDA[2]: < 2

[1] 50% of net profit attributable to owners of the parent, with a minimum of €100 million per year from 2021 and an additional €100 million that may be used for one or several distributions during the life of the debt.

[2] As defined in the loan agreements.

The Group's loan and bond agreements include the usual clauses for such contracts, notably *pari passu*, negative pledge and cross-default clauses.

Most loan documentation concerning the debt remaining after Casino's November 2019 refinancing transactions contains change-of-control clauses, defined as the acquisition of control over Casino by a third party other than Rallye and its affiliates. 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 the lenders.

Change-of-control clauses are included in all of Casino's bond financing documentation relating to the debt remaining after its November 2019 refinancing transactions, except in the documentation for the €600 million in deeply-subordinated perpetual bonds (TSSDI) issued in 2005. 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).

The impact on the Group's bond issues are as follows:

- for bonds issued under the EMTN programme, representing a cumulative nominal amount of €3,879 million at 31 December 2019, each bond investor would be entitled to request from Casino the early redemption of all its bonds at par, at its individual discretion;
- 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.

The documentation for the refinancing transactions also includes change-of-control clauses for three entities:

- Casino, Guichard-Perrachon (RCF/Term Loan B/Quatrim high-yield borrowings): an entity other than Rallye or one of its affiliated entities holds more than 50% of Casino's share capital or if substantially all of the Group's assets are sold/transferred;
- Casino Finance (RCF): a third party (other than Rallye or its affiliates) takes control of Casino Finance;
- Monoprix (RCF): Monoprix is no longer controlled by Casino and/or its subsidiaries or if the percentage of ownership interest or voting rights held (by Casino and/or its subsidiaries) is lower than 40%.

A change of control would offer the lenders the possibility of cancelling their commitments at their individual discretion (limited to one-third of the nominal amount of the RCF in the event of a change of control of Monoprix). In the case of the high-yield bond issue, Quatrim, the wholly-owned subsidiary of Casino, Guichard-Perrachon that issued the bonds, would launch a tender offer (at a specified price) in which investors could participate.

Financing of subsidiaries subject to covenants

Most of the Group's other loan agreements – primarily concerning GPA, Monoprix and Segisor – contain hard covenants (see table below).

Subsidiary	Type of covenant	Frequency of tests	Main types of debt subject to covenant
Monoprix	Net debt/EBITDA < 2.5[(iv)]	Annual	▪ €111 million syndicated credit line
GPA[(i)]	Net debt[(ii)] may not be higher than equity[(iii)]	Quarterly/half-yearly/annually	▪ All bond issues and certain bank borrowings
	Consolidated net debt/EBITDA < 3.25		
Segisor	Net debt/value of GPA shares < 50%[(v)]	Quarterly	▪ Bank loans totalling €196 million (Note 11.2.4)

(i) All of GPA's covenants are based on consolidated indicators for the GPA sub-group.
(ii) Debt less cash, cash equivalents and receivables.
(iii) Consolidated equity (attributable to owners of the parent and non-controlling interests).
(iv) Monoprix's covenant is based on its consolidated financial statements.
(v) Segisor's covenant is based on its parent company financial statements.

These covenants were respected at 31 December 2019.

Exposure to liquidity risk

The table below presents an analysis by maturity of financial liabilities at 31 December 2019, including principal and interest and for undiscounted amounts. For derivative financial instruments, the table has been drawn up based on the contractual net cash inflows and outflows on instruments that settle on a net basis and the gross inflows and outflows on those instruments that require gross settlement. For interest rate instruments, when the amount payable or receivable is not fixed, the amount presented has been determined by reference to observed yield curves as at the reporting date.

For the TRS and forward instruments described in Note 11.3.2, the cash flows presented in the table below reflect the interest payable and the fair value of instruments as at the reporting date.

31 December 2019 (€ millions)	Maturity						
	Due within one year	**Due in one to two years**	**Due in two to three years**	**Due in three to five years**	**Due in more than five years**	**Total contractual cash flows**	**Carrying amount**
Non-derivative financial instruments recognised in liabilities:							
Bonds and other borrowings	**1,731**	**2,178**	**1,559**	**4,989**	**763**	**11,221**	**9,632**
Liabilities for put options granted to owners of non-controlling interests	**108**	**-**	**28**	**38**	**-**	**174**	**166**
Lease liabilities	**1,015**	**906**	**856**	**1,452**	**2,095**	**6,324**	**4,676**
Trade payables and other financial liabilities	**8,288**	**4**	**-**	**1**	**33**	**8,326**	**8,326**
Total	**11,142**	**3,089**	**2,443**	**6,479**	**2,891**	**26,044**	**22,801**
Derivative financial instruments – assets/(liabilities):							
Interest rate derivatives							
Derivative contracts – received	**5**	**-**	**-**	**-**	**-**	**5**	
Derivative contracts – paid	**(5)**	**-**	**-**	**-**	**-**	**(5)**	
Derivative contracts – net settled	**4**	**4**	**2**	**-**	**-**	**9**	
Currency derivatives							
Derivative contracts – received	**292**	**1**	**1**	**-**	**-**	**294**	
Derivative contracts – paid	**(288)**	**(1)**	**(1)**	**-**	**-**	**(290)**	
Derivative contracts – net settled	**4**	**-**	**-**	**-**	**-**	**4**	
Other derivative instruments							
Derivative contracts – received	**-**	**-**	**-**	**-**	**-**	**-**	
Derivative contracts – paid	**(226)**	**-**	**-**	**-**	**-**	**(226)**	
Derivative contracts – net settled	**-**	**-**	**-**	**-**	**-**	**-**	
Total	**(215)**	**4**	**2**	**-**	**-**	**(208)**	**(152)**

31 December 2018 (restated) (€ millions)	Maturity						
	Due within one year	**Due in one to two years**	**Due in two to three years**	**Due in three to five years**	**Due in more than five years**	**Total contractual cash flows**	**Carrying amount**
Non-derivative financial instruments recognised in liabilities:							
Bonds and other borrowings	2,492	1,790	1,514	2,451	2,091	10,338	8,977
Liabilities for put options granted to owners of non-controlling interests	126	5	-	68	-	199	188
Lease liabilities	926	843	759	1,335	1,925	5,788	4,238
Trade payables and other financial liabilities	8,381	25	-	1	26	8,433	8,433
Total	**11,924**	**2,663**	**2,273**	**3,856**	**4,042**	**24,758**	**21,837**
Derivative financial instruments – assets/(liabilities):							
Interest rate derivatives							
Derivative contracts – received	16	4	-	-	-	20	
Derivative contracts – paid	(18)	(3)	-	-	-	(22)	
Derivative contracts – net settled	18	14	7	(1)	1	39	
Currency derivatives							
Derivative contracts – received	370	66	1	1	-	437	
Derivative contracts – paid	(342)	(57)	(1)	(1)	-	(400)	
Derivative contracts – net settled	15	8	-	-	-	23	
Other derivative instruments							
Derivative contracts – received	-	-	-	-	-	-	
Derivative contracts – paid	(19)	(293)	-	-	-	(311)	
Derivative contracts – net settled	-	-	-	-	-	-	
Total	**40**	**(262)**	**7**	**(1)**	**1**	**(215)**	**(174)**

Note 12 Equity and earnings per share

Accounting principle

Equity is attributable to two categories of owner: the owners of the parent (Casino, Guichard-Perrachon shareholders) and the owners of the non-controlling interests in its subsidiaries. A non-controlling interest is the equity in a subsidiary not attributable, directly or indirectly, to a parent.

Transactions with the owners of non-controlling interests resulting in a change in the parent company's percentage interest without loss of control affect only equity as there is no change of control of the economic entity. Cash flows arising from changes in ownership interests in a fully consolidated subsidiary that do not result in a loss of control (including increases in percentage interest) are classified as cash flows from financing activities.

In the case of an acquisition of an additional interest in a fully consolidated subsidiary, the Group recognises the difference between the acquisition cost and the carrying amount of the non-controlling interests as a change in equity attributable to owners of Casino, Guichard-Perrachon. Transaction costs are also recognised in equity. The same treatment applies to transaction costs relating to disposals without loss of control. In the case of disposals of controlling interests involving a loss of control, the Group derecognises the whole of the ownership interest and, where appropriate, recognises any investment retained in the former subsidiary at its fair value. The gain or loss on the entire derecognised interest (interest sold and interest retained) is recognised in profit or loss under "Other operating income" or "Other operating expenses", which amounts to remeasuring the retained previously-held investment at fair value through profit or loss. Cash flows arising from the acquisition or loss of control of a subsidiary are classified as cash flows from investing activities.

Equity instruments and hybrid instruments

The classification of instruments issued by the Group in equity or debt depends on each instrument's specific characteristics. An instrument is deemed to be an equity instrument when the following two conditions are met:

- the instrument does not contain a contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; and
- in the case of a contract that will or may be settled in the entity's own equity instruments, it is either a non-derivative that does not include a contractual obligation to deliver a variable number of the entity's own equity instruments, or it is a derivative that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

The Group also examines the special provisions of contracts to ensure the absence of an indirect obligation to buy back the equity instruments in cash or by delivering another financial asset or by delivering shares with a value substantially higher than the amount of cash or the other financial asset to be delivered.

In particular, instruments that are redeemable at the Group's discretion and for which the remuneration depends on the payment of a dividend are classified in equity.

When a "debt" component exists, it is measured separately and classified under "financial liabilities".

Equity transaction costs

External and qualifying internal costs directly attributable to equity transactions or transactions involving equity instruments are recorded as a deduction from equity, net of tax. All other transaction costs are recognised as an expense.

Treasury shares

Casino, Guichard-Perrachon shares purchased by the Group are deducted from equity at cost. The proceeds from sales of treasury shares are credited to equity with the result that any disposal gains or losses, net of the related tax effect, have no impact in the income statement for the period.

Options on treasury shares

Options on treasury shares are treated as derivative instruments, equity instruments or financial liabilities depending on their characteristics.

Options classified as derivatives are measured at fair value through profit or loss. Options classified as equity instruments are recorded in equity at their initial amount and changes in value are not recognised. The accounting treatment of financial liabilities is described in Note 11.

12.1 Capital management

The Group's policy is to maintain a strong capital base in order to preserve the confidence of investors, creditors and the markets while ensuring the financial headroom required to support the Group's future business development. The Group aims to continually optimise its financial structure by maintaining an optimum balance between net debt, EBITDA and equity. To this end, it may adjust the amount of dividends paid to shareholders (subject to the restrictions set out in the documentation for the RCF, Term Loan B and high-yield bond – Note 11.5.4c), return part of the capital to shareholders, buy back its own shares or issue new shares. From time to time, the Group may buy back its own shares in the market. The shares are generally acquired for allocation to a liquidity contract used to make a market in the shares, or to be held for allocation under stock option plans, employee share ownership plans or free share plans for employees.

The policy objectives and management procedures are exactly the same as in previous years.

Apart from legal requirements, the Group is not subject to any external minimum capital requirements.

12.2 Share capital

At 31 December 2019, the Company's share capital amounted to €165,892,132 (31 December 2018: €167,886,006 and was composed of 108,426,230 ordinary shares issued and fully paid as at that date (31 December 2018: 109,729,416 shares).
The decrease was mainly due to the cancellation of 1,303,186 shares by the Board of Directors on 13 June 2019, representing a total of €40 million of which €2 million corresponding to the shares' aggregate par value. The shares have a par value of €1.53.

Under the shareholder authorisations given to the Board of Directors, the share capital may be increased, immediately or in the future, by up to €2 billion.

12.3 Share equivalents

The Group is committed to granting free shares under various plans (Note 8.3). The Group intends to fulfil its obligations under those plans by delivering existing shares when the related rights vest.

12.4 Treasury shares

Treasury shares result from shareholder-approved buybacks of Casino, Guichard-Perrachon S.A. shares. At 31 December 2019, a total of 830,257 shares were held in treasury, representing €28 million (31 December 2018: 961,761 shares representing €33 million. The shares were purchased primarily for allocation upon exercise of the rights under free share plans.

In January 2019, the Group signed a new liquidity agreement with Rothschild Martin Maurel, effective 1 January, to take account of the changes in regulations governing such agreements, in accordance with AMF decision 2018-01 dated 2 July 2018. This new agreement replaces the previous agreement signed in 2005. On the date of signature of the contract in January 2019, €30 million in cash was held in the liquidity contract and no shares. At 31 December 2019, no Casino, Guichard-Perrachon S.A. shares were held in the liquidity account.

Purchases and sales of treasury shares in 2019 led to a €40 million reduction in equity, also corresponding to the net cash outflow for the period (notably €40 million in respect of shares purchased by Casino for cancellation).

12.5 Deeply-subordinated perpetual bonds (TSSDI)

At the beginning of 2005, the Group issued 600,000 deeply-subordinated perpetual bonds (TSSDI) for a total amount of €600 million. The bonds are redeemable solely at the Group's discretion and interest is due only if the Group pays a dividend on its ordinary shares in the preceding 12 months. The bonds pay interest at the 10-year constant maturity swap rate plus 100 bps, capped at 9%. In 2019, the average coupon was 1.65% (2018: 1.93%).

On 18 October 2013, the Group issued €750 million worth of perpetual hybrid bonds (7,500 bonds) on the market. The bonds are redeemable at the Company's discretion with the first call date set for 31 January 2019 and the second on 31 January 2024. The bonds paid interest at 4.87% until 31 January 2019. Since then, as specified in the prospectus, the interest rate has been reset at 3.992%. This rate will be reset every five years.

Given their specific characteristics in terms of maturity and remuneration, the bonds are carried in equity for the amount of €1,350 million. Issuance costs net of tax have been recorded as a deduction from equity.

12.6 Breakdown of other reserves

(€ millions)	Cash flow hedges	Net investment hedges	Foreign currency translation adjustments	Actuarial gains and losses	Equity instruments(i)	Debt instruments(i)	Total other reserves
At 1 January 2018 (restated)	**(18)**	**(1)**	**(1,997)**	**(97)**	**2**	**(2)**	**(2,114)**
Movements for the year	10	-	(330)	(9)	(4)	-	(333)
At 31 December 2018 (restated)	**(8)**	**(1)**	**(2,326)**	**(107)**	**(2)**	**(2)**	**(2,446)**
Movements for the year	(23)	-	(59)	(11)	(2)	1	(94)
At 31 December 2019	**(32)**	**(1)**	**(2,385)**	**(118)**	**(3)**	**(1)**	**(2,540)**

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

12.7 Other information on additional paid-in capital, retained earnings and reserves

12.7.1 Foreign currency translation adjustments

Foreign currency translation adjustments correspond to exchange gains and losses on translating the equity of foreign subsidiaries and receivables and payables included in the Group's net investment in these subsidiaries, at the closing rate.

FOREIGN CURRENCY TRANSLATION ADJUSTMENTS BY COUNTRY AT 31 DECEMBER 2019

(€ millions)	Attributable to owners of the parent			Attributable to non-controlling interests			Total
	1 January 2019	Movements for the year	31 December 2019	1 January 2019	Movements for the year	31 December 2019	31 December 2019
Brazil	(1,847)	(8)	**(1,855)**	(2,899)	(64)	**(2,963)**	**(4,817)**
Argentina	(175)	(34)	**(209)**	(15)	(23)	**(38)**	**(247)**
Colombia	(295)	15	**(281)**	(354)	54	**(300)**	**(581)**
Uruguay	(34)	(35)	**(69)**	(46)	(19)	**(64)**	**(133)**
United States	20	-	**20**	1	-	**1**	**21**
Poland	14	1	**15**	-	-	**-**	**15**
Indian Ocean	(9)	-	**(9)**	(3)	-	**(3)**	**(12)**
Hong Kong	1	-	**1**	-	-	**-**	**1**
Total foreign	**(2,326)**	**(59)**	**(2,385)**	**(3,315)**	**(51)**	**(3,367)**	**(5,752)**

FOREIGN CURRENCY TRANSLATION ADJUSTMENTS BY COUNTRY AT 31 DECEMBER 2018

(€ millions)	Attributable to owners of the parent			Attributable to non-controlling interests			Total
	1 January 2018	Movements for the year	31 December 2018	1 January 2018	Movements for the year	31 December 2018	31 December 2018 (restated)
Brazil	(1,571)	(276)	**(1,847)**	(2,492)	(407)	**(2,899)**	**(4,746)**
Argentina	(156)	(20)	**(175)**	(13)	(2)	**(15)**	**(190)**
Colombia	(282)	(14)	**(295)**	(320)	(34)	**(354)**	**(649)**
Uruguay	(17)	(16)	**(34)**	(31)	(14)	**(46)**	**(79)**
United States	19	-	**20**	1	-	**1**	**20**
Poland	17	(4)	**14**	-	-	**-**	**14**
Indian Ocean	(8)	(1)	**(9)**	(3)	-	**(3)**	**(12)**
Hong Kong	1	-	**1**	-	-	**-**	**1**
Total foreign currency	**(1,997)**	**(330)**	**(2,326)**	**(2,858)**	**(457)**	**(3,315)**	**(5,642)**

12.7.2 Notes to the consolidated statement of comprehensive income

(€ millions)	2019	2018 (restated)
Cash flow hedges and cash flow hedge reserve[(i)]	**(19)**	**13**
Change in fair value	**(27)**	14
Reclassifications to inventories	**-**	-
Reclassifications to profit or loss	**-**	6
Income tax (expense)/benefit	**7**	(6)
Debt instruments at fair value through other comprehensive income (OCI)	**5**	**2**
Net change in fair value	**6**	2
Impairment losses	**-**	-
Reclassifications to profit or loss	**-**	-
Income tax (expense)/benefit	**(1)**	-
Foreign currency translation reserves (Note 12.7.1)	**(110)**	**(779)**
Foreign currency translation adjustments for the year	**(124)**	(846)
Net investment hedges	**-**	-
Reclassifications to profit or loss	**14**	67
Income tax (expense)/benefit	**-**	-
Equity instruments at fair value through other comprehensive income	**(1)**	**(2)**
Net change in fair value	**(1)**	(2)
Income tax (expense)/benefit	**-**	-
Actuarial gains and losses	**(12)**	**(9)**
Actuarial gains and losses for the year	**(18)**	(15)
Income tax (expense)/benefit	**6**	5
Share of other comprehensive income of equity-accounted investees	**(5)**	**(11)**
Cash flow hedges and cash flow hedge reserve – net change in fair value	**(3)**	(2)
Cash flow hedges and cash flow hedge reserve – reclassifications to profit or loss	**-**	(1)
Foreign currency translation reserve – adjustments for the year	**(1)**	(8)
Foreign currency translation reserve – reclassification to profit or loss	**-**	-
Equity instruments at fair value through other comprehensive income – change in fair value	**(1)**	(2)
Actuarial gains and losses – net gain or loss for the year	**-**	-
Income tax (expense)/benefit	**-**	1
Total	**(142)**	**(788)**

(i) The change in the cash flow hedge reserve in 2019 and 2018 was not material.

12.8 Non-controlling interests

The following table provides detailed information on material non-controlling interests.

(€ millions)	**GPA**		**Éxito**[(ii)]	**Other**	**Total**
	Total GPA[(i)]	**o/w Via Varejo**			
Country	Brazil	Brazil	Colombia		
1 January 2018 (restated)	**4,182**	**1,222**	**1,149**	**42**	**5,373**
% of ownership interests held by non-controlling interests[(iii)]	*66.9%*	*85.7%*	*44.7%*		
% of voting rights held by non-controlling interests[(iii)]	*0.06%*	*37.5%*	*44.7%*		
Net profit/(loss)	214	(9)	35	(5)	**244**
Other comprehensive income/(loss)[(iv)]	(423)	60	(29)	(4)	**(456)**
Dividends paid/payable	(46)	(2)	(24)	(33)	**(103)**
Other movements	7	1	93	49	**149**
31 December 2018 (restated)	**3,934**	**1,272**	**1,224**	**50**	**5,208**
% of ownership interests held by non-controlling interests[(iii)]	*66.9%*	*85.7%*	*44.7%*		
% of voting rights held by non-controlling interests[(iii)]	*0.06%*	*60.6%*	*44.7%*		
Net profit/(loss)	**88**	**(20)**	**32**	**(11)**	**110**
Other comprehensive income/(loss)[(iv)]	**(56)**	**(104)**	**8**	**-**	**(48)**
Dividends paid/payable	**(39)**	**-**	**(34)**	**(19)**	**(92)**
Other movements	**(2,226)**	**(1,148)**	**525**	**47**	**(1,654)**
31 December 2019	**1,702**	**-**	**1,755**	**67**	**3,523**
% of ownership interests held by non-controlling interests[(iii)]	*58.7%*		*60.2%*		
% of voting rights held by non-controlling interests[(iii)]	*0.06%*		*[(v)]*		
Average % of ownership interests held by the Group in 2019	*34.4%*		*52.7%*		
% of ownership interests held by the Group at 31 December 2019	*41.3%*		*39.8%*		

(i) GPA excluding Éxito.
(ii) Éxito excluding GPA, including Uruguay and Argentina. GPA has had control of Éxito since November 2019.
(iii) The percentages of non-controlling interests set out in this table cover the scope of the Casino Group and do not include the Group's own non-controlling interests in sub-groups.
(iv) Other comprehensive income (loss) consists mainly of exchange differences arising on translation of foreign subsidiaries' financial statements.
(v) GPA holds 97% of Éxito's share capital. Éxito remains the majority shareholder of the Group's subsidiaries in Argentina (mainly Libertad with a 100% interest) and Uruguay (mainly Disco and Devoto in which it holds 62.5% and 100%, respectively, of the economic rights).

At the General Shareholders' Meeting on 30 December 2019, GPA's shareholders approved the migration of the company's shares to Brazil's Novo Mercado B3 listing segment. Accordingly, all preferred shares were converted into ordinary shares at an exchange ratio of 1:1, and the migration/conversion was completed at the beginning of March 2020. These transactions marked the final steps in the Group's efforts to simplify its structure in Latin America (Note 2).
At 31 December 2019, Casino holds 99.9% of GPA's voting rights and 41.3% of its capital. On 2 March 2020, GPA's share capital comprised a single class of shares, of which Casino held 41.2%.

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.

(€ millions)	GPA(i)		Éxito(ii)	
	2019	2018 (restated)	2019	2018 (restated)
Net sales	**12,290**	11,416	**4,053**	4,153
Net profit from continuing operations	**130**	272	**21**	41
Net profit/(loss) from discontinued operations	**9**	31	**(4)**	-
Consolidated net profit	**138**	304	**17**	41
Attributable to non-controlling interests in continuing operations	***83***	*182*	***34***	*35*
Attributable to non-controlling interests in discontinued operations	***5***	*32*	***(2)***	-
Other comprehensive income/(loss)	**(77)**	(604)	**12**	-
Total comprehensive income/(loss) for the year	**61**	(301)	**30**	42
Attributable to non-controlling interests	***33***	*(209)*	***39***	*6*
Non-current assets	**7,896**	7,600	**4,884**	3,987
Current assets	**2,986**	9,539	**1,462**	1,328
Non-current liabilities	**(4,281)**	(2,667)	**(1,819)**	(1,547)
Current liabilities	**(3,541)**	(8,608)	**(584)**	(1,757)
Net assets	**3,060**	**5,863**	**3,943**	**2,012**
Attributable to non-controlling interests	***1,702***	*3,934*	***1,755***	*1,224*
Net cash from operating activities	**36**	1,198	**531**	275
Net cash used in investing activities	**(10)**	(423)	**(126)**	(158)
Net cash from/(used in) financing activities	**404**	(607)	**(1,209)**	199
Effect of changes in exchange rates on cash and cash equivalents(iii)	**(1,141)**	(202)	**901**	(228)
Change in cash and cash equivalents	**(711)**	**(34)**	**97**	**88**
Dividends paid to the Group(iv)	***20***	***33***	***20***	***14***
Dividends paid to owners of non-controlling interests during the period(iv)	***31***	*51*	***34***	*24*

(i) GPA excluding Éxito.
(ii) Éxito excluding GPA, including Uruguay and Argentina.
(iii) In 2019, this item mainly reflected the simplification of the Casino Group's structure in Latin America (Note 2) and more specifically GPA's acquisition of the shares held by Casino in Éxito and Éxito's sale of Segisor shares to Casino.
(iv) GPA and Éxito have an obligation to pay out 25% and 50% respectively of annual net profit in dividends.

12.9 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 2019 represented €169 million.

During its meeting on 12 November 2018, the Board of Directors decided to pay an interim dividend for 2018 of €1.56 per share and this was duly paid on 5 December 2018. The interim dividend was paid on 108,756,207 shares, representing a total payout of €170 million recorded as a deduction from equity. In all, dividends paid in 2018 had a €338 million impact on equity.

Note that dividends for 2017 amounted to €341 million, including interim dividends of €173 million paid in 2017 and final dividends of €168 million paid in 2018.

The Group announced that it would not be paying any dividends in 2020 in respect of 2019. Decisions on future payouts will be taken in light of the Group's financial position, and will take account of the interests of the Company and compliance with its loan and bond agreements.

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

(€ millions)	2019	2018
Coupons payable on deeply-subordinated perpetual bonds (impact on equity)	**37**	**48**
of which amount paid during the year	37	36
of which amount payable in the following year	3	12
Adjustments	(2)	-
Impact on the statement of cash flows for the year	**46**	**48**
of which coupons awarded and paid during the year	37	36
of which interest awarded in the prior year and paid during the reporting year	10	12

12.10 Earnings per share

Accounting principle

Basic earnings per share are calculated based on the weighted average number of shares outstanding during the period, excluding shares issued in payment of dividends and treasury shares. Diluted earnings per share are calculated by the treasury stock method, as follows:

- numerator: earnings for the period are adjusted for dividends on deeply-subordinated perpetual bonds;
- denominator: the basic number of shares is adjusted to include potential shares corresponding to dilutive instruments (equity warrants, stock options and free shares), less the number of shares that could be bought back at market price with the proceeds from the exercise of the dilutive instruments. The market price used for the calculation corresponds to the average share price for the year.

Equity instruments that will or may be settled in Casino, Guichard-Perrachon shares are included in the calculation only when their settlement would have a dilutive impact on earnings per share.

12.10.1 Number of shares

Diluted number of shares used for the calculation		2019	2018
Weighted average number of shares outstanding during the period			
Total ordinary shares		**108,969,224**	110,169,352
Ordinary shares held in treasury		**(1,045,090)**	(1,780,356)
Weighted average number of ordinary shares before dilution	**(1)**	**107,924,134**	**108,388,996**
Potential shares represented by:			
Stock options		**-**	-
Non-dilutive instruments (out of the money or covered by calls)		**-**	-
Weighted average number of dilutive instruments		**-**	**-**
Theoretical number of shares purchased at market price		**-**	-
Dilutive effect of stock option plans		**-**	-
Free share plans		**-**	-
Total potential dilutive shares		**-**	-
Total diluted number of shares	**(2)**	**107,924,134**	**108,388,996**

12.10.2 Profit/(loss) attributable to ordinary shares

(€ millions)		2019			2018 (restated)		
		Continuing operations	Discontinued operations[(i)]	Total	Continuing operations	Discontinued operations[(i)]	Total
Net profit/(loss) attributable to owners of the parent		**(384)**	**(1,048)**	**(1,432)**	**(60)**	**(57)**	**(117)**
Dividend payable on deeply- subordinated perpetual bonds		**(37)**	**-**	**(37)**	(48)	-	(48)
Net profit/(loss) attributable to holders of ordinary shares	**(3)**	**(421)**	**(1,048)**	**(1,469)**	**(108)**	**(57)**	**(165)**
Potential dilutive effect of free share plans		**-**	**-**	**-**	**-**	**-**	**-**
Diluted net profit/(loss) attributable to holders of ordinary shares	**(4)**	**(421)**	**(1,048)**	**(1,469)**	**(108)**	**(57)**	**(165)**
Basic earnings/(loss) per share attributable to owners of the parent *(€)*	**(3)/(1)**	**(3.90)**	**(9.71)**	**(13.61)**	**(1.00)**	**(0.53)**	**(1.52)**
Diluted earnings/(loss) per share attributable to owners of the parent *(€)*	**(4)/(1)**	**(3.90)**	**(9.71)**	**(13.61)**	**(1.00)**	**(0.53)**	**(1.52)**

(i) Note 3.5.2.

Note 13 Other provisions

Accounting principle

A provision is recorded when the Group has a present obligation (legal or constructive) as a result of a past event, the amount of the obligation can be reliably estimated and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are discounted when the related adjustment is material.
In accordance with the above principle, a provision is recorded for the cost of repairing equipment sold with a warranty. The provision represents the estimated cost of repairs to be performed during the warranty period, as estimated on the basis of actual costs incurred in prior years. Each year, part of the provision is reversed to offset the actual repair costs recognised in expenses.

A provision for restructuring expenses is recorded when the Group has a constructive obligation to restructure. This is the case when management has drawn up a detailed, formal plan and has raised a valid expectation in those affected that it will carry out the restructuring by announcing its main features to them before the period-end.

Other provisions concern specifically identified liabilities and expenses.

Contingent liabilities correspond to possible obligations that arise from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Group's control, or present obligations whose settlement is not expected to require an outflow of resources embodying economic benefits. Contingent liabilities are not recognised in the statement of financial position but are disclosed in the Notes to the financial statements.

13.1 Breakdown of provisions and movements

(€ millions)	1 January 2019 (restated)	Additions 2019	Reversals (used) 2019	Reversals (not used) 2019	Changes in scope of consolidation	Effect of movements in exchange rates	Other	31 December 2019
Claims and litigation	484	105	(52)	(69)	5	(9)	(20)	**444**
Other risks and expenses	104	50	(19)	(22)	49	-	(45)	**117**
Restructuring	53	61	(53)	(6)	7	-	(12)	**50**
Total provisions	**641**	**216**	**(125)**	**(97)**	**61**	**(9)**	**(76)**	**611**
of which non-current	*481*	*97*	*(50)*	*(59)*	*52*	*(9)*	*(53)*	***458***
of which current	*160*	*119*	*(74)*	*(38)*	*9*	*-*	*(23)*	***153***

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.) or indirect taxation disputes.

Provisions for claims and litigation amount to €444 million and include €411 million for GPA (Note 13.2). Of this amount, additions to provisions, reversals of used provisions and reversals of surplus provisions, respectively, amounted to €86 million, a negative €29 million and a negative €73 million.

13.2 Breakdown of GPA provisions for claims and litigation

(€ millions)	PIS/COFINS/CPMF disputes[(i)]	Other tax disputes[(ii)]	Employee disputes	Civil litigation	Total
31 December 2019	**13**	**302**	**68**	**28**	**411**
31 December 2018 (excluding Via Varejo)	31	316	65	26	**439**

(i) VAT and similar taxes.
(ii) Indirect taxes (mainly ICMS tax on sales and services in Brazil).

In the context of the litigation disclosed above and below in Note 13.3, GPA is contesting the payment of certain taxes, contributions and payroll obligations. The bonds posted by GPA pending final rulings from the administrative courts on these various disputes are included in "Other non-current assets" (Note 6.9). GPA has also provided various guarantees in addition to these bonds, reported as off-balance sheet commitments (Note 6.11).

(€ millions)	2019			2018		
	Bonds posted by GPA(i)	**Assets pledged as collateral(ii)**	**Bank guarantees(ii)**	**Bonds posted by GPA(i)**	**Assets pledged as collateral(ii)**	**Bank guarantees(ii)**
Tax disputes	**53**	**187**	**2,029**	53	189	2,033
Employee disputes	**105**	**-**	**119**	104	1	43
Civil and other litigation	**18**	**3**	**104**	17	3	97
Total	**176**	**189**	**2,252**	**175**	**192**	**2,173**

(i) See Note 6.9.
(ii) See Note 6.11.1.

13.3 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 3.3.5, no associates or joint ventures have any significant contingent liabilities.

▪ Arbitration between GPA and Peninsula

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 (French competition authority) 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.
The Competition Authority has not issued a complaint at this stage. 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 series of raids are pending before the General Court of the European Union. 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. It is still in progress.

▪ GPA tax, social and civil contingent liabilities

(€ millions)	31 December 2019	31 December 2018
INSS (employer's social security contributions)	**100**	95
IRPJ – IRRF and CSLL (corporate income taxes)	**234**	224
PIS, COFINS and CPMF (VAT and similar taxes)	**448**	447
ISS, IPTU and ITBI (service tax, urban property tax and tax on property transactions)	**27**	34
ICMS (state VAT)	**1,355**	1,329
Civil litigation	**89**	115
Total	**2,254**	**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. At 31 December 2019, the estimated amount was €44 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 1,409 million at 31 December 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 705 million (€156 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 of 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.

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. GPA estimates that these tax credits represent a potential asset of BRL 1,184 million (€262 million).

Note 14 Related-party transactions

Related parties are:
- parent companies (mainly Rallye, Foncière Euris, Finatis and Euris);
- entities that exercise joint control or significant influence over the Company;
- subsidiaries (Note 17);
- associates (primarily Mercialys) (Note 3.3);
- joint ventures (Note 3.3);
- members of the Board of Directors and Management Committee (Note 8.4).

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). The expenses recorded during the year in respect of these agreements with Casino and its subsidiaries totalled €4.1 million, of which €3.5 million for strategic advisory services and €0.6 million for the provision of staff and premises.

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 3.3.6).

Related-party transactions with individuals (Directors, corporate officers and members of their families) are not material.

Note 15 Subsequent events

- **Vesa Equity Investment**

On 20 January 2020, Vesa Equity Investment announced that it had crossed the 5%-threshold of Casino, Guichard-Perrachon's share capital to reach 5.64% of the capital.

- **Rallye safeguard plan**

On 2 March 2020, Casino, Guichard-Perrachon was informed by its lead shareholder Rallye that on 28 February, the Paris commercial court approved the safeguard plans for Rallye and its subsidiaries.

- **Covid-19**

First identified in the Asia-Pacific region, the Covid-19 epidemic has spread rapidly to the rest of the world during the first few months of 2020, prompting governments to take drastic health measures to control the spread of the virus (closure of schools, lockdowns, travel and mobility restrictions, closure of public places, etc.). These measures are having a huge economic impact in every country in which the Group operates and it is currently impossible to predict how long the measures will be in place or their ultimate impact on business and the economy. Sales have increased sharply due to panic buying and the fact that people can no longer eat in restaurants and canteens, and are eating all their meals at home. Given the uncertainty surrounding both future consumer behaviour trends and the pandemic's economic impact, it would nevertheless be premature to estimate Covid-19's financial impact on the Group at this stage.

- **Signature of an agreement with Aldi France to sell Leader Price stores and warehouses**

On 20 March 2020, the Casino Group announced it had signed a unilateral purchase agreement with Aldi France to sell 567 Leader Price stores and 3 warehouses for an enterprise value of €735 million (including an earn-out of €35 million contingent on the achievement of certain operating indicators during the transaction period). The Group remains owner of the Leader Price brand and will continue to distribute Leader Price-branded products to the Group's other banners and franchisees, particularly outside France.
The transaction is expected to be completed after consultation with employee representative bodies and is subject to approval by the French Competition Authority.

Note 16 Statutory Auditors' fees

Statutory Auditors' fees for the year ended 31 December 2019 (in € thousands)	EY	Deloitte
Statutory audit and review of the parent company and consolidated financial statements	6,162	3,261
Non-audit services	703	940
TOTAL	**6,865**	**4,201**

Services other than the statutory audit of the financial statements ("Non-audit services") by the Statutory Auditors to Casino, Guichard-Perrachon, the parent company, and to its subsidiaries, correspond mostly to procedures related to the issuance of statements and reports on agreed-upon procedures regarding data contained in the accounting records, or regarding internal control.

Note 17 Main consolidated companies

At 31 December 2019, the Casino Group comprised 1,774 consolidated companies. The main companies are listed below.

Company		31 December 2019 % control	31 December 2019 % interest	31 December 2019 Consolidation method	31 December 2018 % control	31 December 2018 % interest	31 December 2018 Consolidation method
Casino, Guichard-Perrachon SA				Parent company			Parent company
France – Retailing							
Achats Marchandises Casino (AMC)		100	100	FC	100	100	FC
Casino Carburants		100	100	FC	100	100	FC
Casino Services		100	100	FC	100	100	FC
Casino International		100	100	FC	100	100	FC
CD Supply Innovation		50	50	EM	50	50	EM
Distribution Casino France (DCF)		100	100	FC	100	100	FC
Distridyn		49.99	49.99	EM	49.99	49.99	EM
Easydis		100	100	FC	100	100	FC
Floréal		100	100	FC	100	100	FC
Geimex		100	100	FC	100	100	FC
Horizon Achats		44	44	EM	44	44	EM
Horizon Appels d'Offres		44	44	EM	44	44	EM
Intermarché Casino Achats (INCAA)		50	50	EM	50	50	EM
Monoprix group							
Les Galeries de la Croisette		100	100	FC	100	100	FC
Monoprix		100	100	FC	100	100	FC
Monoprix Exploitation		100	100	FC	100	100	FC
Monoprix On Line (formerly Sarenza)		100	100	FC	100	100	FC
Monop'		100	100	FC	100	100	FC
Naturalia France		100	100	FC	100	100	FC
Société Auxiliaire de Manutention Accélérée de Denrées Alimentaires "S.A.M.A.D.A."		100	100	FC	100	100	FC
Société L.R.M.D.		100	100	FC	100	100	FC
Franprix-Leader Price group							
Cofilead		100	100	FC	100	100	FC
DBMH		100	100	FC	100	100	FC
Distribution Franprix		100	100	FC	100	100	FC
Distribution Leader Price		100	100	FC	100	100	FC
Distri Sud-Ouest (DSO)		100	100	FC	100	100	FC
Franprix Holding		100	100	FC	100	100	FC
Franprix – Leader Price		100	100	FC	100	100	FC
Franprix – Leader Price Finance		100	100	FC	100	100	FC
HLP Ouest		70	70	FC	70	70	FC
Holding Ile de France 2		49	100	EM	49	49	EM
Holding Spring Expansion		49	100	EM	49	49	EM
Holdi Mag	(vii)	49	100	FC	49	49	EM
Holdev Mag		100	100	FC	49	49	EM
Gesdis	(vii)	40	100	FC	40	40	EM
Leader Price Exploitation		100	100	FC	100	100	FC
NFL Distribution		100	100	FC	100	100	FC
Parfidis		100	100	FC	100	100	FC
Pro Distribution		70	70	FC	70	70	FC
R.L.P. Invest		100	100	FC	100	100	FC
Sarjel		100	100	FC	100	100	FC
Sédifrais		100	100	FC	100	100	FC
Sofigep		100	100	FC	100	100	FC

		31 December 2019			31 December 2018		
Company		**% control**	**% interest**	**Consolidation method**	**% control**	**% interest**	**Consolidation method**
Codim group							
Codim 2		100	100	FC	100	100	FC
Hyper Rocade 2		100	100	FC	100	100	FC
Pacam 2		100	100	FC	100	100	FC
Poretta 2		100	100	FC	100	100	FC
Prodis 2		100	100	FC	100	100	FC
Property and Energy							
GreenYellow		73.62	73.62	FC	73.44	73.44	FC
L'immobilière Groupe Casino		100	100	FC	100	100	FC
Sudéco		100	100	FC	100	100	FC
Uranie		100	100	FC	100	100	FC
Mercialys group							
Mercialys (listed company)		**25.24**	**30.57**	**EM**	**25.27**	**39.22**	**EM**
Other businesses							
Banque du Groupe Casino		50	50	EM	50	50	EM
Casino Finance		100	100	FC	100	100	FC
Casino Finance International		100	100	FC	100	100	FC
Casino Restauration		100	100	FC	100	100	FC
Restauration Collective Casino		-	-	-	100	100	FC
Perspecteev		49	49	EM	21.8	21.8	EM
MaxIT		100	100	FC	100	100	FC
RelevanC		100	100	FC	100	100	FC
E-commerce							
Cnova N.V. group (listed company)		**99.46**	**78.91**	**FC**	**99.44**	**76.15**	**FC**
Cdiscount		100	78.98	FC	100	76.22	FC
C-Logistics		100	82.28	FC	100	76.22	FC
International – Poland							
Mayland Real Estate		100	100	FC	100	100	FC
International – Brazil							
Wilkes		100	100	FC	100	77.65	FC
GPA group (listed company)		**99.94**	**41.26**	**FC**	**99.94**	**33.09**	**FC**
Financeira Itaú CBD S.A. – Crédito, Financiamento e Investimento (FIC)	(i) (ii)	50	35.76	EM	50	41.92	EM
GPA Malls & Properties Gestão de Ativos e Serviços. Imobiliários Ltda. (GPA M&P)	(i)	100	100	FC	100	100	FC
Novasoc Comercial Ltda. (Novasoc)	(i)	100	100	FC	100	100	FC
Sendas Distribuidora S.A. (Sendas)	(i)	100	100	FC	100	100	FC
Via Varejo (listed company)	**(i)**	-	-	-	39.37	43.23	FC
Banco Investcred Unibanco S.A. (BINV)	(i) (ii) (iii) (v)	-	-	-	50	21.62	EM
Indústria de Móveis Bartira Ltda. (Bartira)	(iii) (v)	-	-	-	100	100	FC
C'nova Comercio Electronico	(iii) (v)	-	-	-	100	100	FC

Company		31 December 2019 % control	% interest	Consolidation method	31 December 2018 % control	% interest	Consolidation method
International – Colombia, Uruguay and Argentina							
Éxito group (listed company)		**96.57**	**39.84**	**FC**	**55.30**	**55.30**	**FC**
Éxito Industrias S.A.S. (formerly Distribuidora de Textiles y Confecciones SA DIDETEXCO)	(iv)	97.95	97.95	FC	97.95	97.95	FC
Viva Malls Trust	(iv) (vi)	51	51	FC	51	51	FC
Viva Villavincencio Trust	(iv)	51	26.01	FC	51	26.01	FC
Barranquilla Trust	(iv)	90	45.90	FC	90	45.9	FC
Logistica y transporte de Servicios S.A.S	(iv)	100	100	FC	100	100	FC
Tuya SA	(iv)	50	50	EM	50	50	EM
Grupo Disco (Uruguay)	(iv)	75.10	62.49	FC	75.10	62.49	FC
Devoto (Uruguay)	(iv)	100	100	FC	100	100	FC
Libertad (Argentina)	(iv)	100	100	FC	100	100	FC
International – Indian Ocean							
Vindémia Distribution		100	100	FC	100	99.99	FC
Vindémia Logistique		100	100	FC	100	100	FC
BDM (Mayotte)		100	100	FC	71.44	71.44	FC
SOMAGS (Mauritius)		100	100	FC	100	100	FC
French and international holding companies							
Bergsaar BV		100	100	FC	100	100	FC
Forézienne de Participations		100	100	FC	100	100	FC
Géant Foncière BV		100	100	FC	100	100	FC
Géant Holding BV		100	100	FC	100	100	FC
Géant International BV		100	100	FC	100	100	FC
Gelase		100	39.84	FC	100	55.30	FC
Helicco		100	100	FC	100	100	FC
Intexa (listed company)		**98.91**	**97.91**	**FC**	**98.91**	**97.91**	**FC**
Marushka Holding BV		100	100	FC	100	100	FC
Quatrim		100	100	FC	-	-	-
Segisor SA		100	100	FC	100	77.65	FC
Tevir SA		100	100	FC	100	100	FC
Tonquin BV		100	100	FC	100	100	FC

(i) The percentage interests correspond to the percentages held by the GPA sub-group. As regards Via Varejo, GPA held 39.37% of the voting rights and 43.23% of the shares, including 3.86% through a total return swap (TRS) at 31 December 2018. At 31 December 2019, the Group no longer held any shares in Via Varejo further to the sale on 14 June 2019 (Note 2).

(ii) FIC and BINV finance purchases made by GPA's customers. These entities were created through a partnership between Banco Itaú Unibanco S.A ("Itaú Unibanco"), GPA, and Via Varejo. They are accounted for by the equity method as GPA exercises significant influence over their operating and financial policies. At 31 December 2018, Via Varejo's 14.24% share of FIC's net assets was classified as held for sale in accordance with IFRS 5. BINV is a Via Varejo joint venture and was classified in full as held for sale at 31 December 2018.

(iii) The percentage interests correspond to the percentages held by the Via Varejo sub-group.

(iv) The percentage interests correspond to the percentages held by the Éxito sub-group. On 27 April 2015, Éxito signed a contractual agreement, initially with a two-year term, granting it more than 75% of the Disco voting rights and exclusive control over the sub-group's strategic decisions. On 29 December 2016, the agreement was extended until 30 June 2019 and was rolled over automatically until 30 June 2021.

(v) Via Varejo's main subsidiaries and joint ventures are Cnova Comercio Electronico, BINV and Bartira. The entire sub-group was classified as held for sale in accordance with IFRS 5 at 31 December 2018.

(vi) The trust's governance is specified in the agreement between the parties. Éxito is the majority partner and FIC has rights with respect to certain Viva Malls business decisions concerning such matters as acquisitions and disposals in excess of a certain amount or the method of setting budgets and business plan targets. The agreement also states that Éxito is the sole provider of property management, administrative and marketing services for Viva Malls and that it is paid an arm's length fee for these services. A review of the substance of FIC's rights under the agreement confirms that their effect is solely to protect FIC's investment and that, consequently, Viva Malls is controlled by Éxito.

(vii) As of 31 December 2019, the Group held potential rights conferring it control.

Note 18 Standards, amendments and interpretations published but not yet mandatory

Standards, amendments and interpretations adopted by the European Union at the reporting date but not yet mandatory

The IASB has published the following standards, amendments to existing standards and interpretations, adopted by the European Union but not mandatory at 1 January 2019.

Amendments to IAS 1 and IAS 8 – *Definition of Material*

These amendments are applicable as from 1 January 2020 on a prospective basis
They amend and expand the definition of materiality in IAS 1 and IAS 8.
They also align the definition of materiality with the wording of the *IFRS Conceptual Framework*.

Amendments to References to the Conceptual Framework in IFRS Standards

These amendments are applicable as from 1 January 2020 on a prospective basis.
These amendments are designed to replace existing references to previous frameworks in various standards and interpretations, with references to the revised Conceptual Framework. The main standards and interpretations concerned are IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22 and SIC-32.

Standards and interpretations not adopted by the European Union at the reporting date

The IASB has published the following standards, amendments to standards and interpretations applicable to the Group which have not yet been adopted by the European Union:

Standard (application date for the Group subject to adoption by the EU)	Description of the standard
Amendments to IFRS 3 *Definition of a business* (1 January 2020)	These amendments will be applicable on a prospective basis They clarify the definition of a business and the application guidance for the assessment of whether an acquired set of activities and assets is a group of assets rather than a business. Under the amended definition, to be considered a business, the integrated set of activities and assets must create output in the form of goods and services delivered to customers, rather than being conducted and managed for the purpose of providing a return to investors or other owners, members or participants. In addition, an optional concentration test has been introduced to simplify the assessment of whether an integrated set of activities and assets is a group of assets and not a business.

These interpretations and amendments are not expected to have any material impact on the Group's consolidated financial statements.

Casino, Guichard-Perrachon

YEAR ENDED 31 DECEMBRE 2019

Statutory auditors' report on the consolidated financial statements

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.
This statutory auditors' report includes information required by European regulations and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report and other documents provided to shareholders.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

DELOITTE & ASSOCIES
Tour Majunga
6 place de la Pyramide
92908 Paris-La Défense cedex
SAS au capital de € 2 188 160
572 028 041 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles

ERNST & YOUNG et Autres
Tour First
TSA 14444
92037 Paris-La Défense Cedex
S.A.S. à capital variable
438 476 913 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles

Casino, Guichard-Perrachon

Year ended 31 December 2019

Statutory auditors' report on the consolidated financial statements

To the General Meeting of Shareholders of Casino, Guichard-Perrachon,

Opinion

In compliance with the engagement entrusted to us by the general meeting of shareholders, we have audited the accompanying consolidated financial statements of Casino, Guichard-Perrachon for the year ended 31 December 2019. These consolidated financial statements were approved by the Board of Directors on 20 March 2020, on the basis of the elements available at that date, in the evolving context of the health crisis related to Covid-19.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2019 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

■ Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

■ Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from 1 January 2019 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014 or in the French Code of Ethics for Statutory Auditors *(Code de déontologie de la profession de commissaire aux comptes).*

Emphasis of Matter

We draw attention to the following matter described in Note 1.3 "Changes in accounting methods and restatement of comparative information" to the consolidated financial statements relating to the methods of application and the impacts of the first-time application of standard IFRS 16 "Leases", the impacts of the entry into force of interpretation IFRIC 23 "Uncertainty over income tax treatments", and the change of presentation of the costs of obtaining a contract. Our opinion is not modified in respect of this matter.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, as approved in the above-mentioned context, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

<table>
<tr><th colspan="2">Measurement of assets and liabilities held for sale and of the result of the discontinued Leader Price operations</th></tr>
<tr><th>Risk identified</th><th>Our response</th></tr>
<tr><td colspan="2">See Note 2 “Significant events” and Note 3.5 “Assets held for sale and discontinued operations” to the consolidated financial statements</td></tr>
<tr><td>As at 31 December 2019, the Leader Price assets and liabilities held for sale amount to 1,362 and 706 million euros respectively, representing net assets amounting to 656 million euros (approximately 8% of consolidated shareholders’ equity), and are measured at the lower of their net carrying amount and their fair value less costs to sell. The result of the discontinued Leader Price operations in respect of financial year 2019 is a loss of 1,047 million euros.

Taking into account the contribution represented by the Leader Price operations in the consolidated financial statements and the significance of Management’s estimates underlying the determination of:

(i) The Leader Price assets and liabilities to be presented as assets and liabilities held for sale, including in particular the allocation of the goodwill of the Franprix Leader Price group of cash generating units to the Leader Price operations;

(ii) The fair value less costs to sell used by the Group’s Management for the net assets attributable to the Leader Price operations within the context of the sale process in progress and the proposed conditions. The fair value used led the Group to recognize impairment in the amount of 704 million euros for financial year 2019,

we considered the measurement of the Leader Price net assets held for sale and the result of the corresponding discontinued operations to be a key audit matter.</td><td>Within the scope of our audit:

- We gained an understanding of the method of allocation of the Franprix Leader Price goodwill to the activities of Franprix, Leader Price and Geimex, which is based on the relative values of each of these activities, and we assessed the compliance of this method with IAS 36. We assessed the bases on which these relative values were established and verified the arithmetical accuracy of the calculations made;

- We analyzed the conditions of allocation of other assets and liabilities and the result of the Franprix Leader Price operations to the Leader Price activities, as well as the underlying agreements used by Management to perform certain allocations, in particular those concerning the shared services between Franprix and Leader Price;

- We assessed Management’s estimates necessary for determining the fair value less expected costs to sell based on i) the information available at this stage of the sale process and ii) the conditions envisaged by Management, together with the buyer, for the implementation of the sale;

- We verified the methodology of calculation of the impairment loss.

Finally, we assessed the appropriateness of the information disclosed in the notes to the consolidated financial statements.</td></tr>
</table>

<table>
<tr><th colspan="2">Impairment tests of goodwill and brands</th></tr>
<tr><th>Risk identified</th><th>Our response</th></tr>
<tr><td colspan="2">See Note 3 “Consolidation scope”, Note 10.1 “Goodwill”, Note 10.2 “Other intangible assets” and Note 10.5 “Impairment of non-current assets” to the consolidated financial statements</td></tr>
<tr><td>As at 31 December 2019, the net carrying amounts of goodwill and brands with an indefinite useful life recorded in the consolidated statement of financial position amount to 7,489 and 1,509 million euros respectively, i.e. approximately 26% of total consolidated assets.

Within the context of the valuation of these assets, the Group allocates its goodwill and brands to the groups of cash generating units (CGUs) as described in Note 10.1.1 to the consolidated financial statements for the implementation of impairment tests. In 2019, these CGUs take into account the reorganization performed by the Group in France, which led to dividing the Franprix-Leader Price group of CGUs into three groups of CGUs: Franprix, Leader Price and Geimex.

The impairment tests are performed at least once a year and whenever a trigger for impairment is identified, according to the conditions described in Notes 10.1, 10.2 and 10.5 to the consolidated financial statements.

We considered the valuation of goodwill and brands to be a key audit matter due to the following:
- Their materiality in the consolidated financial statements;
- The significance of the estimates notably used as a basis for the determination of their recoverable amount, including turnover and margin rate forecasts for these activities, the perpetual growth rates used to determine terminal value, and discount rates;
- The sensitivity of the valuation of these recoverable amounts to certain assumptions.</td><td>We assessed the compliance of the methodology implemented by Management with the accounting standards in force.

We also assessed the main estimates used, analyzing the following in particular:
- The consistency of cash flow projections with the budgets and medium-term business plans prepared by Management, as well as the consistency of the turnover and margin rates with the Group’s historical performance, in the economic context in which the Group operates;
- The methods and parameters used to determine the discount rates and perpetual growth rates applied to estimated cash flows. With the assistance of the valuation specialists included in our audit team, we recalculated these discount rates using the most recent market data available and compared the results obtained with (i) the rates used by Management and (ii) the rates observed for several players operating in the same business sector as the Group;
- The sensitivity scenarios adopted by Management, of which we verified the arithmetical accuracy.

Finally, we assessed the appropriateness of the information disclosed in the notes to the consolidated financial statements, in particular that relating to sensitivity tests.</td></tr>
</table>

<table>
<tr><th colspan="2">First-time application of IFRS 16 “Leases”</th></tr>
<tr><th>Risk identified</th><th>Our response</th></tr>
<tr><td colspan="2">See Note 1.3 “Changes in accounting methods and restatement of comparative information” and Note 7 “Leases” to the consolidated financial statements</td></tr>
<tr><td>The Group applies IFRS 16 “Leases” as from 1 January 2019, retrospectively for each prior period for which it presents financial information. The comparative information relating to the previous financial year has thus been restated and the cumulative effect has been recognized as at 1 January 2018.

The first-time application of the standard has led to presenting, as at 1 January 2018, right-of-use assets for a net value of 4,491 million euros and lease liabilities amounting to 4,150 million euros.

As stated in Note 7 “Leases” to the consolidated financial statements, these leases mainly concern real estate assets.

We considered the first-time application of IFRS 16, particularly to real estate assets, to be a key audit matter due to the following:

- The significance of the accounting impacts related to the first-time application of the standard to these leases in the consolidated accounts;
- The volume of the leases to be identified and analyzed within the Group, taking into account the exemptions applied by Management;
- The considerable use by Management of estimates, judgments and assumptions, especially in respect of the determination of the non-cancellable period and the discount rate to determine the value of the right-of-use assets and lease liabilities related to the real estate leases based at the date of the start of the lease on the discounted future payments.</td><td>Within the scope of our audit:

- We gained an understanding of the internal control procedures including in relation to the information system, and tested the key application and manual controls set up by Management to ensure (i) the completeness and accuracy of the contractual data relating to the leases and (ii) the correct valuation of the right-of-use assets and lease liabilities that we considered the most relevant;
- We analyzed and assessed the relevance of the main assumptions used by the Group, especially the discount rate and the lease term, in particular for leases with an extension or termination option, on which the value of the right-of-use assets and lease liabilities of the real estate is based;
- We tested the completeness of the real estate databases used, by analyzing the residual lease costs based, notably, on the exemptions offered by the standard and applied by the Group: leases with a lease term of 12 months or less and leases where the underlying asset has a low value;
- We reconciled, for a sample of leases, the information used to determine the right-of-use assets and lease liabilities with the underlying contractual documents;
- We recalculated, for a sample of leases, the value of the right-of-use assets and corresponding lease liabilities, and compared our results with those of the Group.

In addition, we assessed the appropriateness of the information disclosed in the notes to the consolidated financial statements.</td></tr>
</table>

<table>
<tr><td colspan="2">Compliance with bank covenants</td></tr>
<tr><td>Risk identified</td><td>Our response</td></tr>
<tr><td colspan="2">See Note 2 “Significant events” and Note 11.5 “Financial risk management objectives and policies” to the consolidated financial statements</td></tr>
<tr><td>Certain loan and credit line agreements, as stated in Note 11.5.4 “Liquidity risk” to the consolidated financial statements, provide for the obligation for the Group to comply with bank ratios in respect of the bank covenants as at 31 December 2019. In addition, during the 4th quarter of 2019, the Group finalized its refinancing plan, resulting in the raising of secured funding in the amount of 1.8 billion euros maturing in January 2024 and the extension of confirmed credit lines in France for 2 billion euros as a new confirmed revolving credit facility maturing in October 2023, the latter being subject to bank covenants applicable as from 31 March 2020. Any non-compliance with the bank covenants is liable to result in all or part of the debts concerned being immediately payable.

We considered compliance with the bank covenants to be a key audit matter, as any failure to comply with these ratios could have impacts on the availability of the group’s confirmed credit lines as described in the notes to the consolidated financial statements, the presentation of financial liabilities as current / non-current in the consolidated financial statements and, if relevant, the continuation of the company as a going concern.</td><td>Within the scope of our audit:
- We analyzed the Group’s bond and bank documentation, including in particular the covenants, in order to understand the definition of the ratios;
- We gained an understanding of the internal control procedures relating to the monitoring of the Group’s liquidity and net financial debt, including the processes for (i) establishing cash flow forecasts, (ii) monitoring net financial debt and (iii) calculating the ratios and complying with the bank covenants;
- We verified the arithmetical accuracy of the calculation of the ratios produced by Management as at 31 December 2019.

Finally, we assessed the appropriateness of the information disclosed in the notes to the consolidated financial statements, notably the information concerning compliance with the covenants relating to the financing concerned.</td></tr>
</table>

<table>
<tr><th colspan="2">Recognition of tax credits and monitoring of contingent tax liabilities at GPA</th></tr>
<tr><th>Risk identified</th><th>Our response</th></tr>
<tr><td colspan="2">See Note 5.1 “Key indicators by reportable sector”, Note 6.8 “Other current assets”, Note 6.9.1 “Breakdown of other non-current assets” and Note 13.3 “Contingent assets and liabilities” to the consolidated financial statements</td></tr>
<tr><td>Within the scope of its retail activities at GPA, the Group recognizes ICMS tax credits. The balance of the credits recognized amounts to 580 million euros as at 31 December 2019. These tax credits were recognized insofar as GPA considers their recoverability to be probable.

In addition, as described in Note 13.3 to the consolidated financial statements, the Group estimates contingent PIS and COFINS tax credits related to the exclusion of ICMS from the calculation basis of these two taxes to amount to 262 million euros.

GPA is also involved in various administrative and legal proceedings in Brazil arising, notably, from tax claims filed by the Brazilian tax authorities. A part of these tax risks, estimated at 2,165 million euros as at 31 December 2019, were analyzed as contingent liabilities and no provisions were recognized as at 31 December 2019, as stated in Note 13.3 to the consolidated financial statements.</td><td>We interviewed the various persons who hold responsibilities in the GPA organization to identify and gain an understanding of the tax credits and existing disputes, as well as the judgments relating thereto.

Concerning the tax credits to be received, we analyzed the following items with the assistance of the specialists in Brazilian indirect taxes included in our audit team:

- The internal control environment relating to the processes set up by Management to monitor the tax credits and ensure their recoverability, and we tested the related key controls;

- The assumptions used by Management to draw up the tax credits recovery plan;

- The documentation that evidences either the recognition of ICMS tax over the year, or the characterization of the PIS and COFINS tax credits as contingent assets.</td></tr>
</table>

<table>
<tr><th colspan="2">Recognition of tax credits and monitoring of contingent tax liabilities at GPA (continued)</th></tr>
<tr><th>Risk identified</th><th>Our response</th></tr>
<tr><td>We considered the recognition and recoverability of both the tax credits and the valuation and monitoring of contingent tax liabilities in Brazil to be key audit matters for the following reasons: (i) the significance in the accounts of the tax credit balance, the contingent asset relating to PIS and COFINS tax credits and the amount of contingent tax liabilities as at 31 December 2019, (ii) the complexity of the Brazilian tax legislation related to taxes and (iii) the use of judgements and estimates by Management in connection with the recognition of tax credits and the valuation of the contingent tax liabilities.</td><td>Concerning the contingent liabilities, with the assistance of our specialists in Brazilian taxation included in our audit team:
- We gained an understanding of the internal control environment relating to the processes for the identification, monitoring and estimation of the level of risk associated with the various disputes, and we tested the related key controls;
- We reconciled the list of identified disputes with the information provided by the Brazilian subsidiaries’ main law firms that we contacted in order to assess the existence, completeness and amounts of the disputes;
- We examined the information on the legal or technical proceedings and/or opinions provided by the law firms or external experts chosen by Management, in order to assess the correct recognition of the various disputes or their characterization as contingent liabilities;
- We reconciled the risk estimates prepared by the Group with the figures relating to contingent tax liabilities disclosed in the notes to the consolidated financial statements.
Finally, we assessed the appropriateness of the information disclosed in the notes to the consolidated financial statements.</td></tr>
</table>

Valuation of rebates to be received from suppliers at year-end	
Risk identified	***Our response***
See Note 6.2 "Cost of goods sold" and Note 6.8 "Other current assets" to the consolidated financial statements	
Within the scope of its retail activities, the Group receives rebates from its suppliers in the form of discounts and commercial cooperation fees. These rebates, generally paid on the basis of a percentage defined contractually according to purchase volumes and applied to purchases made from suppliers, are recorded as a deduction from cost of goods sold. Considering the material impact of these rebates on net profit for the year, the large number of contracts involved and the necessity for Management to estimate the final rebate percentage determined according to the volume of related purchases for each supplier, we considered the valuation of rebates to be received from suppliers at year-end to be a key audit matter.	Within the scope of our audit: - We gained an understanding of the internal control environment relating to the processes for the monitoring of these rebates in the Group's various significant subsidiaries and we carried out tests on the key controls set up by Management; - We reconciled, on a sampling basis, the contractual terms relating to rebates to be received from suppliers with their valuation; - We assessed, on a sampling basis, the estimates used by Management to determine these year-end rebates, in particular the estimation of the volumes of purchases at year-end used to determine the final rebate percentage for each supplier and the amounts of the invoices to be issued; - We reconciled the receivables recognized in the balance sheet with the amounts collected subsequent to year-end.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information relating to the Group given in the Board of Directors' management report, as approved on 25 March 2020. Regarding any events that occurred and facts that became known after the date of the approval of the management report, relating to the effects of the Covid-19 crisis, Management has informed us that such events and facts will be communicated to the general meeting of shareholders called to approve the financial statements.

We have no matters to report as to the fair presentation of the information contained in the management report and its consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by Article L. 225-102-1 of the French Commercial Code (*Code de commerce*) is included in the information relating to the Group given in the management report, it being specified that, in accordance with Article L. 823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained in this statement. This information should be reported on by an independent third party.

Report on Other Legal and Regulatory Requirements

■ Appointment of the Statutory Auditors

We were appointed as statutory auditors of Casino, Guichard-Perrachon by the general meeting of shareholders held on 29 April 2010.

As at 31 December 2019, our audit firms were both in their 10th year of uninterrupted engagement. Previously, ERNST & YOUNG Audit had been statutory auditor since 1978.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

■ Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the consolidated financial statements.

- Assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report significant deficiencies, if any, in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L.822-10 to L.822-14 of the French Commercial Code *(Code de commerce)* and in the French Code of Ethics for Statutory Auditors *(Code de déontologie de la profession de commissaire aux comptes)*. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense, 27 March 2020

The Statutory Auditors
French original signed by

DELOITTE & ASSOCIES	ERNST & YOUNG et Autres
Frédéric Moulin Patrice Choquet	Yvon Salaün Alexis Hurtrel