BRYAN, GARNIER & CO

INDEPENDENT RESEARCH UPDATE

3rd October 2016

Food retailing

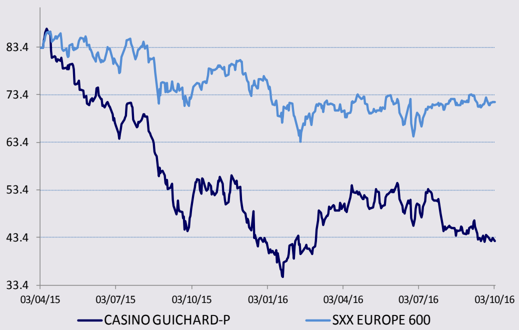
Casino Guichard

We are cautious ahead of Q3 figures

Fair Value EUR57 (price EUR43.30) **BUY**

Bloomberg	CO FP
Reuters	CASP.PA
12-month High / Low (EUR)	56.5 / 35.2
Market capitalisation (EURm)	4,848
Enterprise Value (BG estimates EURm)	9,379
Avg. 6m daily volume ('000 shares)	424.6
Free Float	%
3y EPS CAGR	8.6%
Gearing (12/15)	49%
Dividend yields (12/16e)	7.21%

YE December	12/15	12/16e	12/17e	12/18e
Revenue (EURm)	46,145	41,860	45,300	47,261
Curr Op Inc. EURm)	1,446	1,130	1,362	1,503
Basic EPS (EUR)	-0.37	25.21	3.17	3.78
Diluted EPS (EUR)	2.80	1.65	2.94	3.58
EV/Sales	0.28x	0.22x	0.22x	0.22x
EV/EBITDA	5.5x	4.8x	4.4x	4.1x
EV/EBIT	13.2x	15.7x	7.4x	7.0x
P/E	15.5x	26.2x	14.7x	12.1x
ROCE	5.2	4.9	6.0	6.5



1/ Despite forex tailwinds, we have reduced our 2016/18 EPS estimates by 7,4% on average (we expect 2016 underlying operating profit to reach EUR1,130m vs EUR1,216 BBG consensus). 2/ Given the mitigated Q3 on the cards (October 13th), right now and as insurance, we would favour Carrefour (Buy / Q4 top-pick, FV @EUR30) vs Casino (Buy, FV @EUR57).

- **We believe there is no point when it comes to franchises.** Some operators unconsciously started carrying out a short read-across between Dia and Casino, arguing that the transfer of 200 FP/LP stores to franchise has no other aim than to boost margin at the expense of pressured franchises. We question this because franchisors are master franchisors who know the risks and already benefit from critical mass.

- **At first sight, the group's valuation is attractive.** The SOTP stands at EUR54 (**NB:** for a Rallye share price at EUR14.6 as of 30th September, Casino is implicitly valued at EUR60.5 / i.e. reversed NAV) when taking into account 2016 holding company net debt of EUR3.011bn, an amount that does not include the non-cash items to which Casino refers in its latest corporate presentation (link).

- **Short-term question marks...** Casino's share price on 30th September shows a 20% discount to the EUR54 SOTP (vs. a 5-year average of 15%). This discount could be reduced to 10% if non-cash items (neither defined nor quantified by the group at this stage) reach EUR500m. Admittedly, this may create a zone of doubt.

- **... but longer term incentives.** We believe short-term uncertainties should not wipe out longer-term incentives linked to a potential reorganisation of LatAm (i.e. buyback of minorities - see: "With hindsight: a real Catch-22!"), a premise for which could be the recent real estate operation in Colombia (23rd September).

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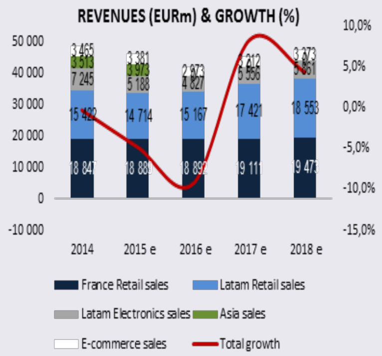

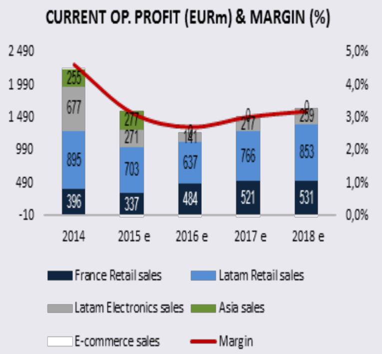

Company description

Casino is a long-standing player in France. It also over 50% of consolidated its sales in fast-growing countries, in Latin America (mainly Brazil and Columbia) and Southeast Asia (Thaïland and Vietnam). Casino has successfully applied its dual (retail+real estate), multi-format, multi-banner, and multi-channel model all around the world.

Casino Guichard

Simplified Profit & Loss Account (€m)	**2013**	**2014**	**2015**	**2016e**	**2017e**	**2018e**
Revenues	48,646	48,492	46,145	41,860	45,300	47,261
Change (%)	*15.9%*	*-0.3%*	*-4.8%*	*-9.3%*	*8.2%*	*4.3%*
EBITDA	3,337	3,191	2,343	1,943	2,301	2,543
Current operating income	2,363	2,231	1,446	1,130	1,362	1,503
Exceptionals	261	(494)	(478)	(533)	0.0	0.0
EBIT	2,624	1,737	968	597	1,362	1,503
Change (%)	*10.3%*	*-33.8%*	*-44.3%*	*-38.3%*	*128%*	*10.4%*
Financial results	(719)	(678)	(818)	(650)	(620)	(620)
PBT	1,905	1,059	150	(53.2)	742	883
Tax	(401)	(310)	(61.0)	21.8	(260)	(309)
Profits from associates	21.0	77.0	66.0	40.0	42.0	44.1
Income from discontinued activities	(2.0)	(2.0)	4.0	2,900	0.0	0.0
Minority interests	(672)	(573)	(201)	(114)	(175)	(201)
Net profit / group share	851	251	(42.0)	2,795	349	417
Restated net profit	618	556	412	233	364	435
Change (%)	*9.6%*	*-10.0%*	*-25.9%*	*-43.4%*	*56.3%*	*19.4%*
Cash Flow Statement (€m)						
Operating cash flows	2,054	1,893	1,076	884	1,562	1,762
Capex, net	(1,603)	(1,529)	(1,488)	(816)	(1,133)	(1,418)
Change in working capital	530	328	269	(307)	310	177
FCF	981	692	(143)	(239)	739	520
Financial investments	(32.0)	(15.0)	(64.0)	(330)	0.0	0.0
Dividends	(552)	(502)	(570)	(753)	(585)	(600)
Capital increase	1,248	(7.0)	(81.0)	0.0	0.0	0.0
Assets disposal	218	67.0	168	3,900	0.0	0.0
Other	(2,140)	(393)	437	0.0	0.0	0.0
Decrease / (Increase) in net debt	(277)	(158)	(253)	2,578	154	(80.2)
Net debt	5,662	5,820	6,073	3,495	3,340	3,421
Balance Sheet (€m)						
Tangible fixed assets	9,470	9,643	8,769	5,202	5,396	5,774
Intangibles assets	14,891	15,298	13,973	13,973	13,973	13,973
Cash & equivalents	5,529	7,395	5,126	7,704	7,859	7,778
Other assets	11,278	12,945	11,965	11,036	11,544	11,785
Total assets	41,168	45,281	39,833	37,915	38,771	39,311
Shareholders' funds	15,426	15,608	12,419	11,643	11,582	11,600
L & ST Debt	11,139	13,748	11,836	11,836	11,836	11,836
Provisions	1,178	1,180	1,041	1,041	1,041	1,041
Others liabilities	13,425	14,745	14,537	13,396	14,312	14,834
Total Liabilities	41,168	45,281	39,833	37,915	38,771	39,311
WCR	(3,478)	(3,806)	(4,075)	(3,768)	(4,078)	(4,254)
Capital employed	20,883	21,135	18,667	15,406	15,291	15,493
Ratios						
Current operating margin	4.86	4.60	3.13	2.70	3.01	3.18
Tax rate	21.05	29.27	40.67	41.00	35.00	35.00
Normative tax rate	33.00	33.00	33.00	33.00	33.00	33.00
Net margin	1.27	1.15	0.89	0.56	0.80	0.92
ROCE (after tax)	7.58	7.07	5.19	4.91	5.97	6.50
WACC	9.00	7.88	7.88	7.88	7.88	7.88
Gearing	36.70	37.29	48.90	30.02	28.84	29.49
Net debt / EBITDA	1.70	1.82	2.59	1.80	1.45	1.35
Pay out ratio	41.40	141	(840)	12.38	98.50	82.45
Number of shares, diluted	113	113	113	111	110	110
Data per Share (€)						
EPS	7.54	2.22	(0.37)	25.21	3.17	3.78
Restated EPS	5.32	4.43	2.80	1.65	2.94	3.58
% change	*9.7%*	*-16.7%*	*-36.9%*	*-40.9%*	*78.0%*	*21.8%*
Operating cash flows	18.19	16.75	9.52	7.97	14.16	15.97
FCF	8.69	6.12	(1.27)	(2.16)	6.70	4.72
Net dividend	3.12	3.12	3.12	3.12	3.12	3.12

Source: Company Data; Bryan, Garnier & Co ests.

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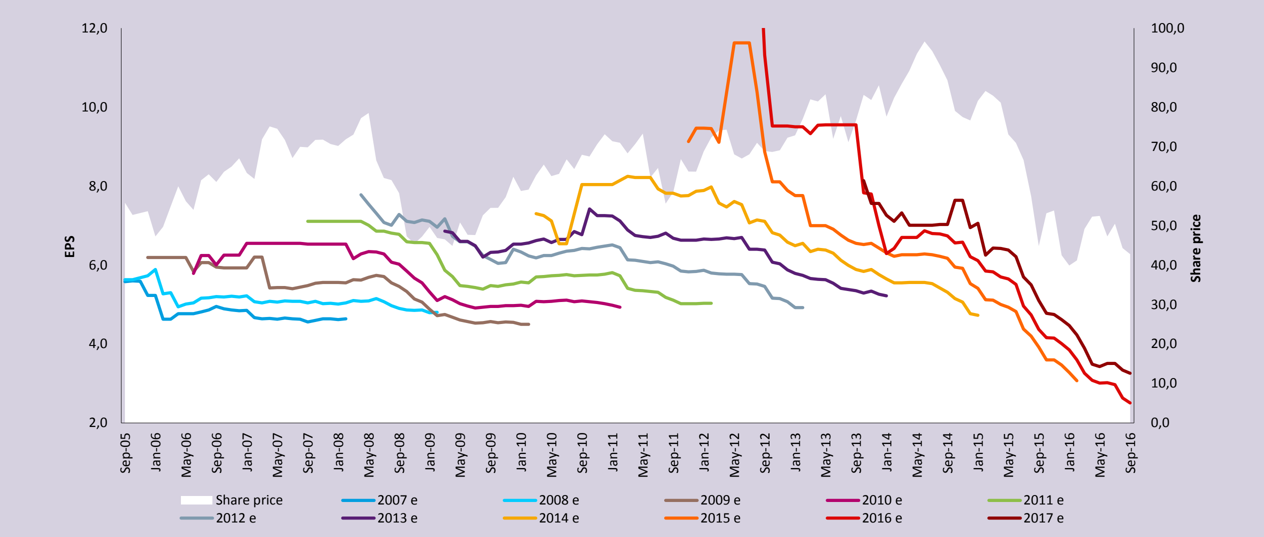
1. What about the current valuation?

1.1. We have lowered our 2016/18 EPS

Despite forex tailwinds (strong appreciation in the BRL), we have reduced our 2016/18 EPS by 7,4% on average (-21% for 2016). Among other factors we would stress **1/** the adjustment to our estimates for Via Varejo (EUR141m 2016 underlying operating profit vs EUR200m previously) and **2/** higher than previously expected financial costs (i.e. EUR650m vs EUR600m). Admittedly, it has been a while since the consensus has laid down arms when it comes to precisely modelling the bottom of the P&L and, rightly or wrongly so, it is now focused on the SOTP. Nevertheless, it is worth emphasising the point.

Fig. 1: EPS anticipated by the consensus vs share price



Source: Datastream; Bryan, Garnier & Co ests.

That said, one issue concerns the level of debt that the holding company will reach in 2016 (net debt in France was reduced from EUR8.5bn on 30th June 2015 to EUR4.0bn at end-June 2016) and which will impact the SOTP computed by the consensus and hence, the Casino share price. As a reminder, as shown on slide no. 11 of the corporate presentation (link to the presentation), year-end debt reached EUR6.1bn in 2015 and has been/will be impacted by the following factors:

- Positive free cash flow after dividend > EUR150m;
- Significant divestments (Asia): EUR3.9bn;
- Buy back of Monoprix convertible EUR500m;
- Purchase offer on Cnova up to EUR160m;
- 2016 interim dividends EUR170m;
- Buy back of Casino, Exito* and GPA** shares and liquidity contract EUR150;
- Other non-cash items: neither defined nor quantified.

** Between 1st March and 28th March 2016, the group acquired 2.4 million shares in Exito for a total of USD11m (EUR10m), increasing its stake in the company to 55.30% from 54.77% previously. ** In June 2016, the group acquired 970 thousand preference shares for EUR11m, representing about 0.4% of GPA's share capital.*

Fig. 2: Change in Casino's holding net debt between 2015 and 2016

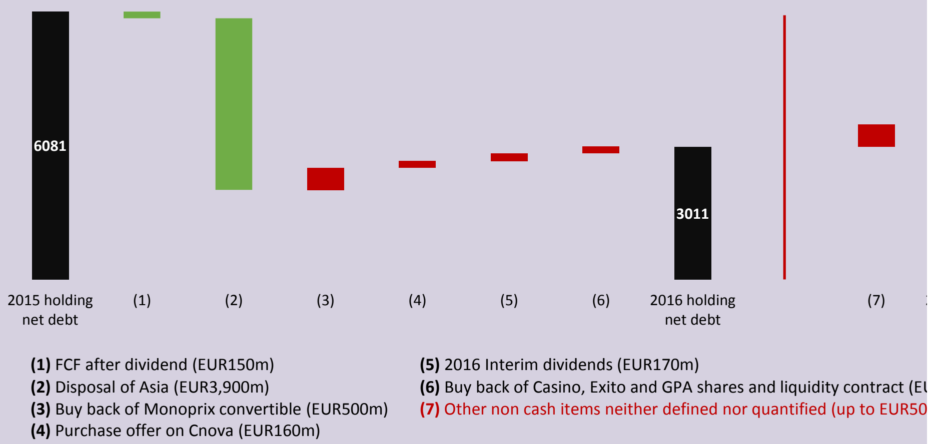


Fig. 3:

Source: Company Data; Bryan, Garnier & Co ests.

With this in mind, our SOTP currently stands at EUR54 per share when taking into account a EUR3.011bn holding net debt at year-end (i.e. excluding seasonality), an amount which does not include any non-cash items however (EUR327m in H1). At this level, Casino's share price is showing a 20% discount to its SOTP vs 15% estimated on average over the last five years.

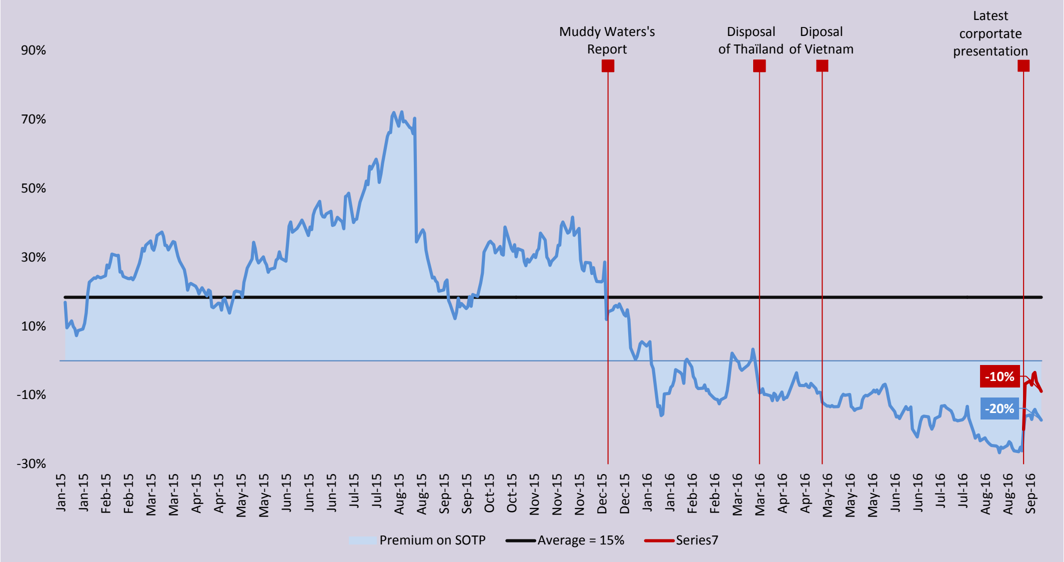
Fig. 4: Spot SOTP of Casino as of 30th September 2016

EV of french activities	**2016 Sales**	**EV/Sales**	**Stake**	**EV**	**EV per share**
- Geant Casino	4 736	0,22X	100%	1 042	9
- SM Casino	3 244	0,40X	100%	1 298	12
- Monoprix	4 193	0,68X	100%	2 850	26
- FP/LP	4 098	0,40X	100%	1 639	15
- Others	2 622	0,40X	100%	1 049	9
EV FOR FRANCE RETAIL & CASINO CAFETERIA	**18 892**	**0,42X**	**100%**	**7 877**	**71**
Net debt holdco at year-end				(3 011)	(27)
Seasonnality of net debt				(602)	(5)
EQUITY FOR FRANCE RETAIL & CASINO CAFETERIA				**4 264**	**39**

Equity value of Casino's direct equity stake in its subsidiaries	**Stake**	**Equity**	**Per share**
France Retail & Casino Cafeteria	100%	4 264	39
Casino Bank	50%	100	1
REIT (Mercialys)	40,3%	794	7
Brazil (GPA)	22,8%	881	8
Colombia (Exito)	55,3%	1 124	10
E-commerce (Cdiscount)	66%	674	6
(A) TOTAL EQUITY		**7 838**	**71**
Perpetual bonds		(590)	(5)
Hybride bond issue		(750)	(7)
Put included in NFD		151	1
Pensions and other provisions		(689)	(6)
(B) OTHER RESTATEMENT		**(1 878)**	**(17)**
(A)+(B) = NET EQUITY VALUE		**5 960**	**54**

Source: Company Data; Bryan, Garnier & Co ests.

Fig. 5: Discount / premium of Casino share vs the sacrosanct SOTP



Source: Datastream; Company Data; Bryan, Garnier & Co ests.

***NB:** this is not the first time that we present this chart. However, for the sake of long-term coherence, we have adjusted our methodology regarding the seasonality of net debt (traditionally not disclosed by the group), which we now estimate at 20%e of the year-end net debt (more conservative assumption than previously). We have adjusted historical data accordingly.*

1.2. Theoretically, the debate cannot be reduced to a single SOTP

Again (see: valuation differences between Casino and parent company Rallye warrant an explanation), the SOTP (EUR54 per share) corresponds to the theoretical value of the company's assets in the event of a disposal by Casino. Calculating this intrinsic value on the basis of the market value of listed minority stakes which do not carry voting rights (i.e. preferred shares) is an inappropriate stance. It is tantamount to believing that an investor aiming to get his hands on the unlisted voting shares of GPA or that of the bricks & mortar business of Via Varejo (i.e. excl. the 22% stake owned by the banner in Cnova) would offer and obtain from Casino a multiple of less than 0.3x sales for the first and zero for the second.

Similarly, we believe it is not appropriate to value the French assets solely on the basis of the EBIT they generate and which, for circumstantial reasons, is temporarily depressed (i.e. switch from a value-destructive margin rate policy to a more appropriate cash margin strategy). We are in a fixed-cost industry and the commercial challenge is to dilute invariable costs. Valuation is therefore based on sales potential, which primarily increases depending on the quality of the stores' locations. If this were not the case, Carrefour would never have paid 0.35x sales for a loss-making Dia banner in France!

1.3. Rallye (negative NAV) currently values Casino at EUR60.5 per share

We can look at the SOTP issue from a less conventional viewpoint, Rallye. The price of the retailer's controlling holding company currently shows a negative NAV (i.e. -EUR5.5 vs a EUR14.6 share price whereas, historically, it shows a discount of around 20% to its NAV!). In order to better assess this anomaly, we can undertake a reverse NAV calculation in order to establish how, based on Rallye's share price (EUR14.6 as of 30/09), the market implicitly values Casino's share price. The exercise is purely factual and is not biased by any subjective factor. In conclusion, for a Rallye share price at EUR14.6, Casino is implicitly valued at EUR60.5 (i.e. vs a Fair Value at EUR57).

In the end, it is possible to see a glass as being either half full or half empty. The fierce opponents would say that Rallye's NAV purely and simply overvalues Casino and that the share should simply be got rid of, while continuing to bash Casino. However, isn't the unmovable holding company considered as a long-term call option on Casino? This would explain why, during particularly depressed market episodes (i.e. today), the discount naturally transforms into a premium reflecting the time value offered by Rallye.

2. Do not compare apples and oranges

2.1. What happened in September (-3.5%)?

In its corporate presentation, Casino confirmed its FY 2016 guidance for trading profit above EUR500m in France (vs around EUR460/480m expected by the consensus and EUR485m BGe). To achieve this, management indicates that the margin should be underpinned by **1/** purchasing gains, **2/** optimisation of the mix, **3/** a wider fresh assortment and **4/** the transfer of c. 200 stores to franchisees and closures of non-performing stores. These actions should have a positive carry over-over impact of EUR70/80m BGe in 2017, of which EUR20m BGe linked to the conversion of loss-making or barely profitable stores. On top of that, *ceteris paribus*, we understand that the recent purchasing agreement with Conforama (Casino derives around EUR850m of its sales from the products concerned by the deal) could add EUR30me.

From then on, some operators (unconsciously?) started undertaking a short read-across between Dia and Casino, arguing that the transfer of stores to franchise has no other goal than to boost operating margin (and meet guidance) at the expense of "obviously pressured" franchises. The same catchphrase which was used by short sellers against Dia. This precocious diagnosis is all the easier in that Bruno Pertriaux (former CEO of Dia France) was appointed advisor to Jean-Charles Naouri (CEO of Casino); this is supposedly an almost-perfect crime!

2.2. After the read-across between Tesco and Dia…

For months, we believe that some market operators have been applying the same diagnosis to markets with very different structures, have made the same observations for companies that are completely different, and ultimately, have been using the same catchphrase to back a short position on shares which have nothing to do with each other! For example, a look back at Tesco and Dia:

The market started to convince itself that Dia, against all common sense, was intentionally pursuing a margin rate (vs cash margin) commercial policy. This strategy resulted in a "margin restatement" for Tesco and a collapse in the share price. As such, it would be easy to think that the Spanish group would have the same fate. However, the situation at Dia is far different to that at Tesco:

1/ The fragmented Spanish market does not have the characteristics of an oligopoly in which players could be tempted to nurture their rates; **2/** Dia, the franchiser, has a specific margin equation (without really focusing on the margin rate, the change in the mix in favour of franchises guarantees an annual improvement of 15-20bpe!); **3/** Tesco's restatement stemmed from an inappropriate positioning which is not Dia's case.

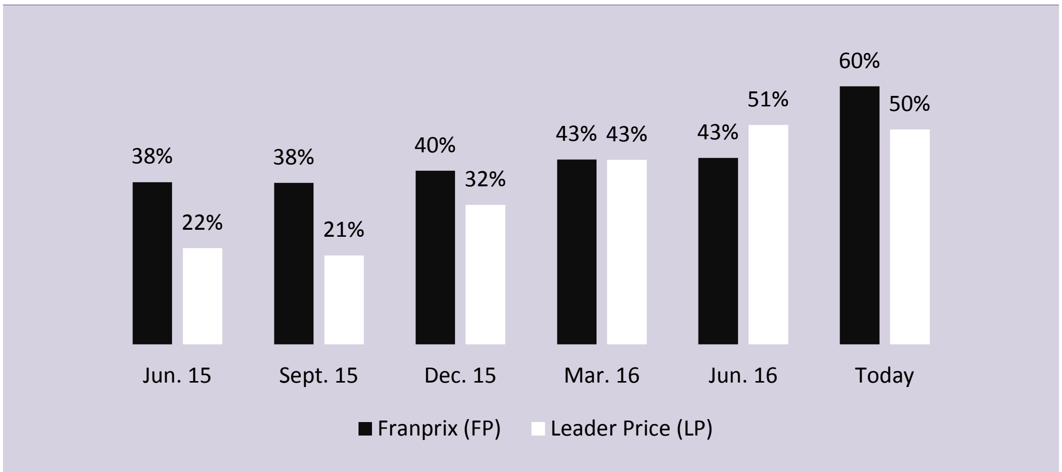
So far, nothing has happened, and after a long period of doubt (which, admittedly, has long made detractors very successful), the stock turned out to perform well since encouraging Q2 sales figures.

2.3. … The market seems to be doing a short read-across between Dia and Casino

Today, again, some operators seem to be comparing things that have nothing to do with each other. To caricature, some of Dia's franchises are former unemployed persons who are able to make all the concessions if only to get a stable situation. When it comes to Casino, the new franchisors are already big master franchisors (we are talking about three/four entities at most!) who know the risks and already benefit from "critical mass", which is obviously not the case for Dia's franchises.

At end-June 2015, 22% of LPs were franchised (38% for FP). Today, 50% of LP's portfolio is franchised (60% for FP). Hence, considering the pace of conversions, we do not believe that the impact of the transfer of c. 200 stores to franchise could exceed EUR40m in 2016 (taking into account an estimated 450bp gap between the margin of an integrated store vs the margin Casino would get from the same store converted under franchise). We in no way believe that these conversions could be the sole factor behind guidance delivery, contrary to what some operators may be suggesting.

Fig. 6: Franprix (FP) and Leader Price (LP) under franchise



Source: Company Data; Bryan, Garnier & Co ests.

3. What next?

3.1. Short-term uncertainty regarding the SOTP

The issue concerns the spot SOTP as the group neither defines nor quantifies FY non-cash items (EUR327m in H1). And we find it hard to estimate the right assumption that would be included in the net debt calculation. The SOTP valuation ranges from EUR49 (taking into account EUR500m in non-cash items) and EUR54 (without any non-cash items). The share price discount vs the SOTP therefore ranges from 10% to 20%. In both cases, the valuation remains attractive. Nevertheless, these non-cash items may create a zone of uncertainty and the point probably needs to be clarified.

That said, there is still a window of opportunity to reorganise operations in LatAm. We won't elaborate much on this opportunity, which was the subject of what we expected to be an exhaustive report in February 2016 (link to the report: With hindsight, a real Catch-22!). As a reminder, among other options, we wrote that a rather obvious option for Casino would be to transfer the rest of Casino's GPA voting ordinary shares to Exito (thus improving the proportionate credit ratios). But Casino may also do what is generally expected from a wise asset manager: sell high at 1.7x sales (Asia already done) and buy low at less than 0.3x sales.

The strategy might be that Exito bids for all the GPA shares (incl. Casino's remaining voting stake and minorities). Ultimately, Casino could buy back the minorities in Exito. Both Exito and GPA would be made private and Casino would be the sole shareholder in LatAm (this would improve the flow of cash within the company!). By doing so, we estimated that Casino would maintain decent proportionate debt ratios. Admittedly, the scenario would be daring (this can be done partly) but would probably "reassure" investors as to Jean Charles Naouri's long term vision and his ability to be "ahead of the curve" (as has often been the case in the past) following attacks by detractors.

We also definitely believe that the option of a disposal of Via Varejo should not be ruled out as it would help deconsolidate ~EUR65m in net losses generated by Via Varejo and Nova Pontocom in 2015. And we believe some potential buyers exist (such as Steinhoff, owner of Conforama with whom Casino just signed a purchasing agreement in France?).

3.2. The latest operation in Colombia, a premise to a reorganisation in LatAm?

Éxito, Casino's subsidiary in Colombia (55.3% equity owned), and the private equity fund Fondo Inmobiliario Colombia have signed a memorandum of understanding for the capitalisation of Viva Malls by FIC. Éxito is to hold 51% of Viva Malls, while FIC is to have a 49% stake from a total cash contribution to the vehicle of over COP$770 billion (EUR230m). FIC is to contribute with over half its total investment to the vehicle upon closing.

This operation will allow Exito to keep consolidating 100% of EBITDA (as it will own 51% of the vehicle) while consolidating full cash proceeds. But of course, the picture is less attractive from a proportional viewpoint. Moreover, this should also have a neutral/positive impact on EPS: **1/** the retailer will keep consolidating 100% of EBITDA; **2/** the minorities line of the P&L will increase; however **3/** the cash-in (EUR230m) should help reduce financial costs by ~EUR16m in 2017 (10.5% estimated cost of debt) and more than compensate for the increase in minorities (given a limited net margin in this real estate business).

From then on, we estimate that a good bet could be that Exito increases its stake in GPA (which is still trading on very low multiples at around 0.3x EV/sales). We would see this operation as a good pair trade (sell real estate which yields perhaps 10-12% in favour of GPA whose upturn could offer yields well above that hopefully). Notably for this reason, we are keeping Casino on the radar screen.

3.3. Q3 sales figures should be rather reassuring regarding France

Salient points

1/ In France, as a general rule, on top of the social environment, Casino suffered unfavourable weather conditions in July the effects of which were partly compensated for by better conditions in August and September. As a consequence, given a certain mismatch between the weather and the assortments, the non-food activities were under pressure in Q3 at both Monoprix (-2.0%e LFL excl. calendar) and Géant (0.5% LFL excl. fuel and Calendar).

2/ We understand that FP/LP suffered upsets notably linked to assortment reviews. As a consequence, LFL should work out at -1.3%e (+0% and -2.5% LFLe excl. calendar respectively for FP and LP). Note however that the performance improved significantly (~+1.5%e LFL in September). Moreover, the conversion of some stores under pressure as well as the closure of some non/barely profitable stores have had a significant perimeter impact.

3/ There is not that much to comment on for Brazil where trends are pretty similar to those in Q2 with flattering figures in the food business, while the non-food business remains pressured. **4/** unfortunately, the situation remains extremely difficult at Cnova (-18% LFLe) because of Brazil.

Fig. 7: LFL excl. fuel and calendar

	Q1 15	Q2 15	Q3 15	Q4 15	Q1 16	Q2 16	Q3 16e
Géant	-1.5%	1.0%	3.5%	2.8%	3.8%	2.2%	0.5%
Casino	-1.4%	-2.3%	0.7%	0.0%	0.2%	1.2%	1.2%
FP/LP	-5.6%	-3.5%	1.7%	1.9%	2.7% e	~0.4%	-1.3%
Monoprix	0.3%	0.5%	2.2%	0.1%	-0.4%	-2.1%	-2.0%

	Q1 15	Q2 15	Q3 15	Q4 15	Q1 16	Q2 16	Q3 16e
LatAm retail	2.6%	2.40%	2.4%	1.3%	3.7%	7.1%	6.0%
LatAm electronics	-2.7%	-23.6%	-24.7%	-15.2%	-11.8%	2.6%	2.5%
Cnova	17.0%	15.7%	7.7%	-8.1%	-8.3%	-13.5%	-18%

Source: Company Data; Bryan, Garnier & Co ests.

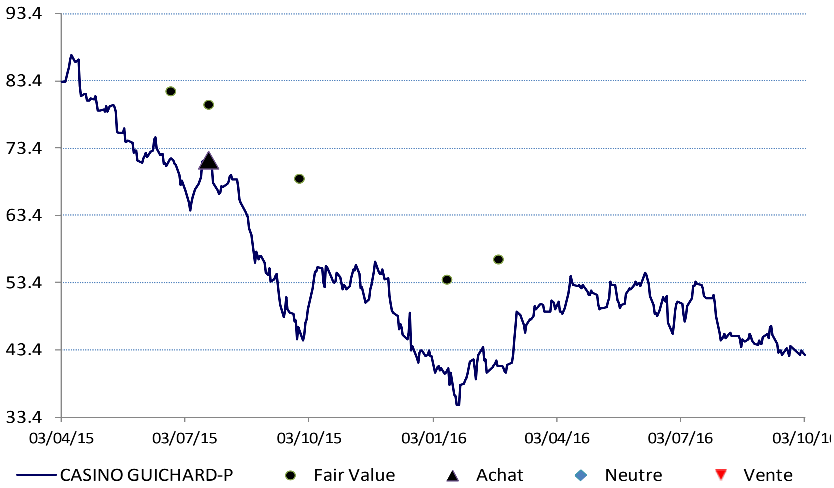
Q3 2016 preview

	2015	Q1	Q2	Q3 e
France Retail sales	**18 889**	**4 549**	**4 715**	**4 733**
LFL excl. fuel and calendar	0.6%	1.6%	0.2%	-0.6%
Expansion	0.4%	1.4%	1.1%	-0.7%
Organic excl. fuel and calendar	1.1%	3.0%	1.3%	-1.3%
Calendar	-0.1%	0.9%	0.1%	0.3%
Fuel	-1.0%	-0.8%	-0.8%	-0.6%
Acquisitions	0.2%	-0.3%	-0.5%	0.0%
Total	0.2%	2.8%	0.1%	-1.7%
Latam Retail sales	**14 714**	**3 338**	**3 498**	**3 764**
LFL excl. fuel and calendar	2.1%	3.7%	7.1%	6.0%
Expansion	3.6%	4.6%	4.7%	4.5%
Organic excl. fuel and calendar	5.8%	8.3%	11.8%	10.5%
Calendar	0.3%	2.8%	-2.3%	0.6%
Fuel	0.0%	0.0%	0.0%	-0.2%
Acquisitions	4.7%	3.2%	-3.1%	0.0%
Forex	-15.3%	-28.0%	-17.5%	6.5%
Total	-4.6%	-13.7%	-11.1%	17.4%
Latam Electronics sales	**5 188**	**1 090**	**1 092**	**1 120**
LFL excl. fuel and calendar	-16.7%	-11.8%	2.6%	2.5%
Expansion	1.3%	-0.9%	-2.3%	-3.0%
Organic excl. fuel and calendar	-15.3%	-12.7%	0.3%	-0.5%
Calendar	0.0%	0.0%	0.0%	0.0%
Fuel	0.0%	0.0%	0.0%	0.0%
Acquisitions	0.0%	0.0%	0.3%	0.0%
Forex	-13.0%	-21.9%	-13.7%	15.0%
Total	-28.4%	-34.6%	-13.1%	14.5%
E-commerce sales	**3 381**	**731**	**660**	**667**
LFL excl. fuel and calendar	6.5%	-8.3%	-13.5%	-18.0%
Expansion	0.1%	0.0%	0.0%	0.0%
Organic excl. fuel and calendar	6.6%	-8.3%	-13.5%	-18.0%
Calendar	0.0%	0.0%	0.0%	0.0%
Fuel	0.0%	0.0%	0.0%	0.0%
Acquisitions	0.0%	0.0%	0.5%	0.0%
Forex	-9.0%	-11.0%	-6.4%	4.0%
Total	-2.5%	-19.3%	-19.4%	-14.0%
TOTAL GROUP sales	**46 145**	**9 708**	**9 965**	**10 283**
LFL excl. fuel and calendar	-1.3%	-0.5%	1.9%	0.4%
Expansion	1.7%	2.0%	1.9%	0.8%
Organic excl. fuel and calendar	0.4%	1.5%	3.8%	1.2%
Calendar	0.1%	1.3%	-0.8%	0.3%
Fuel	-0.4%	-0.3%	-0.3%	-0.3%
Acquisitions	1.6%	0.3%	-3.2%	0.0%
Forex	-6.4%	-14.6%	-8.4%	3.6%
Total	-4.8%	-11.8%	-8.9%	4.8%

Source: Company Data; Bryan, Garnier & Co ests.

Price Chart and Rating History

Casino Guichard



Ratings		
Date	**Ratings**	**Price**
20/07/15	BUY	EUR71.49
16/07/15	Under review	EUR68.59
30/01/15	BUY	EUR81.37

Target Price	
Date	**Target price**
19/02/16	EUR57
12/01/16	EUR54
25/09/15	EUR69
20/07/15	EUR80
16/07/15	Under review
22/06/15	EUR82
30/01/15	EUR95

Bryan Garnier stock rating system

For the purposes of this Report, the Bryan Garnier stock rating system is defined as follows:

Stock rating

BUY	Positive opinion for a stock where we expect a favourable performance in absolute terms over a period of 6 months from the publication of a recommendation. This opinion is based not only on the FV (the potential upside based on valuation), but also takes into account a number of elements that could include a SWOT analysis, momentum, technical aspects or the sector backdrop. Every subsequent published update on the stock will feature an introduction outlining the key reasons behind the opinion.
NEUTRAL	Opinion recommending not to trade in a stock short-term, neither as a BUYER or a SELLER, due to a specific set of factors. This view is intended to be temporary. It may reflect different situations, but in particular those where a fair value shows no significant potential or where an upcoming binary event constitutes a high-risk that is difficult to quantify. Every subsequent published update on the stock will feature an introduction outlining the key reasons behind the opinion.
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Distribution of stock ratings

BUY ratings 55.8% NEUTRAL ratings 32.5% SELL ratings 11.7%

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Please see the section headed "Important information" on the back page of this report.

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