

# RALLYE

## 2011 Annual results

**Very high sales growth for Casino in 2011 (+18.2%) and strong increase in current operating income (+19.1%), as a result of a growth profile reinforced in buoyant countries and formats**

**Rise of Rallye's stake in Casino and lengthening of the average maturity of confirmed credit lines**

The Board of Directors of Rallye, chaired by Jean-Charles NAOURI, met on March 8, 2012 in order to approve the accounts for the year ended December 31, 2011.

The Statutory Auditors have completed their audit and are in the process of issuing their report.

## 2011 RESULTS

Consolidated data

(In " m)	2010 <sup>(2)</sup>	2011	Change
<b>Net sales from continuing operations</b>	<b>29,780</b>	<b>35,057</b>	<b>+17.7%</b>
<b>EBITDA<sup>(1)</sup></b>	<b>1,965</b>	<b>2,315</b>	<b>+17.8%</b>
<b>Current operating income</b>	<b>1,286</b>	<b>1,551</b>	<b>+20.6%</b>
Cost of net financial debt	-552	-676	
Other financial income and expenses	-16	19	
Income tax	-210	-234	
Net income from continuing operations	482	483	
<b>Net income from continuing operations, Group's share</b>	<b>4</b>	<b>21</b>	
Net income from discontinued operations	-10	-11	
Net income	472	472	
<b>Net income, Group's share</b>	<b>-1</b>	<b>15</b>	

<sup>(1)</sup> EBITDA = current operating income + current depreciation and amortization expenses

<sup>(2)</sup> All the published figures from 2010 financial statements have been restated to reflect the definitive takeover of Casas Bahia by GPA

## 1. GROUP ACTIVITY

Rallye consolidated net sales reached " 35.1bn, up +17.7% compared with 2010. Current operating income improved by +20.6%, at " 1,551m. Net income from continuing operations, Group's share, came at " 21m as of 31 December 2011, compared with " 4m at 31 December 2010.

Rallye's holding perimeter net financial debt as of December 31, 2011 reached " 2,849m compared to " 2,591m at year-end 2010, mainly due to the acquisition in 2011 of 2.9m Casino shares, for a total amount of " 212m.

Rallye's investment portfolio at year-end 2011 was valued at " 365m, down " 70m from 31 December 2010. This evolution reflects:

- ✓ Asset disposals for " 105m, including fifteen lines within the financial investment portfolio and the Leto shopping center, located in Saint-Petersburg
- ✓ Net investments for " 12 m
- ✓ An ongoing increase in the portfolio value, gaining " 24m in 2011, after a gain of " 12m in 2010, attesting to the relevance of our progressive disposal strategy aiming at maximizing the assets' sale price

## 2. SUBSIDIARIES ACTIVITY

**Casino:** Very high sales growth (+18.2%), mainly due to the acceleration of organic<sup>1</sup> growth both in France and internationally; increase in current operating income (+19.1%), increase in net underlying profit, group share (+6.8%) and objective of €1bn from asset disposals and capital increase met

In 2011, Casino net sales amounted to "34.4 billion, up +18.2%. On an organic<sup>1</sup> basis, Group sales growth accelerated in 2011 (+5.7% excluding petrol) driven by further robust growth in International operations and sound growth in sales in France.

**In France**, sales trend recovered in 2011, with organic<sup>1</sup> growth at +2.6% (+1.4% excluding petrol), and Casino's market share remained stable over the year. Géant Casino's same-store food sales increased slightly, despite a soft consumption environment for this format. Casino Supermarchés' total sales increased 1.6% (excluding petrol). Total sales at superettes remained virtually stable in comparison with 2010. Other operations (Cdiscount, Mercialys, Banque Casino and Casino Restauration) maintained sustained sales growth (up +8.5% in organic<sup>1</sup> terms), driven by the excellent momentum of Cdiscount (+14.3% in organic terms). The increase in sales of the e-commerce site thus offset to a large extent the contraction in non-food sales at Géant and therefore enabled the Group to post a total rise of 2.6% in its full-year non-food sales (Géant + Cdiscount). Same-store sales at Leader Price significantly recovered, with a 1.5% increase. Total sales at Franprix and Monoprix respectively grew +8.6% and +3% (excluding petrol).

**International operations** enjoyed very strong growth (+40.4%), driven by their very satisfactory organic<sup>1</sup> growth (+12.2%) and significant changes in the consolidation scope (consolidation of the former Carrefour operations in Thailand within Big C, consolidation of Casas Bahia in Brazil and increase in Casino's stake in GPA). In Latin America, sales grew +13.4% on an organic<sup>1</sup> basis, driven by the excellent GPA (+8.8%<sup>2</sup>) and Exito (+8.4%<sup>2</sup>) same-store sales growth. Asia recorded a robust 11.3% growth in its sales in organic<sup>1</sup> terms, thanks to strong momentum in sales in Vietnam and despite the impact of the floods in Thailand in Q4.

Current operating income was up +19.1%, reflecting the surge in current operating income in international operations (+50.5%) as well as the upturn in the profit margin in France in H2 (+13.3%). The contribution of international operations to Casino's sales and current operating income therefore increased significantly and came in at 45% and 52%, respectively, versus 38% and 41% in 2010.

In 2011, Casino met its "1 billion objective set for asset disposals and capital increase. Net debt came in at "5,379 million. The Net debt/EBITDA ratio therefore stood at 2.35x at year-end 2011, taking into account the postponement of Big C's capital increase in Thailand. The project of an exceptional distribution announced on February 9, 2012 by Mercialys when it unveiled its new strategy will significantly improve the Group's financial flexibility.

### Groupe GO Sport: A difficult 2011 year for Groupe Go Sport in a toneless market environment

Groupe GO Sport consolidated net sales reached "680.4m in 2011, up +0.4% on a same-store basis and at constant exchange rates.

Net sales of the GO Sport banner **in France** and **in Poland** were down 1.7% and 3.1% on a same-store basis and at constant exchange rates in 2011. However, **Courir** same-store sales strongly increased in 2011, up +8.9% (after 3.6% in 2010), confirming the success of the banner's repositioning.

Groupe GO Sport EBITDA and current operating income respectively amounted to "8.6m and "-12.1m, down compared with 2010, mainly due to the disappointing performance of high-margin seasonal goods.

<sup>1</sup> Based on a comparable scope of consolidation and constant exchange rates, excluding the impact of property assets disposals

<sup>2</sup> Data published by companies

### **3. CONCLUSION AND PERSPECTIVES**

#### ➤ **A portfolio of assets with strong fundamentals for Rallye**

- **Casino**, with a transformed profile, will continue to implement its profitable growth strategy.  
In 2012, more than 50% of revenue and of trading profit will come from high-growth countries
  - ✓ The Group intends to exercise in June 2012 its option enabling it to have control of GPA, the leading retailer in Brazil, which will be fully consolidated in Casino's financial statements once the Group becomes its sole controlling shareholder
  - ✓ Acceleration of Casino's expansion in its four key countries with a multi-format strategy focused on the convenience and discount formats as well as the development of the dual model (shopping malls located next to new stores)

In France, Casino will pursue with the change in its mix in favor of buoyant and performing formats, in line with consumers' expectations, especially by deploying multi-channel and reinforcing its dual model.

Casino, by adapting its country, activity and format mix, will be better able to meet the needs of its customers and thus generate profitable growth. In 2012, it aims to ensure:

- ✓ Casino sales growth above 10%
- ✓ Stability in Casino's food market share in France
- ✓ An increase in current operating income at Franprix-Leader Price.
- ✓ A "1.5bn asset disposals/capital increases objective in 2012<sup>1</sup>
- ✓ Maintain a financial net debt/EBITDA ratio under 2.2x

At the Annual General Meeting on 11 May 2012, Casino will recommend a dividend of "3 per share, up 7.9%, with the option of being paid 50% in shares.

- **Groupe GO Sport**, in order to accelerate its commercial dynamic and reinforce its financial structure, has agreed to the principle of a capital increase of c. "30m with subscription rights maintained. The operation will take place in Q2 2012<sup>2</sup> and will be guaranteed by Rallye.
- **An investment portfolio** with diversified and high-quality financial and real estate assets, currently being disposed of.
- **Rallye benefits from a strong liquidity situation**, with more than "2.2bn of confirmed credit lines, whose average maturity has been extended to 4.2 years, after "1.8bn of credit lines have been set up or renegotiated in 2011.

  
**Rallye confirms its commitment to further improve its financial structure and to reduce its net financial debt as soon as 2012**

At the Annual General Meeting on May 23, 2012, Rallye will recommend a dividend of 1.83" per share, stable compared to 2010. An interim dividend of 0.80" per share having been paid on October 6, 2011, the balance will amount to 1.03" per share. Shareholders will be given the option, for 100% of the balance, to be paid in shares.

#### **Investor Calendar:**

Tuesday April 17, 2012 (after the close of trading): 2012 first-quarter sales  
Wednesday May 23, 2012: Annual General Meeting  
Friday July 27, 2012: second-quarter sales and first-half results

For more information, please consult the company's website: [www.rallye.fr](http://www.rallye.fr)

#### Contact

#### **RALLYE**

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<sup>1</sup>Including the operation announced by Mercialys on February 9, 2012

<sup>2</sup> Subject to the approval of the French Autorité des Marchés Financiers on the prospectus related to this operation and the approval of the corresponding resolutions by the Shareholders' Meeting of April 20, 2012