

Casino To Focus On Costs in France As Revenue Rises On Emerging Mkts

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By Nadya Masidlover

PARIS--French retailer Groupe Casino (CO.FR) said Monday it will continue to limit costs and open stores in France, amid "soft consumption", as third-quarter revenue climbed, lifted by strong growth in emerging markets, notably through an increased stake in its Brazilian unit.

Sales rose 35% to 11.8 billion euros (\$15.2 billion) over the three months to the end of September, beating a Factset analysts' forecast of EUR11.64 billion.

On a like-for-like basis--stripping out acquisitions and currency fluctuations-- revenue rose 4.2% with business in Latin America and Asia growing by 9.6% and 10.2% respectively, on an organic basis.

Changes in group structure accounted for a large part of the quarterly growth, after Casino took full control of Brazil's Grupo Pao de Acucar (CBD) in June, ending a highly publicized struggle between the French company and local partner Abilio Diniz.

Casino's strong growth despite ongoing euro-zone gloom highlights the grocer's strategy to focus on fast-growing markets in Latin America and Asia which has seen it fare better than many competitors. France's Carrefour SA (CA.FR) and U.K. based Tesco PLC (TS.LN) - the world's second and third retailers after WalMart (WMT)-- are both in the midst of turnaround plans on their home soil in a bid to lure cash-strapped shoppers back to stores.

In Casino's domestic French market, sales grew 0.2% in the third quarter on an organic basis, boosted by the booming business of online retailer Cdiscount, as consumer spending in France remained weak.

Monday, Casino shares closed at EUR69.53.

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-Write to Nadya Masidlover at nadya.masidlover@dowjones.com

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