INTERIM FINANCIAL REPORT
AT 30 JUNE 2020

This document is a free translation into English of the original French "Rapport Financier Semestriel au 30 Juin 2020", hereafter referred to as the "Interim Financial Report at 30 June 2020". It is not a binding document. In the event of a conflict in interpretation, reference should be made to the French version, which is the authentic text

Financial highlights

Financial highlights of the first half of 2020 were as follows:

(€ millions)	**H1 2019 restated**[1]	**H1 2020**	Reported change	Change at constant exchange rates
Consolidated net sales	**16,842**	**16,140**	-4.2%	+5.9%
Gross margin	4,255	3,981	-6.4%	
EBITDA[2]	**1,123**	**1,066**	**-5.1%**	**+4.0%**
Net depreciation and amortisation	*(667)*	*(680)*	*-1.9%*	
Trading profit	**455**	**386**	-15.3%	-3.6%
Other operating income and expenses	(286)	(249)	+13.0%	
Net financial expense, o/w:	**(294)**	**(451)**	**-53.4%**	
Net finance costs	*(156)*	*(188)*	*-20.6%*	
Other financial income and expenses	*(139)*	*(264)*	*-90.2%*	
Profit (loss) before tax	**(125)**	**(314)**	**n.m.**	
Income tax benefit (expense)	(24)	12	n.m.	
Share of profit of equity-accounted investees	22	15	-32.3%	
Net profit (loss) from continuing operations	**(127)**	***(287)***	**n.m.**	
o/w Group share	*(172)*	*(334)*	*-93.9%*	
o/w attributable to non-controlling interests	*45*	*47*	*+4.4%*	
Net profit (loss) from discontinued operations	**(98)**	**(158)**	-60.0%	
o/w Group share	*(110)*	*(162)*	*-47.1%*	
o/w attributable to non-controlling interests	*12*	*4*	*-62.9%*	
Consolidated net profit (loss)	**(226)**	**(445)**	**-97.1%**	
o/w Group share	*(282)*	*(496)*	*-75.7%*	
o/w attributable to non-controlling interests	*57*	*52*	*-9.3%*	
Underlying net profit (loss), Group share[3]	**12**	**(87)**	n.m.	n.m.

[1] In light of the decision made in 2019 to divest Leader Price, this business is presented as a discontinued operation in first-half 2019 and first-half 2020, in accordance with IFRS 5. The comparative figures for first-half 2019 have been restated accordingly. Via Varejo, which was sold on 14 June 2019, is presented as a discontinued operation in the financial statements for the six months ended 30 June 2019, in accordance with IFRS 5. Organic and same-store changes exclude fuel and calendar effects.
[2] EBITDA = Trading profit + amortisation and depreciation expense.
[3] From continuing operations (see definition on page 10).

Business report

1. Review of operations and results in first-half 2020

The comments in the Interim Financial Report reflect comparisons with first-half 2019 results from continuing operations.

In light of the decision made in 2019 to divest Leader Price, this business is presented as a discontinued operation in first-half 2019 and first-half 2020 in accordance with IFRS 5. The comparative figures for first-half 2019 have been restated accordingly. Via Varejo, which was sold on 14 June 2019, is presented as a discontinued operation in the financial statements for the six months ended 30 June 2019, in accordance with IFRS 5.

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

In line with the AMF's recommendations, all costs associated with the pandemic including special bonuses and similar benefits paid to employees are presented in trading profit.

Main changes in the scope of consolidation

- Various store disposals and acquisitions during first-half 2019 within Franprix-Leader Price
- Disposals and closures of loss-making stores during first-half 2019
- Completion of the disposal of Via Varejo on 14 June 2019
- Completion of the disposal of Vindémia on 30 June 2020

Currency effects	Average exchange rates			Closing exchange rates		
	30 June 2019	30 June 2020	% change	30 June 2019	30 June 2020	% change
Colombia (EUR/COP) (x1,000)	3.6008	4.0704	-11.5%	3.6369	4.2271	-14.0%
Brazil (EUR/BRL)	4.3435	5.4167	-19.8%	4.3511	6.1118	-28.8%

- **Strong increase in consolidated net sales, up +10.4% on a same-store basis, with:**
  - **In France, same-store growth of +6.0% and +7.9% including Cdiscount**
  - **For Cdiscount[1], acceleration in gross merchandise volume (GMV) to +25%**, driven by a +39% increase in the **marketplace**, which accounted for **46.3% of GMV**
  - **In Latin America, organic growth** of +17.3%, led by Assaí in Brazil (+26.4%[1])
- **Consolidated EBITDA for the first half of the year up +4%[2] and EBITDA margin in France up +9 bps despite the additional costs of the pandemic, thanks to strengthened cost-saving plans**
  - **In France, EBITDA margin for the retail** business improved by **+9 bps to 7.2%**
    - **Cost savings plans and the Rocade plan generated savings of €40m, representing a sustained improvement in the cost ratio of +50 bps**
    - The health crisis generated a +€80m effect on activity, which was more than offset by **temporary additional costs** related to emergency measures taken to ensure the supply of populations in challenging conditions (logistics costs: -€27m, staff reinforcements: -€28m) and to protect our employees and clients (safety, protection equipment, cleaning: -€38m). **On top of these operational effects of -€13m, the special employee bonus of -€37m brings the net impact of the health crisis to -€50m in H1 2020**
  - Excellent performance by **Cdiscount, with EBITDA up +€30m**, led by the marketplace
  - **In Latin America, EBITDA increased by +9.9%[2]**, reflecting excellent performances at Assaí
- **In France, strong free cash flow generation of €507m over 12 months; solid liquidity at end-H1 2020 with €3.2bn including €2.3bn in undrawn confirmed credit lines**
- **Growth pillars strengthened** in France

[1] Data published by the subsidiary.
[2] Growth at constant exchange rates.

- **Formats: double-digit growth** in urban and convenience formats in the quarter, with 68 store openings; Growth of +14% in organic sales. A total of 444 autonomous stores
- **Food E-commerce[1]: triple-digit growth** and **strong momentum obtained** post-lockdown, with around 10,000 orders per day (vs. 6,500 before the crisis); deployment of the **Casino O'logistique automated** warehouse based on Ocado technology, with a five-fold increase in orders in one month
- **Non-food E-commerce: acquisition of one million new customers** in Q2

- **Sale** of **Leader Price** to Aldi France for €735m, bringing **total amount from disposals signed to €2.8bn**, and **completion of the sale** of **Vindémia**, bringing **total proceeds received to €2.0bn**

€ millions	H1 2019 restated	H1 2020	Reported change	Change at CER
Net sales	**16,842**	**16,140**	**-4.2%**	**+5.9%**
EBITDA	**1,123**	**1,066**	**-5.1%**	**+4.0%**
Trading profit	**455**	**386**	**-15.3%**	**-3.6%**
Underlying net profit from continuing operations, Group share	12	(87)	n.a.	n.a.
Net debt	(4,703)	(4,834)	-131	n.m.
o/w France	*(2,899)*	*(2,821)*	*+77*	*n.m.*

First-half 2020 highlights

Strong mobilisation of Group resources during the unprecedented Covid-19 crisis

Casino Group **mobilised** its resources to fulfil its essential role of **securing food supplies for people during the unprecedented health crisis.** Priority was **placed on implementing measures to protect employees and customers:** face masks and hydro-alcoholic gels, plexiglass screens, systematic cleaning in line with health guidelines, physical distancing between customers, and automated checkout solutions. Measures were also taken in concert with **suppliers and public authorities** to ensure **supply chain continuity** and **secure operations.**

The Group recorded **additional costs related to maintaining its operations** under challenging conditions. **Most of these no longer apply since the lifting of lockdowns.**

- **Additional logistics costs:** extra transport costs, organisational issues relating to problems with supplier deliveries, non-application of logistics-related penalties;
- **Additional staff costs:** extra staff, night-time hours, employer contributions for employees on sick leave or at home minding their children;
- **Additional health and safety costs:** emergency mass purchases of face masks, gloves and hydro-alcoholic gels, plexiglass screens, reinforced store cleaning, security guards to regulate the distance between customers;
- **Additional costs relating to the special bonus for employees.**

Acceleration in E-commerce and digital solutions, and further development of buoyant formats

In the first half of the year, demand was particularly high in the Group's convenience stores and on its E-commerce sites. **Food E-commerce** generated **triple-digit growth in Q2 2020,** with the deployment of click & collect and home delivery solutions in urban and convenience formats. The Casino O'logistique automated warehouse, based on **Ocado technology,** was also deployed during the period. Ramp-up at the warehouse was rapid, with a five-fold increase in the number of orders between end-May and end-June. The delivery zone has been extended to four departments (Paris and its inner suburbs), covering 6.8m residents. When lockdown measures were lifted, the transition **to a new consumption model** picked up

[1] Food E-commerce = E-commerce France excluding Cdiscount.

pace. **Orders** were **up by +50%** to around **10,000 orders per day i**n the last weeks of the period, versus **6,500 before the crisis.**

Cdiscount maintained its **strong growth** momentum, driven by an increase in the marketplace contribution to gross merchandise value (GMV) to 46.3% in Q2, up +6.2pts. The Group adjusted its product mix towards more high-margin, recurring products (DIY, gardening, sport, daily shop). The customer base increased significantly with 1m new clients in Q2, with a peak of 25m unique visitors in May.

Digital solutions continued to be rolled out in stores. In June, automated checkouts[1] represented 46% of total checkouts in hypermarkets and 40% in supermarkets. The Group now has 444 autonomous stores, of which half of hypermarkets (58 stores) and half of supermarkets (167 stores). **The CasinoMax Extra**[2] subscription loyalty programme accounted for 10% of net sales at hypermarkets and supermarkets during the period.

At the same time, the Group continued to focus on developing its **premium and convenience formats,** with **68 store openings** during the first half. The objective is to open 300 new stores by 2021, in addition to the 213 stores opened in 2019. The Group is also pursuing the development of **non-food corners,** particularly at Franprix with Hema and Decathlon, which have now been integrated into 79 and 18 stores, respectively. **The organic** segment maintained its good momentum with growth of **+14.4%** for the first half of the year.

■ Continued development of new businesses

Casino Group continues to develop its new value-creating businesses. **GreenYellow pursued its international expansion** during the period by signing its 100th photovoltaic contract in Thailand, as well as a 12MWp photovoltaic contract in South Africa with a company that operates in precious metals. In Brazil, energy efficiency contracts were signed with several retailers.

Development of the **Data business** with **relevanC** has continued, up by a strong **+34% d**uring the first half to **€44m**, despite a downturn in the market. The "relevanC Advertising" platform, for managing and monitoring advertising campaign budgets, will help speed up the acquisition of new clients.

In the **Data Centers business, ScaleMax, computing capacity** at the warehouse in Réau increased by **+30%** in the first half of the year. During lockdown, **computing capacity was made available** to the Folding@home project for research into Covid-19.

■ Advances in the disposal of non-strategic assets

Casino Group announced the **sale of 567 Leader Price stores and 3 warehouse**s in metropolitan France to Aldi France, for an enterprise value of €735m[3], bringing the **total amount from disposals signed to €2.8bn.**

The Group also completed the sale of its subsidiary **Vindémia**, the leading retailer in the Indian Ocean region. This brought the **total proceeds received from completed disposals to €2.0bn.**

■ Recognition of the Group's CSR commitments

Casino Group was named the **No. 1 European retailer** by Vigeo Eiris[4] for its **CSR policy and commitments.** The Group ranked as the top European retailer for its commitments to the **climate,** to **environmental protection,** its **human resources policies** and its **corporate governance**, and for its **employee relations policies** and human resources out of the entire panel of 129 French companies evaluated. Among its initiatives, the Group promoted organic products, which generated €1.2bn in net sales in H1 2020 (over a 12-month period), notably via its network of more than 200 specialised stores. It used 160 tonnes of recycled plastic for its packaging. In addition, 18,700 tonnes of products were donated to

[1] Via smartphone or self-service checkout.
[2] Subscription of €10 per month (or €90 for 12 months) offering an immediate 10% discount on all purchases.
[3] Including a €35m earn-out, contingent on the achievement of certain operating indicators during the transition period.
[4] A subsidiary of rating agency Moody's.

food banks and other non-profit organisations in 2019. **Lastly, the Group reduced its direct greenhouse gas emissions by 19.6% between 2015 and 2019[1].**

SECOND-QUARTER 2020 NET SALES

In the second quarter of 2020, consolidated net sales came to €7,846m, down -7.5% in total. The currency and fuel effects had unfavourable impacts of -13.1% and -2.9% respectively over the period, while the calendar effect was -0.4%. On a **same-store basis**, consolidated net sales rose by **+10.4%[2]**, driven by strong demand in **France and Latin America**, in an environment shaped by the unprecedented health crisis.

In France, total sales were impacted by a downturn in fuel sales (-€157m or -4.1pts) and by the impact of the Rocade plan on hypermarkets and supermarkets. **Same-store growth** for the quarter came to **+6.0%**, led by double-digit growth in **urban and convenience formats** (Franprix, supermarkets and convenience stores) and **triple-digit growth in food E-commerce**. Monoprix posted a sharp increase in food sales (+7.6% on a same-store basis) and enjoyed renewed momentum in non-food sales from mid-May.

Cdiscount[3] delivered organic growth in gross merchandise volume (GMV) of +24.8%, despite the postponement of the summer sales period to mid-July, with growth driven by the marketplace and by direct sales. The **marketplace** grew by +39% over the quarter and accounted for 46.3% of GMV (+6.2pts). Cdiscount attracted one million **new customers** during the quarter, with a peak of 25m unique visitors in May. International GMV doubled during the quarter, thanks to a platform that brings together 88 websites covering 25 countries.

In **Latin America** (GPA Food and Éxito), sales rose by **+12.5% on a same-store basis and by +17.3% on an organic basis**. The total net sales figure was impacted by an unfavourable currency effect of -28.2%. During the quarter, sales in Latin America benefited from the **success of Multivarejo's turnaround strategy**, which resulted in +15.8% growth on a same-store basis[3], and from another **excellent performance by Assaí**, which reported organic growth of +26.4%[3]. Éxito put in a good performance, achieving same-store growth of +6.0%[2] despite restrictions on movement in Colombia.

[1] Tonnes of CO_2 equivalent in Scopes 1 + 2, based on the 2019 scope of consolidation.
[2] Excluding fuel and calendar effects.
[3] Data published by the subsidiary

FIRST-HALF 2020 RESULTS

Consolidated net sales amounted to **€16,140m** in H1 2020, representing a change of -4.2% in total and an increase of +9.4% on an organic basis and +8.4% on a same-store basis.

In **France**, same-store H1 net sales rose by +6.0%, led by the urban and convenience formats.

E-commerce (Cdiscount) posted an organic increase in gross merchandise volume (GMV) of +12.0%[1], driven by the growing contribution of the marketplace and B2C services. Cdiscount has recorded sustained growth since the end of the lockdown, confirming the trend.

Sales in **Latin America** rose by +15.7% on an organic basis and by +10.5% on a same-store basis, lifted by a very good performance from Assaí and an upturn in demand at Multivarejo.

Consilated EBITDA reached **€1,066m**, **up +4.0%** at constant exchange rates.

In France, EBITDA margin for the retail business improved by **+9 bps** to **7.2%**.

The cost-saving plans and the Rocade plan generated savings of +€40m, **representing a sustainable improvement** in the cost ratio of +50 bps.

The health crisis generated a +€80m effect on activity, which was more than offset by **temporary additional costs** related to emergency measures taken to ensure the supply of populations in challenging conditions (logistics costs: -€27m, staff reinforcements: -€28m) and to protect our employees and clients (safety, protection equipment, cleaning: -€38m). **On top of these operational effects of -€13m, the special employee bonus of -€37m brings the net impact of the health crisis to -€50m in H1 2020.**

Cdiscount recorded an **increase in EBITDA** of **+€30m**, for an **EBITDA margin** of **4.5%** (+302 bps), and an **increase in gross margin** of **+2.8 pts**, driven by a shift in the product mix to generate more high-margin, repeat-purchases sales (DIY, gardening, sport, daily shop).

In Latin America, EBITDA increased by **+9.9% excluding the currency effect**. At **GPA, EBITDA** grew by **+10.9% excluding the currency effect**, led by the improving profitability of Assaí. **For Grupo Éxito, EBITDA** was up **+7.3% excluding the currency effect**.

Consolidated trading profit came to **€386m.** Trading profit was impacted by the non-recurring additional costs associated with Covid-19 (of which -€47m of special employee bonus for the whole Group) and a currency impact of -€55m. Excluding special employee bonuses, consolidated trading profit improved by +7% at constant exchange rates. In France, the retail trading profit amounted to €144m up +2% excluding special employee bonus.

UNDERLYING NET FINANCIAL EXPENSE AND NET PROFIT, GROUP SHARE[2]

Underlying **net financial expense** for first-half 2020 came to -€378m versus -€341m in first-half 2019. Financial expenses were higher following the refinancing plan in France in H2 2019, as the impact of the reduction in gross debt from disposals already signed in 2020 is not yet reflected. GPA's financial expenses increased because of the takeover bid on Éxito (acquisition of non-controlling shares) achieved in H2 2019.

Underlying profit (loss) from continuing operations, Group share came out at -€87m in H1, compared with €12m in first-half 2019.

CONSOLIDATED NET PROFIT (LOSS)

Consolidated net profit (loss) came to -€445m in first-half 2020, versus -€226m in first-half 2019. Net profit (loss) from continuing operations came to -€287m, primarily reflecting -€249m of non-recurring expenses, most of which are non-cash.Net profit (loss) from discontinued operations, Group share came to -€158m, notably due to stock clearance initiatives.

[1] Data published by the subsidiary
[2] See definitions on page 10.

FINANCIAL POSITION AT 30 JUNE 2020

France free cash flow excluding the disposal plan and the Rocade plan came to -€40m in H1 2020, representing **a gain of +€140m** versus H1 2019. Change in working capital for H1 2020 reflected a +€137m improvement on H1 2019 driven by the sales momentum and the action plans. Gross Capex was down -14% over the period.

In France, net debt declined slightly over the 12 months to 30 June 2020 after the reintegration of €555m corresponding to the Segisor repayment (c. €200m) and to the settlement of the GPA forward and TRS (€357m). **In France, the Group generated operating free cash flow[1] of €507m in France, or €254m after financial expenses and dividends**, and collected €469m in proceeds from disposals.

At 30 June 2020, **Casino France[2] net debt** stood at €2.8bn, versus €2.9bn a year earlier, and E-commerce net debt was virtually stable. Latam net debt increased by €187m in connection with the Group's structural simplification process in Latin America.

At 30 June 2020, **Casino Group consolidated net debt** stood at **€4.8bn vs. €4.7bn** a year earlier.

At 30 June 2020, Casino in France[2] had €3.2bn in liquidity, comprising a **gross cash position of €913m and confirmed undrawn lines of credit of €2.3bn. In addition, the Group had an amount of €186m** in an escrow account dedicated to the repayment of bonds.

ADDITIONAL FINANCIAL INFORMATION RELATING TO THE 2019 REFINANCING DOCUMENTATION

At 30 June 2020, the Group complied with covenants in the "France Retail + E-commerce[3]" scope. The **gross debt/adjusted EBITDA ratio was 6.62x**, below the 7.50x limit, with headroom of €764m in gross debt. The **adjusted EBITDA/net finance costs ratio was 3.76x**, above the required 2.25x, representing headroom of €350m in EBITDA.

OUTLOOK FOR H2 2020

The Group's priorities in France for the second half of the year are:

- **Activity growth** driven by food E-commerce and Cdiscount, expansion in buoyant formats and the commercial momentum of the banners;
- **Continued improvement in profitability** through the ramp-up of ongoing cost-saving plans and the growth in new activities (energy and data);
- **Cash generation** with continued efforts to reduce inventories and control capex;
- **Reduction in gross debt** with the allocation of all proceeds from the disposal plan to debt reduction, and the continuation of the €4.5bn disposal plan of non-strategic assets.

The Board of Directors met on 29 July 2020 to approve the consolidated financial statements for first-half 2020. These financial statements have been reviewed by the Statutory Auditors.

[1] Excluding disposal and Rocade plans.
[2] Casino Group's holding structure, including the French activities and the wholly-owned holding companies.
3 Perimeter as defined in financing documentations with mainly Segisor accounted for within France Retail + Ecommerce perimeter

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 (i) the impact of other operating income and expenses, as defined in the "Significant accounting policies" section in the notes to the consolidated financial statements, (ii) the impact of non-recurring financial items, as well as (iii) income tax expense/benefits related to these adjustments and the application of IFRIC 23 – *Uncertainties about Tax Treatment*.

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

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

(€ millions)	H1 2019 restated	Underlying items	H1 2019 underlying	H1 2020	Underlying items	H1 2020 underlying
Trading profit	**455**	**0**	**455**	**386**	**0**	**386**
Other operating income and expenses	(286)	286	0	(249)	249	0
Operating profit	**169**	**286**	**455**	**137**	**249**	**386**
Net finance costs	(156)	0	(156)	(188)	0	(188)
Other financial income and expenses[1]	(139)	(47)	(185)	(264)	74	(190)
Income taxes[2]	(24)	(33)	(58)	12	(66)	(53)
Share of profit of equity-accounted investees	22	0	22	14	0	15
Net profit (loss) from continuing operations	**(127)**	**206**	**79**	**(287)**	**257**	**(30)**
o/w attributable to non-controlling interests[3]	45	22	67	*47*	*9*	57
o/w Group share	***(172)***	***184***	***12***	***(334)***	***248***	***(87)***

[1] Other financial income and expenses have been restated, primarily for the impact of discounting tax liabilities, as well as for changes in the fair value of total return swaps and forwards.
[2] Income taxes have been restated for the tax effects corresponding to the above restated financial items and to the application of IFRIS 23 – *Uncertainties about Tax Treatment*.
[3] Non-controlling interests have been restated for the amounts relating to the restated items listed above.

2. Subsequent events

No significant events occurred after the end of the interim reporting period (30 June 2020).

3. Description of key risks and uncertainties in first-half 2020

Risk factors are discussed in Chapter 4 of Casino Group's 2019 Universal Registration Document, which is available on the Group's website.

4. Related-party transactions

Related-party transactions in first-half 2020 are described in Note 12 – Related party transactions to the interim financial statements.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AT 30 JUNE 2020

CONTENTS

Condensed Consolidated Financial Statements

CONSOLIDATED INCOME STATEMENT

(€ millions)	Notes	First-half 2020	First-half 2019 (restated)(i)
CONTINUING OPERATIONS			
Net sales	5/6.2	**16,140**	16,842
Other revenue	6.2	**245**	327
Total revenue	**6.2**	**16,385**	**17,169**
Cost of goods sold		**(12,403)**	(12,914)
Gross margin		**3,981**	**4,255**
Selling expenses	6.3	**(2,939)**	(3,105)
General and administrative expenses	6.3	**(656)**	(695)
Trading profit	**5.1**	**386**	**455**
As a % of net sales		***2.4%***	*2.7%*
Other operating income	6.5	**223**	50
Other operating expenses	6.5	**(472)**	(336)
Operating profit		**137**	**169**
As a % of net sales		***0.8%***	*1.0%*
Income from cash and cash equivalents	9.3.1	**9**	11
Finance costs	9.3.1	**(197)**	(166)
Net finance costs	**9.3.1**	**(188)**	**(156)**
Other financial income	9.3.2	**87**	105
Other financial expenses	9.3.2	**(350)**	(243)
Profit (loss) before tax		**(314)**	**(125)**
As a % of net sales		***-1.9%***	*-0.7%*
Income tax benefit (expense)	7	**12**	(24)
Share of profit of equity-accounted investees		**15**	22
Net profit (loss) from continuing operations		**(287)**	**(127)**
As a % of net sales		***-1.8%***	*-0.8%*
Attributable to owners of the parent		**(334)**	(172)
Attributable to non-controlling interests		**47**	45
DISCONTINUED OPERATIONS			
Net profit (loss) from discontinued operations	**3.2.2**	**(158)**	**(98)**
Attributable to owners of the parent	3.2.2	**(162)**	(110)
Attributable to non-controlling interests	3.2.2	**4**	12
CONTINUING AND DISCONTINUED OPERATIONS			
Consolidated net profit (loss)		**(445)**	**(226)**
Attributable to owners of the parent		**(496)**	(282)
Attributable to non-controlling interests		**52**	57

Earnings per share

(€)	First-half 2020	First-half 2019 (restated)(i)
From continuing operations, attributable to owners of the parent		
▪ Basic	**(3.43)**	(1.95)
▪ Diluted	**(3.43)**	(1.95)
From continuing and discontinued operations, attributable to owners of the parent		
▪ Basic	**(4.93)**	(2.97)
▪ Diluted	**(4.93)**	(2.97)

(i) Previously published comparative information has been restated (Note 1.3).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€ millions)	First-half 2020	First-half 2019 (restated)[i]
Consolidated net profit / (loss)	**(445)**	**(226)**
Items that may subsequently be reclassified to profit or loss	**(1,188)**	**60**
Cash flow hedges and cash flow hedge reserve[ii]	**(14)**	(36)
Foreign currency translation adjustments[iii]	**(1,152)**	83
Debt instruments at fair value through other comprehensive income (OCI)	**-**	4
Share of items of equity-accounted investees that may be subsequently reclassified to profit or loss	**(26)**	(2)
Income tax effects	**4**	12
Items that will never be reclassified to profit or loss	**2**	**(1)**
Equity instruments at fair value through other comprehensive income	**-**	(2)
Actuarial gains and losses	**3**	1
Share of items of equity-accounted investees that will never be subsequently reclassified to profit or loss	**-**	(1)
Income tax effects	**(1)**	-
Other comprehensive income / (loss) for the period, net of tax	**(1,186)**	**59**
Total comprehensive income / (loss) for the period, net of tax	**(1,630)**	**(167)**
Attributable to owners of the parent	***(975)***	*(280)*
Attributable to non-controlling interests	***(655)***	*114*

(i) Previously published comparative information has been restated (Note 1.3).

(ii) The change in the cash flow hedge reserve in first-half 2020 and first-half 2019 was not material.

(iii) The €1,152 million negative net translation adjustment in first-half 2020 arose primarily from the depreciation of the Brazilian real for €843 million and the Columbian peso for €259 million. The €83 million positive net translation adjustment in first-half 2019 arose mainly from the appreciation of the Brazilian real for a positive €112 million, partially offset by the depreciation of the Uruguayan peso for a negative €37 million.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS (€ millions)	Notes	30 June 2020	31 December 2019 (restated)(i)
Goodwill	8	**6,746**	7,489
Intangible assets	8	**2,046**	2,296
Property, plant and equipment	8	**4,271**	5,113
Investment property	8	**443**	493
Right-of-use assets	8	**4,387**	4,837
Investments in equity-accounted investees		**205**	341
Other non-current assets		**1,010**	1,183
Deferred tax assets		**853**	772
Total non-current assets		**19,960**	**22,524**
Inventories		**3,371**	3,775
Trade receivables		**807**	836
Other current assets		**1,665**	1,536
Current tax assets		**131**	111
Cash and cash equivalents	9	**2,207**	3,572
Assets held for sale	3.2	**2,448**	2,774
Total current assets		**10,630**	**12,603**
TOTAL ASSETS		**30,590**	**35,127**

EQUITY AND LIABILITIES (€ millions)	Notes	30 June 2020	31 December 2019 (restated)(i)
Share capital	10.1	**166**	166
Additional paid-in capital, treasury shares, retained earnings and consolidated net profit / (loss)		**3,580**	4,602
Equity attributable to owners of the parent		**3,746**	**4,767**
Non-controlling interests		**2,881**	**3,523**
Total equity		**6,627**	**8,291**
Non-current provisions for employee benefits		**337**	357
Other non-current provisions	11.1	**322**	458
Non-current borrowings and debt, gross	9.2	**7,326**	8,100
Non-current lease liabilities		**3,627**	3,937
Non-current put options granted to owners of non-controlling interests		**62**	61
Other non-current liabilities		**165**	181
Deferred tax liabilities		**459**	566
Total non-current liabilities		**12,298**	**13,661**
Current provisions for employee benefits		**11**	11
Other current provisions	11.1	**181**	153
Trade payables		**5,090**	6,580
Current borrowings and debt, gross	9.2	**1,752**	1,549
Current lease liabilities		**678**	740
Current put options granted to owners of non-controlling interests		**119**	105
Current tax liabilities		**84**	48
Other current liabilities		**2,823**	2,839
Liabilities associated with assets held for sale	3.2	**928**	1,150
Total current liabilities		**11,664**	**13,175**
TOTAL EQUITY AND LIABILITIES		**30,590**	**35,127**

(i) Previously published comparative information has been restated (Note 1.3).

CONSOLIDATED STATEMENT OF CASH FLOWS

(€ millions)	Notes	First-half 2020	First-half 2019 (restated)(i)
Profit (loss) before tax from continuing operations		**(314)**	**(125)**
Profit (loss) before tax from discontinued operations	3.2.2	**(104)**	(28)
Consolidated profit (loss) before tax		**(419)**	**(153)**
Depreciation and amortisation expense	6.4	**680**	667
Provision and impairment expense	4.1	**96**	119
Losses (gains) arising from changes in fair value	9.3.2	**73**	(36)
Expenses (income) on share-based payment plans		**6**	8
Other non-cash items		**(29)**	(22)
(Gains) losses on disposals of non-current assets	4.4	**(49)**	(12)
(Gains) losses due to changes in percentage ownership of subsidiaries resulting in acquisition/loss of control		**20**	8
Dividends received from equity-accounted investees		**15**	24
Net finance costs	9.3.1	**188**	156
Interest paid on leases, net	9.3.2	**138**	131
Non-recourse factoring and associated transaction costs	9.3.2	**32**	36
Gain on disposal of discontinued operations	3.2.2	**-**	14
Adjustments related to discontinued operations		**15**	116
Net cash from operating activities before change in working capital, net finance costs and income tax		**767**	**1,058**
Income tax paid		**(45)**	(118)
Change in operating working capital	4.2	**(766)**	(1,127)
Income tax paid and change in operating working capital: discontinued operations		**105**	(735)
Net cash from (used in) operating activities		**60**	**(922)**
of which continuing operations		***45***	***(289)***
Cash outflows related to acquisitions of:			
▪ Property, plant and equipment, intangible assets and investment property	4.3	**(447)**	(526)
▪ Non-current financial assets	4.10	**(472)**	(23)
Cash inflows related to disposals of:			
▪ Property, plant and equipment, intangible assets and investment property	4.4	**169**	408
▪ Non-current financial assets	4.10	**254**	59
Effect of changes in scope of consolidation resulting in acquisition or loss of control	4.5	**165**	125
Effect of changes in scope of consolidation related to equity-accounted investees	4.6	**(10)**	(16)
Change in loans and advances granted		**(21)**	16
Net cash from (used in) investing activities of discontinued operations		**(14)**	460
Net cash from (used in) investing activities		**(375)**	**503**
of which continuing operations		***(361)***	***43***
Dividends paid:			
▪ to owners of the parent	10.4	**-**	(169)
▪ to non-controlling interests		**(33)**	(62)
▪ to holders of deeply-subordinated perpetual bonds	10.4	**(33)**	(42)
Increase (decrease) in the parent's share capital		**-**	-
Transactions between the Group and owners of non-controlling interests	4.7	**(21)**	(32)
(Purchases) sales of treasury shares	10.1	**(1)**	(58)
Additions to loans and borrowings	4.8	**1,064**	556
Repayments of loans and borrowings	4.8	**(837)**	(222)
Repayments of lease liabilities		**(340)**	(348)
Interest paid, net	4.9	**(428)**	(376)
Other repayments		**(9)**	(6)
Net cash used in financing activities of discontinued operations		**(27)**	(271)
Net cash used in financing activities		**(667)**	**(1,030)**
of which continuing operations		***(640)***	***(760)***
Effect of changes in exchange rates on cash and cash equivalents of continuing operations		**(398)**	47
Effect of changes in exchange rates on cash and cash equivalents of discontinued operations		**-**	19
Change in cash and cash equivalents	**4.8**	**(1,379)**	**(1,383)**
Net cash and cash equivalents at beginning of period		**3,530**	**4,514**
▪ of which net cash and cash equivalents of continuing operations	9	3,471	3,592
▪ of which net cash and cash equivalents of discontinued operations		59	922
Net cash and cash equivalents at end of period		**2,151**	**3,131**
▪ of which net cash and cash equivalents of continuing operations	9	2,086	3,078
▪ of which net cash and cash equivalents of discontinued operations		65	54

(i) Previously published comparative information has been restated (Note 1.3).

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(€ millions) (before appropriation of profit)	Share capital	Additional paid-in capital[i]	Treasury shares	Deeply-subordinated perpetual bonds (TSSDI)	Retained earnings and profit for the period	Other reserves[ii]	Equity attributable to owners of the parent[iii]	Non-controlling interests	Total equity
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 period (restated)[*]	-	-	-	-	-	2	2	57	59
Net profit (loss) for the period (restated)[*]	-	-	-	-	(282)	-	(282)	57	(226)
Consolidated comprehensive income (loss) for the period (restated)[*]	**-**	**-**	**-**	**-**	**(282)**	**2**	**(280)**	**114**	**(167)**
Issue of share capital	-	-	-	-	-	-	-	-	-
Purchases and sales of treasury shares[iv]	(2)	(38)	(12)	-	(5)	-	(58)	-	(58)
Dividends paid/payable to shareholders[v]	-	-	-	-	(169)	-	(169)	(67)	(237)
Coupons paid/payable to holders of deeply-subordinated perpetual bonds[v]	-	-	-	-	(39)	-	(39)		(39)
Share-based payments	-	-	-	-	3	-	3	9	13
Changes in percentage interest resulting in the acquisition/loss of control of subsidiaries[vi]	-	-	-	-	3	-	3	(749)	(747)
Changes in percentage interest not resulting in the acquisition/loss of control of subsidiaries[vii]	-	-	-	-	(9)	-	(9)	1	(8)
Other movements	-	-	-	-	19	-	19	14	33
At 30 June 2019 (restated)[*]	**166**	**3,901**	**(46)**	**1,350**	**3,035**	**(2,444)**	**5,963**	**4,529**	**10,492**
At 1 January 2020	**166**	**3,901**	**(28)**	**1,350**	**1,918**	**(2,540)**	**4,767**	**3,523**	**8,291**
Other comprehensive income (loss) for the period	-	-	-	-	**-**	**(479)**	**(479)**	**(707)**	**(1,186)**
Net profit (loss) for the period	-	-	-	-	**(496)**	**-**	**(496)**	**52**	**(445)**
Consolidated comprehensive income (loss) for the period	**-**	**-**	**-**	**-**	**(496)**	**(479)**	**(975)**	**(655)**	**(1,630)**
Issue of share capital	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Purchases and sales of treasury shares[iv]	**-**	**-**	**5**	**-**	**(6)**	**-**	**(1)**	**-**	**(1)**
Dividends paid/payable to shareholders[v]	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(14)**	**(14)**
Coupons paid/payable to holders of deeply-subordinated perpetual bonds[v]	**-**	**-**	**-**	**-**	**(34)**	**-**	**(34)**	**-**	**(34)**
Share-based payments	**-**	**-**	**-**	**-**	**3**	**-**	**3**	**4**	**7**
Changes in percentage interest resulting in the acquisition/loss of control of subsidiaries	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1**	**1**
Changes in percentage interest not resulting in the acquisition/loss of control of subsidiaries[vii]	**-**	**-**	**-**	**-**	**(19)**	**-**	**(19)**	**12**	**(7)**
Other movements	**-**	**-**	**-**	**-**	**6**	**(1)**	**5**	**10**	**15**
At 30 June 2020	**166**	**3,901**	**(23)**	**1,350**	**1,372**	**(3,020)**	**3,746**	**2,881**	**6,627**

(*) Previously published comparative information has been restated (Note 1.3).

(i) Additional paid-in capital includes (a) premiums on shares issued for cash or for contributions in kind, or in connection with mergers or acquisitions, and (b) legal reserves.
(ii) See Note 10.2
(iii) Attributable to the shareholders of Casino, Guichard-Perrachon.
(iv) See Note 10.1 for information about treasury share transactions.
(v) See Note 10.4 for coupons paid and payable to holders of ordinary shares and deeply-subordinated perpetual bonds. Dividends paid and payable to non-controlling interests during the period primarily concern Éxito for €11 million and Uruguay for €2 million (first-half 2019: GPA and Éxito for €24 million and €21 million, respectively).
(vi) In first-half 2019, the €747 million negative impact mainly corresponds to the loss of control of Via Varejo.
(vii) In first-half 2020, the €19 million negative impact on equity attributable to owners of the parent primarily relates to the acquisition of non-controlling interests at Franprix-Leader Price. In first-half 2019, the €9 million negative impact primarily related to the acquisition of non-controlling interests in Mayotte (Vindémia) and at Franprix-Leader Price.

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 "Casino Group". The Company's registered office is at 1, Cours Antoine Guichard, 42008 Saint-Étienne, France.

The interim consolidated financial statements for the six months ended 30 June 2020 reflect the accounting position of the Company and its subsidiaries as well as the Group's interests in joint ventures and associates.

The consolidated financial statements of Casino, Guichard-Perrachon for the six months ended 30 June 2020 were approved for publication by the Company's Board of Directors on 29 July 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 Casino Group have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as adopted by the European Union as of the date of approval of the financial statements by the Board of Directors and applicable at 30 June 2020.

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

The interim consolidated financial statements, presented here in condensed form, have been prepared in accordance with IAS 34 – *Interim Financial Reporting*. They do not contain all the information and notes included in the annual financial statements. They should therefore be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2019, which are available upon request from the Company's registered office, or can be downloaded from the Group's website, https://www.groupe-casino.fr/en/.

Standards, amendments to standards, and interpretations adopted by the European Union and mandatory for financial years beginning on or after 1 January 2020

The accounting principles used to prepare these condensed consolidated financial statements for the six months ended 30 June 2020 are identical to those applied to the annual consolidated financial statements for the year ended 31 December 2019, with the exception of the accounting changes related to the following new standards and interpretations applicable from 1 January 2020.

- Amendments to IAS 1 and IAS 8 – *Definition of Material*
- Amendments to References to the Conceptual Framework in IFRS Standards
- Amendments to IFRS 3 – *Definition of a Business*

These texts had no material impact on the Group's consolidated financial statements.

The Group also early adopted the amendments to IFRS 9 and IFRS 7 – *Interest Rate Benchmark Reform* in its financial statements.

IFRS IC decision on the enforceable period of a lease and the useful life of leasehold improvements

In December 2019, the IFRS IC published its decision on (i) determining the enforceable period of an automatically renewable lease or a lease that can be terminated by either of the parties with no contractual penalty, and (ii) the link between the useful life of non-removable leasehold improvements and the IFRS 16 lease term. This decision provides clarifications that may impact the term of leases other than the particular cases mentioned.

The French accounting standards-setter (*Autorité des Normes Comptables* – ANC) issued a new position statement regarding "3-6-9"-type commercial leases in France in its 3 July 2020 statement of conclusions, superseding its previous position statement of 16 February 2018. The ANC confirms that:

- the initial lease term to be adopted is generally nine years. This period can be reduced to the contractual non-cancellable period of three or six years, at the lessee's discretion. The lease term may also be longer if provided for in the lease contract;
- an automatically renewable period may also be taken into account in determining the initial term of the lease if the lessee is reasonably certain that it will renew the lease and/or the lessor cannot terminate the lease without incurring a significant penalty; any such period represents an extension of the initial term of the lease;
- If an automatically renewable period is not taken into account when determining the initial term of the lease, the lease term is to be re-estimated and the initial amount of the right-of-use asset and lease liability is modified to reflect the additional period during which the lessee is reasonably certain to continue the lease;
- the assumptions used to determine the lease term must be consistent with those used to determine the useful life of non-removable leasehold improvements.

The Group has begun a further analysis of its leases in order to identify contracts whose initial accounting under IFRS 16 could be affected by this situation.

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.

In light of the current situation and the difficulties encountered in first-half 2020 due primarily to the Covid-19 pandemic, as well as industry discussions regarding "3-6-9"-type commercial leases which were finalised in early July 2020, the Group was unable to complete its analyses and therefore did not apply this decision when preparing its consolidated financial statements for the six months ended 30 June 2020. The Group will finalise its analyses in the second half of 2020.

It should be noted that Group subsidiary GPA applied the IFRS IC decision in its consolidated financial statements for the year ended 31 December 2019. 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 was 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.

1.2 Basis of preparation and presentation of the consolidated financial statements

1.2.1 Basis of measurement

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

1.2.2 Use of estimates and judgements

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

The main judgements, estimates and assumptions are based on the information available when the financial statements are drawn up and concern the following:
- classification and measurement of Leader Price's net assets, as well as assets of the France segment, in accordance with IFRS 5 (Note 3.2);
- valuation of non-current assets and goodwill (Note 8);
- measurement of deferred tax assets (Note 7);
- recognition, presentation and measurement of the recoverable amounts of tax credits or taxes (mainly ICMS, PIS and COFINS in Brazil) (Notes 5.1 and 11);
- IFRS 16 transition method, notably the determination of discount rates and the lease term for the purpose of measuring the lease liability for leases with renewal or termination options;
- provisions for risks (Note 11), particularly tax and employee-related risks in Brazil.

1.3 Changes in accounting methods and restatement of comparative information

The tables below show the impact on the previously published first-half 2019 consolidated income statement and consolidated statement of cash flows resulting mainly from the classification of Leader Price as a discontinued operation since end-2019 in accordance with IFRS 5 (discontinued operations include Leader Price for the two periods presented and Via Varejo for first-half 2019 only).

Impacts reflected in the “Other” column essentially relate to:

- the change in the method of presenting costs to obtain contracts.
  At end-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” (see notes to the 2019 consolidated financial statements);
- the definitive impacts of retrospectively applying IFRS 16 – *Leases*, previously published in the financial statements for the six months ended 30 June 2019 and recalculated in second-half 2019 once the Group’s lease management software was put in place.

Impact on the main consolidated income statement indicators in first-half 2019

(€ millions)	First-half 2019 (reported)(i)	Discontinued operations (Leader Price)	Other	First-half 2019 (restated)
Net sales	17,841	(999)	-	**16,842**
Other revenue	327	-	-	**327**
Total revenue	**18,168**	**(999)**	**-**	**17,169**
Cost of goods sold	(13,749)	809	26	**(12,914)**
Selling expenses	(3,247)	158	(16)	**(3,105)**
General and administrative expenses	(735)	41	(1)	**(695)**
Trading profit	**437**	**9**	**9**	**455**
Operating profit	**54**	**90**	**26**	**169**
Net finance costs	(157)	-	1	**(156)**
Other financial income and expenses	(141)	2	**-**	**(139)**
Profit (loss) before tax	**(244)**	**92**	**26**	**(125)**
Income tax benefit (expense)	(18)	(4)	(3)	**(24)**
Share of profit of equity-accounted investees	-	22	-	**22**
Net profit (loss) from continuing operations	**(262)**	**111**	**24**	**(127)**
Attributable to owners of the parent	*(302)*	*108*	*22*	***(172)***
Attributable to non-controlling interests	*40*	*4*	*2*	***45***
Net profit (loss) from discontinued operations	**13**	**(111)**	**-**	**(98)**
Attributable to owners of the parent	*(2)*	*(108)*	-	***(110)***
Attributable to non-controlling interests	*15*	*(4)*	-	***12***
Consolidated net profit (loss)	**(249)**	**-**	**24**	**(226)**
Attributable to owners of the parent	*(304)*	-	*22*	***(282)***
Attributable to non-controlling interests	*55*	-	*2*	***57***

(i) Via Varejo had been classified within discontinued operations and was sold in first-half 2019.

Impact on the main consolidated statement of cash flow indicators in first-half 2019

(€ millions)	First-half 2019 (reported)	Discontinued operations (Leader Price)	Other	First-half 2019 (restated)
Net cash from (used in) operating activities	**(945)**	**-**	**23**	**(922)**
of which consolidated profit (loss) before tax	*(179)*	*-*	*26*	***(153)***
of which other components of cash flow	*1,210*	*-*	*1*	***1,211***
of which change in operating working capital and income tax paid	*(1,353)*	*112*	*(4)*	***(1,245)***
of which income taxes paid and change in operating working capital: discontinued operations	*(623)*	*(112)*	*-*	***(735)***
Net cash from (used in) investing activities	**524**	**-**	**(22)**	**503**
of which net cash related to acquisitions and disposals of non-current assets	*(102)*	*5*	*(22)*	***(118)***
of which effect of changes in scope of consolidation resulting in acquisition or loss of control	*129*	*(4)*	*-*	***125***
of which cash from (used in) discontinued operations	*464*	*(4)*	*-*	***460***
Net cash from (used in) financing activities	**(1,028)**	**-**	**(2)**	**(1,030)**
of which repayments of lease liabilities	*(368)*	*24*	*(5)*	***(348)***
of which interest paid, net	*(387)*	*3*	*8*	***(376)***
of which cash from (used in) discontinued operations	*(242)*	*(29)*	*-*	***(271)***
Effect of changes in exchange rates on cash and cash equivalents	66	-	-	***66***
Change in cash and cash equivalents	**(1,383)**	**-**	**-**	**(1,383)**
Net cash and cash equivalents at beginning of period	4,514	-	-	**4,514**
Net cash and cash equivalents at end of period	3,131	-	-	**3,131**

Impact on the consolidated statement of financial position indicators at 31 December 2019

Right-of-use assets were offset against lease liabilities on the “Assets held for sale” and “Liabilities associated with assets held for sale” lines in the consolidated statement of financial position at 31 December 2019 in an amount of €283 million.

Note 2 Significant events of the period

Significant events during the period are the following:

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, its subsidiaries and their parent companies.

Impact of the Covid-19 global pandemic on the interim financial statements

All of the Group's sites worldwide were affected by Covid-19 and by the measures taken by governments to curb the spread of the virus.

- In France, containment measures were gradually introduced, with the country placed in lockdown between 17 March and 11 May 2020.
- In Latin America, full or partial lockdowns were also introduced as from 17 March in Brazil (depending on the state), between 25 March and 31 May in Colombia and between 20 March and 24 May in Argentina. Uruguay was not locked down but the country shut its borders as from mid-March.

All industries were affected by this unprecedented phenomenon, including retail activities. As an essential industry, the Group's banners were able to continue operating during the crisis and ramped up efforts to continue supplying customers in the best possible conditions.

These measures had a significant impact on the Group, which focused on its essential role of securing food supplies for the population.

- Priority was placed on implementing the necessary measures to protect employees and customers at all workplaces and in all areas open to the public. This included distributing face masks and hydro-alcoholic gels to store employees, installing plexiglass screens at check-outs, systematic cleaning operations in line with health guidelines, health and safety initiatives focused on respect for physical distancing measures between customers, and promoting automatic payment solutions.
- Like other retailers, the Group was faced with unprecedented demand. In France, demand in large cities was particularly high in convenience stores and on E-commerce sites.
- Measures were also taken in concert with suppliers and public authorities to ensure supply chain continuity and secure in-store and warehouse operations.
- Initiatives were also rolled out for the most vulnerable members of the population.

The Group reported sales growth in France and Brazil during the lockdown period. Sales in France were driven by volume growth for convenience stores and E-commerce (food and Cdiscount), despite less customer traffic during the period. However, hypermarket sales in France and Monoprix non-food sales were hard hit.

The Group recorded temporary additional costs related to maintaining its food retail operations under extremely challenging conditions (strict hygiene measures, measures to secure food supplies, etc.) and in a state of emergency:

- Additional staff costs: increase in temporary staff to replace absentees at the beginning of the crisis; night shifts to stock shelves outside public opening hours in compliance with physical distancing measures. The Group also maintained the same level of pay for its staff on sick leave or at home minding children, bearing the cost of the additional non-subsidised portion of salary.
- Additional logistics costs to ensure the continued supply of its stores and franchisees: extra transport costs; night shifts to meet demand; additional costs to cover organisational issues relating to problems with supplier deliveries (in accordance with regulatory decisions, the Group did not apply contractual logistics-related penalties for stock-outs and/or declines in service rates during the state of emergency).
- Emergency mass purchases of face masks, gloves, wipes (PPE) and hydro-alcoholic gels for our employees and customers.
- Purchases of protective equipment for our stores (plexiglass screens).
- Increased cleaning and disinfection of stores.
- Additional security services to control access to premises and ensure physical distancing.

Like other major retailers, the Group also chose to pay a special bonus to its employees, namely those in operational roles in France.

These costs were charged to trading profit in accordance with the AMF's recommendations, and can be summarised as follows:

(€ millions)	Total	of which France Retail
Cost of goods sold	**(43)**	**(32)**
Selling expenses	**(130)**	**(98)**
General and administrative expenses	**(2)**	**(2)**
Total	**(175)**	**(132)**

Special employee bonuses amounted to €47 million, including €37 million for the France Retail segment.

During the period, the Group's cash and cash equivalents has been ensured by secured credit lines, which offset the decrease in commercial paper during the lockdown period; paper issues fell from €200 million to €20 million, before increasing once again to stand at €106 million at the reporting date (Note 9.6).

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

On 20 March 2020, 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.

In accordance with IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations* (Notes 3.2.1 and 3.2.2), assets held for sale and associated liabilities have been shown on a separate line of the statement of financial position since 31 December 2019. The post-tax net profit and cash flows for first-half 2020 and first-half 2019 are reported on separate lines of the consolidated income statement under "Net profit (loss) from discontinued operations".

Disposal plan for non-strategic assets

In 2018 and 2019, the Group sold assets for €2.1 billion. Following the agreement signed with Aldi on 20 March 2020 to sell 567 Leader Price stores and 3 Leader Price warehouses for €0.7 billion (see above), total asset disposals represents €2.8 billion (out of the announced asset disposal plan worth €4.5 billion), of which €2.0 billion receveid as at 30 June 2020.

Sale of Vindémia

On 30 June 2020, the Group sold its subsidiary Vindémia (Note 3.1.2).

Note 3 Scope of consolidation

3.1 Transactions affecting the scope of consolidation

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) maturing on 28 December 2020. 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 were not derecognised and a debt was recorded in respect of the shares not yet sold on the market.

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 stood at €102 million.

As of 30 June 2020, 81.1% of the shares underlying the TRS had been sold. A corresponding capital loss of €12 million was recorded in “Other operating expenses” and the liability now stands at €81 million.

The consolidated financial statements include the Group’s 28.1% interest in Mercialys at 30 June 2020 (30.6% at 31 December 2019) on an equity-accounted basis, of which 2.9% 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 €19 million at 30 June 2020 (€46 million at 31 December 2019).

3.1.2 Sale of Vindémia

Casino Group sold Vindémia to the GBH group on 30 June 2020 as part of its plan to dispose of non-strategic assets. The sale price for the Group totalled €207 million and was based on net debt and working capital as estimated at the date of the sale. The payment collected on the sale amounts to €186 million, generating a disposal loss of €23 million, including a loss of €13 million on reclassifying foreign currency translation adjustments within gains and losses on disposals.
If the transaction had been completed on 1 January 2020, the sale would have had a negative €405 million impact on the Group’s consolidated net sales, a negative €22 million impact on trading profit and a negative €9 million impact on net profit.

3.2 Non-current assets held for sale and discontinued operations

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

(€ millions)	Notes	30 June 2020		31 December 2019 (restated)	
		Assets	Liabilities	Assets	Liabilities
Leader Price sub-group	2	**1,304**	**724**	1,362	706
Other France Retail[(i)]		**1,046**	**204**	1,361	444
Other Latam Retail[(ii)]		**98**	**-**	51	-
Total		**2,448**	**928**	**2,774**	**1,150**
Net assets		**1,520**		1,623	
of which attributable to owners of the parent of the selling subsidiary	*9.2.1*	***1,512***		*1,604*	

(i) At 30 June 2020, this line corresponds mainly to stores and property assets. At 31 December 2019, this line corresponded primarily 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.
(ii) At 30 June 2020, this item primarily includes property assets at GPA which were subject to sale-and-leaseback transactions (Note 8).

3.2.2 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 June 2019, 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)	**First-half 2020**	**First-half 2019 (restated)**
Net sales	**862**	3,421
Net expenses[i]	**(967)**	(3,488)
Gain on disposal of Via Varejo on 14 June 2019	**-**	39
Net profit (loss) before tax from discontinued operations	**(104)**	**(28)**
Income tax expense	**(13)**	(52)
Share of profit (loss) of equity-accounted investees	**(40)**	(19)
Net profit (loss) from discontinued operations[ii]	**(158)**	**(98)**
Attributable to owners of the parent	***(162)***	*(110)*
Attributable to non-controlling interests	***4***	*12*

(i) Including a gross amount of BRL 158 million (€29 million) in first-half 2020, corresponding to GPA's right to receive a portion of the profit resulting from the exclusion of ICMS tax from the PIS/COFINS tax base of its former subsidiary Globex, following the court ruling handed down in respect of Via Varejo for the 2007-2010 period. Pending substantiating legal documentation from Via Varejo regarding tax credits for fiscal years 2003 to 2007, GPA's right to receive tax credits is considered a contingent asset estimated at around BRL 350 million, or €57 million (Note 11.3).

(ii) Including a loss of €167 million for Leader Price in first-half 2020, including the impact on master franchisees of completed and ongoing changes in the scope of consolidation (first-half 2019: loss of €111 million).

At 31 December 2019, the fair value of Leader Price had been 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. The revision of the estimate at 30 June 2020 did not result in a material change in the fair value.

3.3 Investments in equity-accounted investees

3.3.1 Share of contingent liabilities of equity-accounted investees

At 30 June 2020 and 31 December 2019, none of the Group's associates or joint ventures had any material contingent liabilities.

3.3.2 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)	2020		2019 (restated)	
	Associates	Joint ventures	Associates	Joint ventures
Closing balance at 30 June 2020				
31 December 2019				
Loans	**15**	**7**	31	11
o/w impairment	***(1)***	**-**	*(1)*	-
Receivables	**40**	**41**	41	44
o/w impairment	**-**	***(1)***	-	-
Payables	**157(i)**	**151**	184(i)	283
First-half transactions				
Expenses	**3(ii)**	**373(iii)**	6(ii)	828(iii)
Income	**109(iv)**	**29**	266(iv)	19

(i) Including lease liabilities in favour of Mercialys for property assets amounting to €151 million at 30 June 2020, of which €41 million due within one year (31 December 2019: €169 million, of which €41 million due within one year).
(ii) 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 €25 million in first-half 2020 (first-half 2019: 66 leases for €27 million).
(iii) Including €355 million in fuel purchases from Distridyn in first-half 2020 (first-half 2019: €574 million) and €229 million in goods purchases from CD Supply Innovation (the partnership with CDSI was unwound during first-half 2019).
(iv) Income of €109 million in first-half 2020 (first-half 2019: €266 million) also includes sales of goods by Franprix and Distribution Casino France to master-franchisees accounted for by the equity method, for €62 million (first-half 2019: €155 million). It also includes income related to property development transactions with Mercialys reported under "Other revenue" for €18 million in first-half 2020 (first-half 2019: €53 million).

Note 4 Additional cash flow disclosures

4.1 Reconciliation of provision expense

(€ millions)	Notes	First-half 2020	First-half 2019 (restated)
Goodwill impairment	8	**(15)**	-
Impairment of intangible assets		**(7)**	(2)
Impairment of property, plant and equipment		**(18)**	(27)
Impairment of right-of-use assets		**(8)**	(2)
Impairment of other assets		**(49)**	(87)
Net (additions to)/reversals of provisions for risks and charges	11.1	**(1)**	(3)
Total provision expense		**(96)**	**(122)**
Provision expense reported within discontinued operations		**-**	3
Provision expense adjustment in the statement of cash flows		**(96)**	**(119)**

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

(€ millions)	1 January 2020	Cash flows from operating activities	Other cash flows	Changes in scope of consolidation	Effect of movements in exchange rates	IFRS 5 reclass.	Reclass. and other	30 June 2020
Goods inventories	(3,485)	(63)	-	(6)	419	22	(7)	(3,119)
Property development inventories	(290)	(5)	-	15	27	-	1	(252)
Trade payables	6,580	(868)	-	(2)	(606)	(14)	-	5,090
Trade receivables	(836)	(31)	-	(2)	33	3	26	(807)
Other (receivables)/payables	302	200	(290)(i)	(46)	125	(8)	30	313
TOTAL	**2,272**	**(766)**	**(290)**	**(41)**	**(2)**	**3**	**50**	**1,224**

(i) Including €248 million paid on unwinding the total return swap (TRS) on GPA shares (Note 4.10).

(€ millions)	1 January 2019	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	30 June 2019 (restated)
Goods inventories	(3,655)	72	(34)	-	(8)	(29)	(2)	11	(3,646)
Property development inventories	(179)	(85)	1	-	(2)	(2)	-	(3)	(269)
Trade payables	6,668	(863)	(57)	-	14	51	16	(23)	5,806
Trade receivables	(905)	(7)	(49)	-	55	1	1	2	(902)
Other (receivables)/payables	542	(245)	28	(161)	72	(21)	33	31	280
TOTAL	**2,471**	**(1,127)**	**(111)**	**(161)**	**130**	**1**	**47**	**18**	**1,268**

4.3 Reconciliation of acquisitions of non-current assets

(€ millions)	First-half 2020	First-half 2019 (restated)
Additions to and acquisitions of intangible assets	**(102)**	(118)
Additions to and acquisitions of property, plant and equipment	**(357)**	(375)
Additions to and acquisitions of investment property	**(2)**	(9)
Additions to and acquisitions of lease premiums included in right-of-use assets	**(1)**	(6)
Changes in amounts due to suppliers of non-current assets	**14**	(31)
Neutralisation of capitalised borrowing costs (IAS 23)[i]	**1**	2
Effect of discontinued operations	**-**	11
Cash used in acquisitions of intangible assets, property, plant and equipment and investment property	**(447)**	**(526)**

[i] Non-cash movements.

4.4 Reconciliation of disposals of non-current assets

(€ millions)	First-half 2020	First-half 2019 (restated)
Disposals of intangible assets	**1**	4
Disposals of property, plant and equipment	**18**	91
Disposals of lease premiums included in right-of-use assets	**2**	1
Gains on disposals of non-current assets[i]	**65**	72
Changes in receivables related to non-current assets	**2**	(69)
Reclassification of non-current assets as "Assets held for sale"	**80**	316
Effect of discontinued operations	**-**	(6)
Cash from disposals of intangible assets, property, plant and equipment and investment property	**169**	**408**

[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)	First-half 2020	First-half 2019 (restated)
Amount paid for acquisitions of control	**(3)**	(8)
Cash acquired/(bank overdrafts assumed) in acquisitions of control	**(1)**	2
Proceeds from losses of control	**212**	135
(Cash sold) / bank overdrafts transferred in losses of control	**(43)**	(3)
Effect of changes in scope of consolidation resulting in acquisition or loss of control	**165**	**125**

In first-half 2020, the net impact of these transactions on the Group's cash and cash equivalents was mainly due to the sale of Vindémia (Note 2).

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 €105 million;
- the sale of the contract catering services business and of restaurants.

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

(€ millions)	First-half 2020	First-half 2019 (restated)
Amount paid for the acquisition of shares in equity-accounted investees	**(8)**	(14)
Amount received from the sale of shares in equity-accounted investees	**(2)**	(2)
Effect of changes in scope of consolidation related to equity-accounted investees	**(10)**	**(16)**

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

(€ millions)	First-half 2020	First-half 2019 (restated)
GPA – costs related to the acquisition of a 41.27% stake in Éxito	**(22)**	-
Vindémia – purchase of the non-controlling interests in the Mayotte subsidiary	**-**	(18)
GreenYellow – Costs related to the disposal without loss of control in 2018	**-**	(10)
Other	**1**	(4)
Effect on cash and cash equivalents of transactions with non-controlling interests	**(21)**	**(32)**

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

(€ millions)	Notes	First-half 2020	First-half 2019 (restated)
Change in cash and cash equivalents		**(1,379)**	**(1,383)**
Additions to borrowings[i]		**(1,064)**	(556)
Repayments of borrowings[i]		**837**	222
Non-cash changes in debt[i]		**148**	104
Change in net assets held for sale attributable to owners of the parent		***63***	*(112)*
Change in other financial assets		***(5)***	*77*
Effect of changes in scope of consolidation		***20***	*72*
Change in fair value hedges		***5***	*(24)*
Change in accrued interest		***63***	*67*
Other		***1***	*25*
Effect of movements in exchange rates[i]		**813**	(44)
Change in loans and borrowings of discontinued operations		**(136)**	331
Change in net debt		**(781)**	**(1,326)**
Net debt at beginning of period		**4,053**	3,378
Net debt at end of period	9.2	**4,834**	4,703

(i) These impacts relate exclusively to continuing operations.

4.9 Reconciliation of net interest paid

(€ millions)	Notes	First-half 2020	First-half 2019 (restated)
Net finance costs reported in the income statement	**9.3.1**	**(188)**	**(156)**
Neutralisation of unrealised exchange gains and losses		**1**	7
Neutralisation of amortisation of debt issuance/redemption costs and premiums		**23**	10
Capitalised borrowing costs		**(1)**	(2)
Change in accrued interest and in fair value hedges of borrowings		**(93)**	(69)
Interest paid on lease liabilities	9.3.2	**(138)**	(131)
Non-recourse factoring and associated transaction costs	9.3.2	**(32)**	(36)
Interest paid, net as presented in the statement of cash flows		**(428)**	**(376)**

4.10 Cash outflows and inflows related to financial assets

In the first-half 2020:

- Cash outflows related to acquisitions of financial assets amounted to €472 million, mainly breaking down as (i) a payment of €248 million relating to unwinding the total return swap (TRS) on GPA shares (Note 9.3.2) and (ii) the allocation of €186 million collected on the disposal of Vindémia to an escrow account (Note 3.1.2).
- Cash inflows related to disposals of financial assets amounted to €254 million and mainly reflect the use of €193 million from the escrow account to redeem the residual bond debt maturing in 2020 (Note 9.2.2).

Note 5 Segment information

5.1 Key indicators by reportable segment

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

(€ millions)	France Retail	Latam Retail	E-commerce	First-half 2020
External net sales (Notes 5.2 and 6.2)	**7,791**	**7,401**	**948**	**16,140**
EBITDA(i)	**564(ii)**	**459**	**43**	**1,066**
Recurring depreciation and amortisation (Notes 6.3 and 6.4)	**(416)**	**(226)**	**(37)**	**(680)**
Trading profit	**148(ii)**	**232**	**6**	**386**

(i) EBITDA (earnings before interest, taxes, depreciation and amortisation) is defined as trading profit plus recurring depreciation and amortisation expense.

(ii) Of which €4 million in respect of property deals carried out in France, corresponding in 2020 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 3.3.2).

(€ millions)	France Retail	Latam Retail	E-commerce	First-half 2019 (restated)
External net sales (Notes 5.2 and 6.2)	8,045	7,908	889	16,842
EBITDA(i)	601(ii)	508	13	1,123
Recurring depreciation and amortisation (Notes 6.3 and 6.4)	(394)	(243)	(31)	(667)
Trading profit (loss)	207(ii)	265	(17)	455

(i) EBITDA (earnings before interest, taxes, depreciation and amortisation) is defined as trading profit plus recurring depreciation and amortisation expense.

(ii) Of which €30 million in respect of property deals carried out in France, corresponding in first-half 2019 primarily 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 3.3.2).

5.2 Key indicators by geographical area

(€ millions)	France	Latin America	Other regions	Total
External net sales for the six months ended 30 June 2020	**8,738**	**7,393**	**10**	**16,140**
External net sales for the six months ended 30 June 2019 (restated)	8,932	7,902	8	16,842

(€ millions)	France	Latin America	Other regions	Total
Non-current assets at 30 June 2020(i)	**10,193**	**7,859**	**55**	**18,108**
Non-current assets at 31 December 2019(i)	10,628	9,897	59	20,584

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

Note 6 Activity data

6.1 Seasonality of operations

Across all businesses, seasonal fluctuations on the income statement are minor in terms of net sales (first-half 2019 represented 49% of full-year 2019, or 48% based on the average 2019 exchange rate), but are more significant in terms of trading profit (35% based on the average exchange rate for first-half 2019 and the average exchange rate for full-year 2019).

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

6.2 Breakdown of total revenue

The following tables present a breakdown of revenue:

(€ millions)	France Retail	Latam Retail	E-commerce	First-half 2020
Net sales	**7,791**	**7,401**	**948**	**16,140**
Other revenue	**172**	**73**	**-**	**245**
Total revenue	**7,963**	**7,474**	**948**	**16,385**

(€ millions)	France Retail	Latam Retail	E-commerce	First-half 2019 (restated)
Net sales	8,045	7,908	889	**16,842**
Other revenue	244	83	-	**327**
Total revenue	**8,289**	**7,991**	**889**	**17,169**

6.3 Expenses by nature and function

(€ millions)	Logistics costs[i]	Selling expenses	General and administrative expenses	First-half 2020
Employee benefits expense	**(261)**	**(1,339)**	**(372)**	**(1,973)**
Other expenses	**(390)**	**(1,092)**	**(186)**	**(1,668)**
Depreciation and amortisation (Notes 5.1/6.4)	**(74)**	**(508)**	**(98)**	**(680)**
Total	**(725)**	**(2,939)**	**(656)**	**(4,320)**

(€ millions)	Logistics costs[i]	Selling expenses	General and administrative expenses	First-half 2019 (restated)
Employee benefits expense	(261)	(1,440)	(403)	**(2,105)**
Other expenses	(381)	(1,159)	(199)	**(1,740)**
Depreciation and amortisation (Notes 5.1/6.4)	(69)	(505)	(93)	**(667)**
Total	**(711)**	**(3,105)**	**(695)**	**(4,512)**

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

6.4 Depreciation and amortisation

(€ millions)	Notes	First-half 2020	First-half 2019 (restated)
Amortisation of intangible assets		**(92)**	(88)
Depreciation of property, plant and equipment		**(228)**	(239)
Depreciation of investment property		**(6)**	(6)
Depreciation of right-of-use assets		**(354)**	(370)
Total depreciation and amortisation expense		**(680)**	**(703)**
Depreciation and amortisation reported within discontinued operations		**-**	36
Depreciation and amortisation of continuing operations	**5.1/6.3**	**(680)**	**(667)**

6.5 Other operating income and expenses

(€ millions)	First-half 2020	First-half 2019 (restated)
Total other operating income	**223**	50
Total other operating expenses	**(472)**	(336)
	(249)	**(286)**
Breakdown by type		
Gains and losses on disposal of non-current assets(i) (vi)	**45**	(6)
Net asset impairment losses(ii) (vi)	**(72)**	(98)
Net income/(expense) related to changes in scope of consolidation(iii) (vi)	**(74)**	(64)
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	**(102)**	**(168)**
Restructuring provisions and expenses(iv) (iii) (vi)	**(111)**	(66)
Provisions and expenses for litigation and risks(v)	**(30)**	(43)
Other	**(6)**	(8)
Sub-total	**(147)**	**(118)**
Total net other operating income (expenses)	**(249)**	**(286)**

(i) The net gain on disposal of non-current assets in the first half of 2020 primarily concerns sale-and leaseback operations and asset disposals at GPA (Note 8). The net loss on disposal of non-current assets in the first half of 2019 primarily concerns the France Retail segment.

(ii) The impairment loss recognised in first-half 2020 mainly concerns the France Retail segment. The impairment loss recognised in first-half 2019 mainly concerns the France Retail segment and relates to the asset disposal plan.

(iii) The expense relating to the store optimisation plan in the France Retail segment, including employee costs, store closure costs, inventory reduction costs and impairment, totalled €43 million in first-half 2020 (of which €2 million corresponding to changes in scope, €39 million classified as restructuring costs and €1 million classified within litigation and risks). Other changes in scope of consolidation relate mainly to the France Retail and Latam Retail segments, representing €58 million and €14 million, respectively. In first-half 2019, 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 €40 million (of which €21 million corresponding to changes in scope and €19 million classified as restructuring costs).

(iv) Excluding the impact of the store optimisation plan, restructuring provisions and expenses for first-half 2020 mainly concern the France Retail and Latam Retail segments for €30 million and €38 million, respectively. Excluding the impact of the store optimisation plan set out in the previous footnote, restructuring provisions and expenses in first-half 2019 mainly concerned the France Retail and Latam Retail segments for €25 million and €20 million, respectively.

(v) Provisions and expenses for litigation and risks represent a net expense of €30 million in first-half 2020, including €11 million for tax and employee-related risks at GPA. Provisions and expenses for litigation and risks represented a net expense of €43 million in first-half 2019, including €24 million for tax risks at GPA.

(vi) Reconciliation of the breakdown of asset impairment losses:

(€ millions)	First-half 2020	First-half 2019 (restated)
Goodwill impairment losses	**(15)**	-
Impairment (losses) / reversals on intangible assets, net	**(7)**	(2)
Impairment (losses) / reversals on property, plant and equipment, net	**(18)**	(27)
Impairment (losses) / reversals on investment property, net	**-**	-
Impairment (losses) / reversals on right-of-use assets, net	**(8)**	(2)
Impairment (losses) / reversals on other assets, net (IFRS 5 and other)	**(49)**	(87)
Total net impairment losses	**(96)**	**(119)**
Net impairment losses of discontinued operations	**-**	5
Net impairment losses of continuing operations	**(96)**	**(114)**
o/w presented under “Restructuring provisions and expenses”	***(23)***	*(14)*
o/w presented under "Net asset impairment losses"	***(72)***	*(98)*
o/w presented under "Net income/(expense) related to changes in scope of consolidation"	***-***	*(1)*
o/w presented under "Gains and losses on disposal of non-current assets"	***(1)***	-

Note 7 Income taxes

The effective tax rate for the half-year ended 30 June 2020 was -3.9% versus 19.4% for first-half 2019. The tax proof is presented below:

(€ millions)	First-half 2020		First-half 2019 (restated)	
Profit (loss) before tax	**(314)**		**(125)**	
Theoretical income tax benefit / (expense)[i]	**101**	**-32.02%**	**40**	-32.02%
Reconciliation of the theoretical income tax benefit / (expense) to the actual income tax benefit / (expense)				
Impact of differences in foreign tax rates	**4**	**-1.1%**	(7)	5.6%
Recognition of previously unrecognised tax benefits on tax losses and other deductible temporary differences[ii]	**9**	**-2.9%**	11	-8.6%
Unrecognised deferred tax assets/valuation allowances on recognised deferred tax assets on tax loss carryforwards or other deductible temporary differences[iii]	**(22)**	**7.1%**	(26)	20.6%
Change in corporate tax rate[iv]	**(17)**	**5.4%**	-	-
CVAE net of income tax	**(21)**	**6.7%**	(22)	17.6%
Non-deductible interest expense[v]	**(14)**	**4.3%**	(4)	3.4%
Non-deductible asset impairment losses	**(19)**	**6.1%**	(21)	17.2%
Tax effect of Brazilian dividends[vi]	**-**	**-0.1%**	9	-7.5%
Other taxes on distributed earnings[vii]	**(4)**	**1.2%**	(10)	8.2%
Deductible interest on deeply-subordinated perpetual bonds	**6**	**-2.0%**	6	-4.5%
Reduced-rate asset disposals and changes in scope of consolidation	**(3)**	**0.9%**	3	-2.6%
Other	**(7)**	**2.4%**	(3)	2.2%
Actual income tax benefit (expense) / Effective tax rate	**12**	**-3.9%**	**(24)**	**19.4%**

(i) The reconciliation of the effective tax rate paid by the Group is based on the current French rate of 32.02% in 2020 and 2019.
(ii) In first-half 2020, this concerned the E-commerce segment for €6 million and the Latam Retail segment for €5 million. In first-half 2019, this mainly concerned the France Retail segment for €12 million.
(iii) In first-half 2020, this concerned the E-commerce segment for a negative €11 million and the France Retail segment for a negative €9 million. In first-half 2019, this concerned the E-commerce segment for a negative €15 million and the France Retail segment for a negative €7 million.
(iv) Corresponding mainly to the impact of adjusting the timing of recovery for deferred taxes.
(v) Tax laws in some countries cap the deductibility of interest paid by companies. The impact on the two periods presented essentially concerns the France scope.
(vi) Concerning dividends paid by Brazilian subsidiaries in the form of interest on equity in first-half 2019.
(vii) Corresponding to taxation of intra-group dividends.

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

Acquisitions of intangible assets, property, plant and equipment and investment property totalled €462 million in first-half 2020, compared with €502 million for the same period in 2019. In addition, right-of-use assets recognised in first-half 2020 in respect of new leases amounted to €142 million versus €495 million in the prior-year period. The decrease in this item mainly reflects the sale-and-leaseback transaction carried out on 8 March 2019 with the funds managed by Fortress. Currency fluctuations had a €1,482 million negative impact on property, plant and equipment, intangible assets, investment property and right-of-use assets.

The Group carried out a review of goodwill and other non-current assets at 30 June 2020 to determine whether there was any evidence of impairment, as defined in the notes to the 2019 consolidated financial statements. Impairment charges on intangible assets, property, plant and equipment, investment property and right-of-use assets were recognised in a total amount of €32 million for the period (Note 6.5), mainly in relation to the France Retail segment. Note that the Extra banner in Brazil which owns the brand with a net carrying amount of €293 million at 30 June 2020 was tested for impairment. No impairment was recognised as a result of this test. This would also have been the case in the event of the following changes in the key assumptions used: a 100-basis point increase in discount rates, a 25-basis point decrease in the perpetual growth rate used to calculate terminal value, and a 50-basis point decrease in the EBITDA margin for the cash flow projection used to calculate terminal value.

Concerning goodwill, the main tests carried out on CGUs for which there was evidence of impairment concerned the Catering segment in France and Argentina. The tests resulted in the recognition of an impairment loss of €15 million for the Catering business at 30 June 2020 (Note 6.5), leading to the write-down of the full amount of goodwill relating to this business. Based on the sensitivity tests (see above) carried out for Argentina, no impairment losses would have been recognised.

In the unprecedented context of the Covid-19 health emergency and economic crisis, the Group also re-estimated the value in use of its other goodwill CGUs based on revised:

- discount rates;
- perpetual growth rate;
- forecasts for the next three reporting periods; and
- percent EBITDA margin used to calculate terminal value. As there were no material changes in the long-term performance of these CGUs, the current health and economic crisis is not expected to have a significant long-term impact on the Group's strategic decisions.

The results of these revisions and of the sensitivity tests typically carried out as described above were satisfactory.

Sale-and-leaseback transactions and disposal of non-current assets at GPA

On 5 March 2020, GPA entered into a sale-and-leaseback transaction with an investment fund concerning 43 property assets owned by GPA for a total price of BRL 1,246 million. Of this amount, BRL 528 million (€97 million) had been collected at 30 June 2020. On the closing date of the transaction, leases had been signed for a term of 15 years. These leases can be renewed once. As of 30 June 2020, 12 store properties had been sold and two assets with a non-material value had been ultimately excluded from the transaction.
On 22 July 2020, 16 other property assets were sold, representing a total of BRL 950 million in assets transferred. At that date, 13 assets remained to be sold for BRL 261 million, for which a downpayment of BRL 15 million will be paid on 30 July 2020. These assets are expected to be transferred on 30 August 2020.
In all, the sale-and-leaseback transaction will concern 41 properties and a total sale price of BRL 1,210 million.

In first-half 2020, GPA sold four other store properties in a transaction covering six properties in all, for a total amount of BRL 92 million. Leases were signed for a term of 10 years and can be renewed once.

The impacts of these sales-and-leaseback transactions on the Group's interim consolidated financial statements at 30 June 2020 resulted in:

- recognition of a right-of-use asset for BRL 231 million (€43 million) and a lease liability for BRL 337 million (€62 million);
- decrease of BRL 386 million (€71 million) in property, plant and equipment;
- recognition of a disposal gain of BRL 64 million (€12 million) within other operating income;
- reclassification of property assets not yet transferred to the buyer within "Assets held for sale" in accordance with IFRS 5 for an amount of BRL 477 million (€78 million).

During first-half 2020, GPA also completed the sale of land for BRL 200 million. This sale generated a disposal gain of BRL 134 million (€25 million) which was recorded within other operating income.

Note 9 Financial structure and finance costs

9.1 Net cash and cash equivalents

(€ millions)	30 June 2020	31 December 2019
Cash equivalents	**935**	1,074
Cash	**1,272**	2,497
Cash and cash equivalents	**2,207**	**3,572**
Bank overdrafts	**(121)**	(101)
Net cash and cash equivalents	**2,086**	**3,471**

As of 30 June 2020, cash and cash equivalents are not subject to any material restrictions.

9.2 Loans and borrowings

9.2.1 Breakdown

Gross borrowings and debt amounted to €9,078 million at 30 June 2020 (31 December 2019: €9,649 million), breaking down as follows:

(€ millions)	Notes	30 June 2020 Non-current portion	30 June 2020 Current portion	30 June 2020 Total	31 December 2019 Non-current portion	31 December 2019 Current portion	31 December 2019 Total
Bonds[(i)]		**5,687**	**773**	**6,460**	6,661	758	7,418
Other loans and borrowings		**1,639**	**978**	**2,617**	1,430	784	2,214
Fair value hedges – liabilities[(ii)]		**-**	**1**	**1**	10	8	17
Gross borrowings and debt		**7,326**	**1,752**	**9,078**	**8,100**	**1,549**	**9,649**
Fair value hedges – assets[(iii)]		**(91)**	**(74)**	**(165)**	(62)	(17)	(78)
Other financial assets[(iv)]		**(103)**	**(256)**	**(360)**	(54)	(288)	(342)
Loans and borrowings[(vi)]	**9.2.2**	**7,132**	**1,422**	**8,554**	**7,984**	**1,244**	**9,229**
of which France Retail		***4,790***	***367***	***5,157***	*5,425*	*139*	*5,563*
of which Latam Retail[(v)]		***2,342***	***670***	***3,012***	*2,560*	*806*	*3,366*
of which E-commerce		***-***	***385***	***385***	*-*	*299*	*299*
Net assets held for sale attributable to owners of the parent of the selling subsidiary	3.2	**-**	**(1,512)**	**(1,512)**	-	(1,604)	(1,604)
Cash and cash equivalents	9.1	**-**	**(2,207)**	**(2,207)**	-	(3,572)	(3,572)
of which France Retail				***(913)***			*(1,715)*
of which Latam Retail				***(1,285)***			*(1,778)*
of which E-commerce				***(9)***			*(78)*
Cash and cash equivalents and net assets held for sale		**-**	**(3,720)**	**(3,720)**	**-**	**(5,175)**	**(5,175)**
NET DEBT		**7,132**	**(2,298)**	**4,834**	**7,984**	**(3,931)**	**4,053**
of which France Retail				***2,821***			*2,282*
of which Latam Retail				***1,636***			*1,550*
of which E-commerce				***376***			*221*

(i) Of which bond issues totalling €4,609 million in France and €1,851 million at GPA at 30 June 2020 (31 December 2019: of which bond issues totalling €4,850 million in France and €2,568 million at GPA).
(ii) Including €11 million in France and €7 million in Brazil at 31 December 2019.
(iii) Including €96 million in France and €69 million in Brazil at 30 June 2020 (31 December 2019: €66 million in France and €13 million in Brazil).
(iv) Including mainly €236 million placed in escrow account and guarantee (of which €186 million in respect of the RCF refinancing – Note 9.6) and €61 million of financial assets arising from a significant disposal of non-current assets at 30 June 2020 (31 December 2019: €257 million placed in escrow and posted as collateral [of which €193 million in respect of the RCF refinancing] and €60 million in financial assets arising from a significant disposal of non-current assets).
(v) Including Segisor in an amount of €195 million at 30 June 2020 and 31 December 2019.
(vi) 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).

9.2.2 Change in financial liabilities

(€ millions)	First-half 2020	2019
Gross borrowings and debt at 1 January	***9,649***	*8,980*
Fair value hedges – assets	***(78)***	*(101)*
Other financial assets	***(342)***	*(86)*
Loans and borrowings at beginning of period	**9,229**	**8,794**
New borrowings[(i) (iii) (vii)]	**1,064**	4,542
Repayments of borrowings[(ii) (iii) (vii)]	**(837)**	(3,701)
Change in fair value of hedged debt	**(5)**	86
Change in accrued interest	**(63)**	26
Foreign currency translation adjustments[(iv)]	**(915)**	(63)
Changes in scope of consolidation[(v)]	**(20)**	(135)
Reclassification of financial liabilities associated with non-current assets held for sale	**69**	(13)
Change in other financial assets	**18**	(256)
Other and reclassifications[(vi)]	**14**	(51)
Loans and borrowings at end of period	**8,554**	**9,229**
Gross borrowings and debt at end of period (Note 9.2.1)	***9,078***	*9,649*
Fair value hedges – assets (Note 9.2.1)	***(165)***	*(78)*
Other financial assets (see Note 9.2.1)	***(360)***	*(342)*

(i) New borrowings in first-half 2020 primarily include the following: (a) a BRL 2,000 million (€369 million) bond issue and new bank loans for BRL 1,424 million (€263 million) at GPA, and (b) drawdowns on lines of credit by Éxito for COP 1,525 billion (€375 million).
New borrowings in 2019 mainly included 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; 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 at end-2019, BRL 1,600 million (€362 million) in promissory notes, and BRL 2,168 million (€491 million) in loans taken out with banks.

(ii) In first-half 2020, repayments of borrowings relate mainly to the redemption of bonds for €257 million at Casino, Guichard-Perrachon (€193 million of which was financed out of the escrow account) and for BRL 2,294 million (€424 million) at GPA.
Repayments of borrowings in 2019 mainly concerned Casino, Guichard-Perrachon, Quatrim and Casino Finance for €1,560 million (of which (a) the €784 million bond tender in November 2019, 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 at the end of 2019), and GPA for €717 million.

(iii) In first-half 2020, cash flows relating to financing activities can be summarised as a net disbursement of €63 million, consisting of repayments of borrowings for €837 million and net interest paid (excluding interests on lease liabilities) for €290 million (Note 4.9), offset by new borrowings in an amount of €1,064 million.
In 2019, cash flows relating to financing activities could be summarised as a net inflow of €488 million, consisting of repayments of borrowings for €3,694 million and net interest paid (excluding interests on lease liabilities) for €361 million (Note 4.9), offset by new borrowings in an amount of €4,542 million.

(iv) In first-half 2020, foreign currency translation adjustments primarily concerned GPA.

(v) Including €21 million in first-half 2020 related to total return swaps (TRS) on Mercialys shares (Note 3.1.1).
In 2019, including €97 million and €50 million related to total return swaps (TRS) on Mercialys (Note 3.1.2) and Via Varejo shares respectively. The 2019 TRS on Via Varejo was unwound in June 2019.

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

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

9.3 Net financial income/(expense)

9.3.1 Net finance costs

(€ millions)	First-half 2020	First-half 2019 (restated)
Gains (losses) on disposals of cash equivalents	-	-
Income from cash and cash equivalents	9	11
Income from cash and cash equivalents	**9**	**11**
Interest expense on borrowings after hedging(i)	(197)	(166)
Finance costs	**(197)**	**(166)**
Net finance costs	**(188)**	**(156)**
of which France Retail	*(125)*	*(71)*
of which Latam Retail	*(58)*	*(80)*
of which E-commerce	*(5)*	*(5)*

(i) In first-half 2020, interest expense on borrowings after hedging reflects the cost of debt after the refinancing transaction carried out at the end of 2019 (see notes to the financial statements at 31 December 2019), while in first-half 2019, this item reflected the cost of debt before refinancing transactions.

9.3.2 Other financial income and expenses

(€ millions)	First-half 2020	First-half 2019 (restated)
Total other financial income	**87**	**105**
Total other financial expenses	**(350)**	**(243)**
Net foreign currency exchange gains (losses) (other than on borrowings) (i)	(14)	(5)
Gains (losses) on remeasurement at fair value of non-hedging derivative instruments(ii)	(70)	43
Gains (losses) on remeasurement at fair value of financial assets	(3)	(6)
Interest expense on lease liabilities	(138)	(131)
Non-recourse factoring and associated transaction costs	(32)	(36)
Impact of applying IAS 29 to operations in Argentina	(2)	(4)
Other	(4)	1
Total net other financial expense	**(264)**	**(139)**

(i) Including €33 million in foreign currency exchange gains and €47 million in foreign currency exchange losses in first-half 2020 (first-half 2019: €19 million in forex gains and €24 million in forex losses).

(ii) At 30 June 2020, the €70 million net expense primarily reflects the €70 million negative change in fair value of the GPA total return swap. This swap was unwound during the period, generating a cash outflow of €248 million (Note 4.10). The net gain on remeasurement at fair value of non-hedging derivative instruments reported in first-half 2019 in an amount of €43 million mainly reflected (a) fair value adjustments to the GPA TRS (positive adjustment of €36 million) and GPA forward (positive adjustment of €20 million) as well as dividend income (€1 million) and the cost of carry (€7 million) associated with these instruments, and (b) negative impacts related to other derivative instruments (€7 million).

9.4 Fair value of financial instruments

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

			Fair value hierarchy		
As at 30 June 2020 (€ millions)	**Carrying amount**	**Fair value**	**Market price = Level 1**	**Models with observable inputs = Level 2**	**Models with unobservable inputs = Level 3**
Assets	**304**	**304**	**45**	**220**	**39**
Financial assets at fair value through profit or loss[(i)]	75	75	36	-	39
Financial assets at fair value through other comprehensive income[(i)]	54	54	9	45	-
Fair value hedges – assets[(ii)]	165	165	-	165	-
Cash flow hedges and net investment hedges – assets[(ii)]	3	3	-	3	-
Other derivative instruments – assets	7	7	-	7	-
Liabilities	**13,632**	**13,231**	**4,320**	**8,730**	**181**
Bonds[(iii)]	6,460	6,085	4,320	1,765	-
Other borrowings[(iv)]	2,617	2,591	-	2,591	-
Lease liabilities	4,305	4,305	-	4,305	-
Fair value hedges – liabilities[(ii)]	1	1	-	1	-
Cash flow hedges and net investment hedges – liabilities[(ii)]	57	57	-	57	-
Other derivative instruments – liabilities[(ii)]	11	11	-	11	-
Put options granted to owners of non-controlling interests[(v)]	181	181	-	-	181

			Fair value hierarchy		
At 31 December 2019 (€ millions)	**Carrying amount**	**Fair value**	**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

(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.

9.5 Customer credit risk:

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	
30 June 2020						
Trade receivables	**594**	**48**	**118**	**159**	**325**	**919**
Allowance for lifetime expected losses	**(7)**	**(3)**	**(23)**	**(79)**	**(105)**	**(112)**
Total, net	**587**	**45**	**95**	**79**	**220**	**807**
At 31 December 2019						
Trade receivables	**579**	**79**	**120**	**162**	**361**	**940**
Allowance for lifetime expected losses	**(3)**	**(11)**	**(15)**	**(75)**	**(101)**	**(104)**
Total, net	**576**	**68**	**105**	**86**	**260**	**836**

9.6 Liquidity risk

As described in the notes to the 2019 consolidated financial statements, the Group's liquidity policy is to ensure that it has sufficient liquid assets to settle its liabilities as they fall due, in either normal or impaired market conditions.

At 30 June 2020, the Group's liquidity position comprised:
- confirmed, undrawn lines of credit for a total of €2,420 million (of which a non-current portion of €2,133 million for France);
- cash and cash equivalents totalling €2,207 million (of which €922 million available in France);
- €186 million held in escrow in France in connection with the RCF refinancing.

Casino, Guichard-Perrachon had the following financing facilities at 30 June 2020 (France Retail):
- unsecured bonds for €3,622 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 €106 million was outstanding at 30 June 2020 (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. These issues are not subject to any covenants.

Management of short-term debt

As well as its aforementioned NEU CP financing, the Group carries out non-recourse discounting without continuing involvement, within the meaning of IFRS 7, as well as reverse factoring.
At 30 June 2020, trade payables totalling €862 million had been reverse factored, including €427 million in France Retail payables, €408 million in Latam Retail payables and €27 million in E-commerce payables. At 31 December 2019, trade payables totalling €1,594 million had been reverse factored, including €445 million in France Retail payables, €1,092 million in Latam Retail payables and €57 million in E-commerce payables.

Management of medium- and long-term debt

To manage its medium- and long-term liquidity, at end-2019 the Group refinanced all of its confirmed credit facilities via a new €2 billion confirmed credit line ("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 Group also raised funds 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.

Casino, Guichard-Perrachon debt covenants at 30 June 2020

As from 31 March 2020, Casino, Guichard-Perrachon is required to comply with two covenants in the France Retail and E-commerce segments, calculated each quarter (on a rolling 12-month basis), as follows:

Type of covenant (France and E-commerce)	Main types of debt subject to covenant	Frequency of tests	Ratio at 30 June 2020
Debt(1)/EBITDA(2): < 7.50(3)	▪ RCF for €2,000 million	Quarterly	6.6
EBITDA(2)/net finance costs: > 2.25			3.8

(1) Debt as defined in the loan agreements reflects loans and borrowings for the France Retail and E-commerce segments as presented in Note 9.2.1, 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) 7.50x 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.

There was no change in the covenants applicable to other Casino, Guichard-Perrachon financing facilities (syndicated credit lines totalling €198 million and USD 25 million) compared to 31 December 2019, or in the covenants applicable to financing contracted by the Group's subsidiaries.

Note 10 Equity

10.1 Share capital and treasury shares

At 30 June 2020, the Company's share capital amounts to €165,892,132 and is composed of 108,426,230 ordinary shares issued and fully paid (unchanged from 31 December 2019). The shares have a par value of €1.53.

At 30 June 2020, a total of 658,790 shares were held in treasury, representing €22 million (31 December 2019: 830,257 shares representing €28 million). The shares were purchased primarily for allocation upon exercise of the rights under free share plans. In addition, 16,746 treasury shares were held under the liquidity agreement at that date, representing €1 million (31 December 2019: 0 shares).

In total, 675,536 million treasury shares were held by the Group at 30 June 2020, representing €23 million.

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

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 hold 5.64% of the capital. On 16 June 2020, it held 4.85% of the Company's capital.

10.2 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 2019	**(8)**	**(1)**	**(2,326)**	**(107)**	**(2)**	**(2)**	**(2,446)**
Movements for the period	(23)	-	(59)	(11)	(2)	1	(94)
At 31 December 2019	**(32)**	**(1)**	**(2,385)**	**(118)**	**(3)**	**(1)**	**(2,540)**
Movements for the period	(12)	-	(469)(ii)	2	-	-	(480)
At 30 June 2020	**(44)**	**(1)**	**(2,855)**	**(116)**	**(3)**	**(1)**	**(3,020)**

(i) Financial instruments at fair value through other comprehensive income.
(ii) The €469 million negative net translation adjustment in first-half 2020 arose primarily from the depreciation of the Brazilian real for €373 million and the Columbian peso for €79 million.

10.3 Non-controlling interests

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

The information presented in the table below is based on the IFRS financial statements, adjusted where applicable to reflect the remeasurement at fair value on the date of acquisition or loss of control, and to align accounting policies with those applied by the Group. The amounts are shown before intragroup eliminations.

(€ millions)	GPA(i)	
	2020	**2019 (restated)**
Country	***Brazil***	
For the first half-year		
Net sales	**7,393**	7,902
Net profit from continuing operations	**63**	50
Net profit from discontinued operations	**10**	20
Consolidated net profit	**73**	70
Attributable to non-controlling interests in continuing operations	***43***	*49*
Attributable to non-controlling interests in discontinued operations	***6***	*15*
Other comprehensive income (loss)	**(976)**	112
Total comprehensive income (loss) for the period	**(903)**	182
Attributable to non-controlling interests	***(651)***	*124*
Net cash used in operating activities	**(250)**	(949)
Net cash from (used in) investing activities	**(102)**	186
Net cash from (used in) financing activities	**239**	(301)
Effect of changes in exchange rates on cash and cash equivalents	**(398)**	113
Change in cash and cash equivalents	**(510)**	**(951)**
Dividends paid to the Group(ii)	***12***	*30*
Dividends paid to owners of non-controlling interests during the period(ii)	***28***	*42*
At 30 June 2020 and 31 December 2019		
% of ownership interests held by non-controlling interests(iii)	***58.7%***	*58.7%*
% of voting rights held by non-controlling interests(iii)	***58.7%***	*0.06%*
Non-current assets	**8,606**	10,863
Current assets	**3,537**	4,428
Non-current liabilities	**(4,138)**	(4,670)
Current liabilities	**(3,611)**	(5,148)
Net assets	**4,395**	**5,472**
Attributable to non-controlling interests	***2,806***	*3,456*
Average % of ownership interests held by the Group in the first half-year(iii)	***41.3%***	*33.1%*
% of ownership interests held by the Group at 30 June(iii)	***41.3%***	*33.1%*

(i) GPA including Éxito, Uruguay and Argentina.
(ii) GPA has an obligation to pay out 25% of annual net profit in dividends.
(iii) The percentages of non-controlling interests set out in this table cover the scope of Casino Group and do not include the Group's own non-controlling interests in sub-groups. At 31 December 2019, Casino held 99.9% of GPA's voting rights and 41.3% of its capital. Since GPA was first listed on the B3 listing segment of Brazil's Novo Mercado on 2 March 2020, its share capital has comprised a single share class. At 30 June 2020, Casino holds 41.3% of the capital and voting rights of GPA, which is fully consolidated in the Group's consolidated financial statements. Full consolidation results from the Group's assessment that it has *de facto* control of GPA owing to the fact that (i) the remaining shares of GPA are held by widely-dispersed shareholders and (ii) a majority of Casino members have been appointed to GPA's Board of Directors.

10.4 Dividends

The Annual General Meeting of 17 June 2020 approved the decision not to pay any dividend 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)	First-half 2020	First-half 2019
Coupons payable on deeply-subordinated perpetual bonds (impact on equity)	**34**	**39**
of which amount paid during the period	30	37
of which amount payable in the following period	4	3
Impact on the statement of cash flows for the period	**33**	**42**
of which coupons awarded and paid during the period	30	37
of which coupons awarded in the prior year and paid during the period	3	6

Note 11 Other provisions

11.1 Breakdown of provisions and movements

(€ millions)	1 January 2020	Additions 2020	Reversals (used) 2020	Reversals (not used) 2020	Changes in scope of consolidation	Effect of movements in exchange rates	Other	30 June 2020
Claims and litigation	444	32	(17)	(14)	-	(108)	-	**337**
Other risks and expenses	117	34	(28)	(9)	3	(1)	8	**126**
Restructuring	50	28	(28)	3	-	-	(13)	**40**
Total provisions	**611**	**94**	**(74)**	**(20)**	**3**	**(108)**	**(4)**	**502**
of which non-current	*458*	*29*	*(18)*	*(14)*	*3*	*(108)*	*(29)*	***322***
of which current	*153*	*65*	*(56)*	*(6)*	*-*	*(1)*	*24*	***180***

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 €337 million and include €301 million for GPA (Note 11.2). Of this amount, additions to provisions amounted to €24 million, reversals of used provisions €14 million, and reversals of surplus provisions €14 million.

11.2 Breakdown of GPA provisions for claims and litigation

(€ millions)	PIS/COFINS/CPMF disputes(i)	Other tax disputes(ii)	Employee disputes	Civil litigation	Total
30 June 2020	**9**	**222**	**51**	**19**	**301**
31 December 2019	13	302	68	28	**411**

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

(€ millions)	First-half 2020			2019		
	Legal deposits paid	Assets pledged as collateral	Bank guarantees	Legal deposits paid	Assets pledged as collateral	Bank guarantees
Tax disputes	**33**	**123**	**1,685**	53	187	2,029
Employee disputes	**76**	**-**	**127**	105	-	119
Civil and other litigation	**11**	**2**	**87**	18	3	104
Total	**119**	**124**	**1,899**	**176**	**189**	**2,252**

11.3 Contingent assets and liabilities

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

As stated in Note 3.3.1, no associates or joint ventures have any significant contingent liabilities.

- **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 involved a series of credit notes totalling €22 million issued in 2013 and 2014 by 41 suppliers. The DGCCRF sought repayment of this sum to the suppliers concerned together with a fine of €2 million.

On 27 April 2020, the Paris Commercial Court handed down its decision, dismissing most of the DGCCRF's claims. The Court considered that there was no evidence to support DGCCRF's claims of unlawful behaviour concerning 34 suppliers. It partly accepting the DGCCRF's claims concerning the other seven suppliers. The Paris Commercial Court ordered Casino Group to refund a series of credit notes issued in 2013 and 2014 by the seven suppliers for a total of €2 million, and to pay a fine of €1 million.

Casino Group maintains that it acted in accordance with applicable regulations in its negotiations with the suppliers concerned, and is considering appealing this decision. At this stage, the decision has not yet been served on the party concerned and the period within which an appeal may be made has not yet commenced. Any such appeal would have a suspensive effect.

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.
These proceedings are in progress. The Group considers that it complied with the applicable regulations in its negotiations with the suppliers concerned by the 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 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.

▪ 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.

▪ Dispute between Cnova and Via Varejo

On 31 October 2016, ahead of the GPA's announcement of its decision to start negotiations for the sale of its stake in Via Varejo, Via Varejo completed its combination with Cnova Brazil, responsible for the Group's e-commerce business in the country. The combination involved the acquisition by Via Varejo of 100% of Cnova Brazil's shares from Cnova N.V. ("Cnova"). The combination agreement included the usual vendor warranty compensation clauses.

In September 2019, Via Varejo notified Cnova of a guarantee call for an undocumented amount of around BRL 65 million (€11 million), concerning litigation with employees and customers. Following this notification, Cnova and Via Varejo exchanged information in order to determine the substance and, where appropriate, the scope of the compensation claim. In light of the extensive analyses currently in progress and the discussions that are likely to result from the analyses, Cnova is unable to determine the extent of its exposure to this risk.

On 20 July 2020, Cnova received notification that Via Varejo had commenced arbitration proceedings. To date, no further information has been provided in connection with the arbitration proceedings and Cnova therefore continues to be unable to determine the extent of the risk and/or of its liability, if any.

▪ GPA tax, social and civil contingent liabilities

(€ millions)	30 June 2020	31 December 2019
INSS (employer's social security contributions)	**75**	100
IRPJ – IRRF and CSLL (corporate income taxes)	**171**	234
PIS, COFINS and CPMF (VAT and similar taxes)	**327**	448
ISS, IPTU and ITBI (service tax, urban property tax and tax on property transactions)	**29**	27
ICMS (state VAT)	**1,017**	1,355
Civil litigation	**67**	89
Total	**1,686**	**2,254**

GPA employs consulting firms to advise it in tax disputes, whose fees are contingent on the disputes being settled in GPA's favour. At 30 June 2020, the estimated amount of these fees was €33 million (31 December 2019: €44 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 1,423 million at 30 June 2020 (31 December 2019: BRL 1,409 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 712 million (€116 million) (31 December 2019: BRL 705 million, representing €156 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

<u>Exclusion of ICMS from the PIS/COFINS tax base</u>

Since the adoption of non-cumulative regime to calculate PIS and COFINS tax credits, GPA has challenged the right to deduct ICMS taxes from the calculation basis for PIS and COFINS taxes. GPA's position was supported by a Brazilian federal supreme court (STF) ruling on 15 March 2017 that the ICMS tax should be excluded from the PIS and COFINS tax base.

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 1,198 million (€196 million) at 30 June 2020.

Pursuant to the shareholder agreements between GPA and the Klein family following the creation of Via Varejo, which were still in force at 30 June 2020, GPA has a legal right to obtain from Via Varejo the aforementioned tax credits in respect of its former subsidiary Globex for the 2003-2010 period. As a result of the final ruling obtained by Via Varejo on its proceedings with the tax authorities in May 2020, GPA has an unconditional right to obtain a refund of these tax credits from Via Varejo. GPA has recognised a gross amount of BRL 158 million (€29 million) in its income statement in this respect (Note 3.2.2). Pending full legal documentation from Via Varejo for the 2003-2007 period, GPA considers these tax credits as a contingent asset with an estimated value of BRL 350 million (€57 million) at 30 June 2020.

Note 12 Related-party transactions

Casino, Guichard-Perrachon is controlled by Rallye, which in turn is owned by Foncière Euris. At 30 June 2020, the Rallye group held 52.3% of the Company's capital and 63.7% of the voting rights (based on the actual number of voting rights held excluding treasury shares). On 17 July 2020, the Rallye group crossed below the statutory threshold of 50% of Casino, Guichard-Perrachon’s capital, holding 43.6% of its capital and 56.5% of the voting rights.

The Company has relations with all of its subsidiaries in its day-to-day management of the Group. The Company and its subsidiaries receive strategic advice from Euris, the ultimate holding company, under strategic advice and assistance agreements. The Company also receives other recurring services from Euris and Foncière Euris (provision of staff and premises). These relations have not changed compared with the previous period. The amount expensed over the period in relation to these agreements with Casino and its subsidiaries totalled €1.9 million, of which €1.7 million for strategic advisory services and €0.3 million for the provision of staff and premises.

Relations with other related parties, including remuneration of managers, remained comparable to those of financial year 2019, and there have been no unusual transactions, in terms of either nature or amount, during the period.

Transactions with associates and joint ventures are discussed in Note 3.3.2.

Casino, Guichard-Perrachon

For the six months ended 30 June 2020

Statutory Auditors' Review Report on Half-Yearly Financial Information

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

To the Shareholders,

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

- the review of the accompanying condensed half-yearly consolidated financial statements of Casino, Guichard-Perrachon, for the period from January 1 to June 30, 2020,
- the verification of the information presented in the half-yearly management report.

These half-year condensed consolidated financial statements were prepared under the responsibility of Board of Directors on July 29, 2020 on the basis of the information available at that date in the evolving context of the crisis related to Covid-19 and of difficulties in assessing its impact and future prospects. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

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

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

2. Specific verification

We have also verified the information presented in the half-yearly management report commenting the condensed half-yearly consolidated financial statements subject to our review prepared on July 29, 2020.
We have no matters to report as to its fair presentation and consistency with the condensed half-yearly condensed consolidated financial statements.

Paris-La Défense, July 30, 2020

The Statutory Auditors

DELOITTE & ASSOCIES		ERNST & YOUNG et Autres	
Frédéric Moulin	Patrice Choquet	Yvon Salaün	Alexis Hurtrel

Statement by the persons responsible

I certify, to the best of my knowledge, that the condensed financial statements for the past half-year have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, financial position and results of the Company and of all the undertakings included in the consolidation and that the management report (included on pages 3 to 10 hereof) presents a true and fair review of the main events which occurred during the first six months of the financial year, their impact on the financial statements and the main related-party transactions, as well as a description of the main risks and uncertainties for the remaining six months of the financial year."

29 July 2020
Jean-Charles Naouri
Chairman and Chief Executive Officer