

**Rallye, Foncière Euris, Finatis and Euris  
have finalized their draft safeguard plans**

Paris, on 9 December 2019 – Following the press release published on 25 September 2019, Rallye<sup>1</sup>, Foncière Euris, Finatis and Euris (the « **Companies** ») announce that they have finalized their draft safeguard plans, which have been drawn up with the assistance of the judicial administrators.

The main terms and conditions of the liabilities payment proposals contained in these draft safeguard plans are described hereinafter.

## 1. DEBT STRUCTURE OF THE COMPANIES

As of the opening of the safeguard proceedings, the gross financial debt of the Companies (excluding claims under derivatives transactions) was as follows:

### Rallye and its Subsidiaries

(M€)	<b>Rallye</b>
<i>Claims secured by pledges over Casino shares</i>	1,153 M€
<i>Claims secured by pledges over shares of Rallye subsidiaries (other than Casino)</i>	204 M€
<i>Unsecured claims</i>	1,566 M€
<b>Total</b>	<b>2,923 M€</b>

### Foncière Euris

(M€)	<b>Foncière Euris</b>
<i>Claims secured by pledges over Rallye shares</i>	114 M€
<i>Unsecured claims</i>	23 M€
<b>Total</b>	<b>137 M€</b>

<sup>1</sup> Including the subsidiaries HMB, Alpétrol and Cobivia (the “**Subsidiaries**”).

## Finatis

(M€)	<b>Finatis</b>
<i>Claims secured by pledges over Foncière Euris shares</i>	135 M€
<i>Unsecured claims</i>	-
<b>Total</b>	<b>135 M€</b>

## Euris

(M€)	<b>Euris</b>
<i>Claims secured by pledges over Finatis shares</i>	85 M€
<i>Unsecured claims</i>	10 M€
<b>Total</b>	<b>95 M€</b>

The derivatives transactions entered into by Rallye, HMB, Cobivia, Foncière Euris and Euris, for a total amount of 331 million euros<sup>2</sup>, are not covered by the safeguard plans but have been the subject of specific agreements (see press releases of Rallye, Foncière Euris and Finatis (on behalf of Euris) dated 25 November 2019).

## **2. LIABILITIES PAYMENT PROPOSALS**

### **2.1. Principles applicable to the draft safeguard plans of each of the Companies**

- The draft safeguard plans of the Companies are interdependent and are based on the currently existing economic holding chain. They provide for the ability of the Companies to pay dividends during the term of the plans.
- The draft safeguard plans provide for a full payment of liabilities of the Companies; the Companies benefit from three categories of resources:
  - dividends from Casino;
  - sale of their non-strategic assets; and
  - different refinancing options.
- As soon as the creditors with pledges over securities accounts are repaid, the draft safeguard plans provide for the release of such pledges and the free use by the Companies of the proceeds (*fruits et produits*) relating to the initially pledged securities.

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<sup>2</sup> Including 231 M€ for Rallye, HMB and Cobivia, 85 M€ for Foncière Euris and 15 M€ for Euris.

- The margin call provisions<sup>3</sup> (so-called “*clauses d’arrosage*”) are suspended during the execution of the safeguard plans and the effects of the share release provisions<sup>4</sup> (so-called “*clauses d’écèlement*”) will resume after full repayment of the secured debt (for the accepting creditors) or as from the approval of the safeguard plans (for the refusing creditors).<sup>5</sup>
- As soon as the safeguard plans are approved by the Court, the accepting creditors may appropriate the guarantees granted in the form of cash collateral.
- For each of the Companies, the draft safeguard plans provide for the payment of its debts over a 10-year period with uniform payment terms for all creditors in accordance with the following schedule, with the exception of the debts referred to in sections 2.2 to 2.4 of this press release which will be treated according to specific terms and conditions:

<b>Annuities<sup>6</sup></b>	<b>Amount of the annuity</b>
Annuity n°1	100,000 euros in total <sup>7</sup>
Annuity n°2	100,000 euros in total <sup>7</sup>
Annuity n°3	5%
Annuity n°4	5%
Annuity n°5	5%
Annuity n°6	5%
Annuity n°7	5%
Annuity n°8	5%
Annuity n°9	5%
Annuity n°10	65%, reduced by the amounts paid in annuities n°1 and n°2
<b>Total</b>	<b>100%</b>

It is specified that:

- the annuities of the above schedule will be paid to the creditors on each anniversary date of the approval of the safeguard plans;
- the 100,000 euros<sup>7</sup> amount payable during each of the annuities n°1 and n°2 of the schedule corresponds to a lump sum to be distributed among all the creditors of each of the Companies pro rata the amount of their claims definitely admitted on each relevant anniversary date (excluding legal expenses, claims lower or equal to 500 euros and accepting secured creditors);
- the percentage referred to for annuities n°3 to n°10 of the schedule shall be applied to the total principal amount of each of the claims definitely admitted and, where applicable, to the accessories of such principal amount;
- claims lower than 500 euros (including Foncière Euris and Finatis shareholders’ dividends claims but excluding bond indebtedness) will be repaid immediately without discount and

<sup>3</sup> The margin call mechanisms apply in the event that the value of securities pledged to the benefit of a creditor is less than a certain ratio contractually set: then the debtor must immediately pledge additional securities or, when possible under the agreement, provide additional cash collateral if such debtor cannot pledge additional securities. The share pledge agreements provide for a coverage ratio of 130% of the outstanding amount.

<sup>4</sup> The share release mechanisms apply in the event that the value of the securities pledged to the benefit of a creditor exceeds a certain ratio contractually set: then the creditor must immediately release, on first demand, the corresponding securities in excess of the ratio.

<sup>5</sup> As an exception, the draft safeguard plan of Euris provides that the share release provisions will only apply once upon approval of the plan on the basis of a coverage ratio of 150%.

<sup>6</sup> Annuities are paid every year on the anniversary date of the approval of the relevant Company’s safeguard plan.

<sup>7</sup> 1,000 euros for the safeguard plans of HMB, Cobivia and Alpétrol.

without delay when the safeguard plans will be approved, in accordance with the conditions and limits provided for in articles L. 626-20, II, and R. 626-34 of the French Commercial Code (*Code de commerce*);

- in accordance with article L. 626-18, paragraph 5 of the French Commercial Code (*Code de commerce*), for any claim (in principal) which is yet to fall due as of the date of the first annuity of the schedule, the repayment of such claim will begin at the date of the annuity of the schedule that immediately follows the initial contractual maturity date agreed by the parties before the opening of the safeguard proceedings. On such date, the principal and, where applicable, the relating accessories will be paid up to the amount that would have been received by the relevant creditor had it been subject to the schedule since the judgment approving the safeguard plans. The amount to be paid in principal and, where applicable, in accessories for the next annuities will be determined in accordance with the schedule;
- any early repayment will be deducted from the following annuities;
- holders of the claims referred to in sections 2.2 to 2.4 of this press release that would refuse the liabilities payment proposal relating to their claims will be repaid according to the 10-year schedule set forth above;
- the implementation of the safeguard plans will be carried out without setting-up creditors' committees, but through individual circularization of the draft liabilities payment, it being specified that in accordance with the provisions of article L.626-5 paragraph 4 of the French Commercial Code (*Code de commerce*), the creditors that will not answer on the liabilities payment proposals relating to their claims will be deemed to have accepted such proposals (with the exception of proposals for the liabilities payment involving a debt write-off); and
- in the event that their financial capabilities allow for it, the Companies undertake to request the Paris commercial court (*Tribunal de commerce de Paris*) to amend the safeguard plans in order to allow for an accelerated repayment of the creditors accepting the proposals submitted to them.

## **2.2. Draft safeguard plans of Rallye and its Subsidiaries<sup>8</sup>**

### *2.2.1. Treatment of claims secured by pledges over Casino shares*

#### For the creditors accepting the liabilities payment proposal

- repayment, where applicable in advance, of their claims by appropriation of the proceeds (*fruits et produits*) relating to the pledged securities accounts, with a repayment commitment (i) of 85% at the third anniversary of the plan, and (ii) of the balance at the fourth anniversary of the plan;
- Rallye accepts to waive the share release provisions ("*clauses d'écêtement*") until the relevant creditors have been fully repaid (the margin call provisions ("*clauses d'arrosage*") being suspended as a result of the safeguard proceedings);
- in return, secured creditors that accepted this proposal will be asked to accept the creation of a second-rank pledge over Casino shares<sup>9</sup>, provided that this second-

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<sup>8</sup> The liabilities of HMB and Cobivia are limited to derivatives transactions and to Rallye's current account, and the liabilities of Al pétrol are limited to an undrawn debt, joint and several with Rallye, and to Rallye's current account.

<sup>9</sup> As regards the "EUR 725,000,000 Revolving Credit Facility Agreement" entered into by Rallye on 18 May 2015, the waiver of the share release provisions as well as the second-rank pledge over Casino shares will be subject to

rank pledge may in no case infringe the rights of the creditors benefiting from a first-rank pledge over Casino shares. Acceptance of the creation of a second-rank pledge over Casino shares may allow for the implementation of a financing for the purpose of an early repayment and/or repurchase which would be proposed in the context of an amendment to the safeguard plan under the same terms and conditions to all holders of claims admitted to Rallye's liabilities and which are not secured by pledges over Casino shares;

For the creditors refusing the liabilities payment proposal

- they will retain the benefit of the pledges over securities in their favor. However, (i) they will be repaid according to the 10-year schedule referred to in section 2.1 of this press release and (ii) the share release provisions ("*clauses d'écrêtement*") in force will continue to apply as soon as the safeguard plans will be adopted;

*2.2.2. Treatment of claims secured by pledges over shares of Rallye subsidiaries (other than Casino)*

- repayment according to the 10-year schedule referred to in section 2.1 of this press release;
- repayment, where applicable in advance, at the approval of the plan, by means of transfer of pledged OPCVM units.

*2.2.3. Treatment of the unsecured claims (in particular certain bilateral credit lines, bond indebtedness and current accounts claims)*

- repayment according to the 10-year schedule referred to in section 2.1 of this press release.

The last annuity of the schedule of Rallye's safeguard plan may be repaid by way of a refinancing.

### **2.3. Draft safeguard plan of Foncière Euris**

*2.3.1 Treatment of claims secured by pledges over Rallye shares*

For the creditors accepting the liabilities payment proposal

- repayment, where applicable in advance, of their claims by appropriation of the proceeds (*fruits et produits*) relating to the pledged securities accounts, with a repayment commitment (i) of 50% at the third anniversary of the plan, and (ii) of the balance at the fourth anniversary of the plan;
- Foncière Euris accepts to waive the share release provisions ("*clauses d'écrêtement*") until the relevant creditors have been fully repaid (the margin call provisions ("*clauses d'arrosage*") being suspended as a result of the safeguard proceedings);
- in return, secured creditors that accepted this proposal will be asked to accept the creation of a second-rank pledge over Rallye shares, provided that this second-rank pledge may in no case infringe the rights of the creditors benefiting from a first-rank pledge over Rallye shares.

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acceptation by creditors under this facility agreement representing more than two thirds of the outstanding amount under such facility.

#### For the creditors refusing the liabilities payment proposal

- they will retain the benefit of the pledges over securities in their favor. However, (i) they will be repaid according to the 10-year schedule referred to in section 2.1 of this press release and (ii) the share release provisions ("*clauses d'écrêtement*") in force will be continue to apply as soon as the safeguard plans will be adopted.

#### 2.3.2 *Treatment of the unsecured claims (notably the current account claims)*

An accelerated repayment option is offered to unsecured creditors subject to a 5% write-off of their claim.

#### For the creditors expressly accepting the option

- The unsecured creditors accepting the accelerated option (including creditors in respect of the dividend decided by the general meeting of Foncière Euris for the financial year 2018 but unpaid to this date) will be repaid according to the following schedule, subject to a write-off by such creditors of 5% of their claim, which will be deducted from the last annual payment below:

<b>Annuity<sup>10</sup></b>	<b>Amount of the annuity</b>
Annuity n°1	100,000 euros in total
Annuity n°2	100,000 euros in total
Annuity n°3	30%
Annuity n°4	5%
Annuity n°5	5%
Annuity n°6	5%
Annuity n°7	5%
Annuity n°8	5%
Annuity n°9	5%
Annuity n°10	35%, reduced by the amounts paid in respect of the Annuity n°1 and n°2
<b>Total</b>	<b>95%</b>

- Finatis et Euris, which have current accounts of respectively 33 M€ and 51 M€, have stated that they will accept the accelerated option offered by Foncière Euris.

#### For the creditors who do not answer on the accelerated repayment option

- repayment according to the 10-year schedule referred to in section 2.1 of this press release.

#### For the creditors refusing Foncière Euris' liabilities payment proposals

- repayment according to the 10-year schedule referred to in section 2.1 of this press release.

## 2.4. Draft safeguard plan of Finatis and Euris

### 2.4.1 *Treatment of the secured claims*

#### For the creditors accepting the liabilities payment proposal

<sup>10</sup> Annuities are paid every year on the anniversary date of the approval of the relevant Company's safeguard plan.

- repayment according to the 10-year schedule referred to in section 2.1 of this press release;
- repayment, where applicable in advance, of their claims by appropriation of the proceeds (*fruits et produits*) relating to the pledged securities accounts over Foncière Euris / Finatis shares, through an amendment of the safeguard plan that Finatis / Euris will be bound to require if its financial situation allows for it.

For the creditors refusing the liabilities payment proposal

- repayment according to the 10-year schedule referred to in section 2.1 of this press release.

**2.4.2 Treatment of the unsecured claims**

Those claims will be repaid according to the 10-year schedule referred to in section 2.1 of this press release, including claims in respect of the dividend decided by the general meeting of Finatis for the financial year 2018 but unpaid to this date.

**3. NEXT STEPS**

The above-mentioned liabilities payment proposals will be circulated to the creditors of the Companies by the judicial representatives (*mandataires judiciaires*) in the coming weeks, in order to obtain their acceptance or refusal of the proposals. Creditors will have 30 calendar days as from reception of the liabilities payment proposals to express their decision on such proposals.

The Companies confirm their objective (announced on 25 September 2019) to obtain judgements from the Paris Commercial Court (*Tribunal de Commerce de Paris*) approving the safeguard plans by the end of the first quarter of 2020 at the latest.

The Companies will keep the market informed of the decision of the Paris Commercial Court (*Tribunal de Commerce de Paris*) regarding the approval of the safeguard plans. On this occasion, based on the creditors' answers to the liabilities payment proposals, they will disclose the debt amortization profile of their respective indebtedness.

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