

RALLYE

2014 Annual Results

Increase in Rallye's 2014 activity driven by the organic growth of Casino's net sales

Decrease in Rallye's 2014 cost of net financial debt by €23m, to €165m

Simplified tender offer followed by the squeeze-out of Groupe GO Sport

The Board of Directors of Rallye, chaired by Mr. Jean-Charles NAOURI, met on February 16, 2015 in order to close the books for the year ended December 31, 2014.

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

2014 KEY P&L DATA

| Continuing operations (in €m) | 2013 ⁽³⁾ | 2014 | 2014 at CER ⁽⁴⁾ |
|---|---------------------|---------------|----------------------------|
| Net sales | 48,519 | 49,155 | |
| EBITDA⁽¹⁾ | 3,299 | 3,210 | |
| <i>EBITDA Margin</i> | <i>6.8%</i> | <i>6.5%</i> | |
| Current operating income (COI) | 2,323 | 2,235 | |
| <i>COI Margin</i> | <i>4.8%</i> | <i>4.5%</i> | |
| Net income, Group share | 175 | (32) | |
| Net underlying income⁽²⁾, Group share | 75 | 52 | 71 |

⁽¹⁾ EBITDA = current operating income + current depreciation and amortization expense

⁽²⁾ Underlying net income corresponds to net profit from continuing operations adjusted for the impact of other operating income and expense, non-recurring financial items and non-recurring income tax expense/benefits (see details in the appendix)

⁽³⁾ The previously reported financial statements were adjusted further to the retrospective application of IFRS 11 and IFRIC 21, as well as changes relating primarily to determining the fair value of Monoprix' acquired assets and liabilities.

⁽⁴⁾ At CER: at constant exchange rates

Rallye consolidated net sales amounted to €49.2bn, up +1.3% compared to 2013 restated. Current operating income reached €2,235m, down -3.8%.

Rallye's holding perimeter net financial debt stood at €2,798m as at December 31, 2014 compared to €2,697m at the end of 2013. The average maturity of Rallye's bond debt was lengthened to 3.8 years as at December 31, 2014, compared to 3.1 years as at end-2013, mainly through the placement in April 2014 of a €500m bond issue with a 7-year maturity and bearing a yield of 4%, simultaneously to the buyback of €110.6m of each of both bonds maturing in January 2015 (carrying a 8.375% coupon) and November 2016 (bearing a 7.625% coupon). Following the repayment of the bond maturing on January 20, 2015, the average maturity of Rallye's bond debt now stands at 4.5 years.

Following the year's refinancing, Rallye's 2014 cost of net financial debt declined by €23m, to €165m.

Rallye's net underlying income stood at €52m and €71m at current exchange rates.

1. SUBSIDIARIES ACTIVITY

Casino Group: Sales of €48.5bn, up +4.7% on an organic basis. In France, end of the pricing repositioning cycle of discount banners (Géant and Leader Price) and satisfactory development of premium and convenience-store banners, sustained organic growth of the retailing business internationally (+6.8%) and strong growth of Cnova's Gross Merchandise Volume (+26.6%). Current operating income of €2.231m, up +5.6% on an organic basis and Net underlying Profit, Group share of €556m (-3.9% at constant exchange rates) affected by decided price cuts in France. Net Financial Debt / EBITDA ratio of 1.8x.

In 2014, the Casino Group's organic growth was satisfactory (at +4.7%), driven by improved same-store sales in France, sustained expansion internationally across all geographical areas and good E-commerce performance.

In France, food retailing business posted an organic growth of -2.1% in 2014, with both traffic and volumes positive since the 4th quarter.

Internationally (excluding E-commerce), organic growth of the Casino Group's activities was strong (+6.8%) in 2014 (+8.5% including E-commerce).

Finally, **E-commerce activity (Cnova)** recorded very high growth following previous years' trend, with GMV and organic sales up +26.6% and +25.4% respectively. The continued increase in customer numbers and purchase frequencies contributed to websites direct sales' strong development.

In 2014, the Casino Group's **EBITDA** totalled €3,191 million, up +4.1% on an organic basis and **Current operating income (COI)** of €2,231 million posted a +5.6% organic growth with COI margin up +7 bp.

COI of food retailing business in **France** was €396 million, down compared to 2013 due to substantial price cuts implemented at Leader Price. At Casino banners, operational efficiency plans were carried out to offset price investments. Monoprix and Franprix maintained satisfactory profitability levels. **Internationally**, the profitability of all activities grew on an organic basis over the year. COI of food businesses in Latin America was up +11.9%. Furthermore, the retailing of electronic products and furniture (Viavarejo)'s COI posted an excellent growth of +35.7%, and that of food retailing business in Asia was up +1.5%. **E-commerce** activity registered a nearly stable COI in comparison with 2013 excluding the impact of new international sites' launch during the year. Net Cash flow generated by Cnova totalled €203 million¹, a sharp rise compared to the previous year (x3.6).

Net underlying profit, Group share stood at €556 million, down -10.1% mainly due to the translation into euros of international subsidiaries' results and decided price cuts in France. Adjusted for exchange rate variations, the Net underlying profit, Group share came to €594 million. Net published profit, Group share totalled €253 million after taking into account exceptional non-recurring items notably related to the Casino Group's scope changes in Brazil and E-commerce.

Cash flow amounted to €2,015 million, up +9.1% at constant exchange rates and capex remained under control at €1,511 million (vs. €1,535 million in 2013 excluding Mercialys). Free Cash Flow² stood at €846 million (vs €866 million in 2013).

Net financial debt at 31 December 2014 totalled €5,822 million, at 1.8x EBITDA of the period.

Other assets

Investment Portfolio:

Rallye's investment portfolio is valued at €143m at year-end 2014, following €74m of net cash-in over the year

Groupe GO Sport: newfound growth of Groupe GO Sport sales (+2.9% on a same-store basis), with sequential improvement in sales trends throughout the year

Groupe GO Sport's consolidated net sales for the year 2014 reached €655.1m, up +2.9% on a same-store basis and using constant exchange rates. GO Sport France saw its commercial dynamic renewed, with an acceleration in the fourth quarter. Courir posted excellent sales growth, confirming the banner's success. Since the company's delisting on November 5, 2014, Rallye owns 100% of share capital and voting rights of Groupe GO Sport.

Nota : Organic and same-store changes exclude petrol and calendar effects

¹ Data published by Cnova excluding IPO proceeds

² Cash flow + Changes in WCR – Net capex; 2013 data excluding Mercialys

2. CONCLUSION AND PERSPECTIVES

- In 2015, **Casino** sets the following objectives:
 - In France¹:
 - An organic growth of annual sales
 - Annual current operating income higher than the previous year
 - Internationally¹:
 - Sustained organic growth of the business
 - Higher growth in current operating income than in sales
 - Overall, organic growth of the current operating income
 - An improvement of the Net financial debt/EBITDA ratio close to 0.2x
- **Rallye benefits from a very strong liquidity situation**, with €1.9bn of confirmed, undrawn and immediately available credit lines. The average maturity of bond debt was lengthened to 4.5 years.
- Rallye's financial cost will mechanically decrease in the coming years, following refinancing at a far lower cost than its historical average. Following 2014's refinancing operations. Rallye's financial cost should improve by at least €40m in 2015.



Rallye confirms its strategy to maximize its assets' value, especially Casino, as well as its objective to lower its financial cost of debt

At the General Annual Meeting on May 19, 2015, Rallye will recommend a dividend of €1.83 per share, stable compared to 2013, which will be paid on May 29, 2015.

Investor Calendar:

Tuesday May 19, 2015: Annual General Meeting

For more information, please consult the company's website: www.rallye.fr

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¹ Excluding E-commerce

APPENDICES

RALLYE 2014 RESULTS (CONSOLIDATED DATA)

| (in €m) | 2013 ⁽²⁾ | 2014 |
|---|---------------------|---------------|
| Net sales | 48,519 | 49,155 |
| EBITDA ⁽¹⁾ | 3,299 | 3,210 |
| Current operating income | 2,323 | 2,235 |
| Other operational income and expenses | 240 | (501) |
| Cost of net financial debt | (829) | (812) |
| Other financial income and expenses | (89) | 19 |
| Income tax expense | (394) | (321) |
| Income from associated companies | 42 | 76 |
| Net income from continuing operations | 1,294 | 697 |
| Net income from continuing operations, Group share | 175 | (32) |
| Net income from discontinued operations | (2) | (2) |
| Net income | 1,292 | 696 |
| Net income, Group share | 174 | (33) |
| Net underlying income, Group share | 75 | 52 |

(1) EBITDA = current operating income + current depreciation and amortization expense

(2) The previously reported financial statements were adjusted further to the retrospective application of IFRS 11 and IFRIC 21, as well as changes relating primarily to determining the fair value of Monoprix' acquired assets and liabilities.

RALLYE SIMPLIFIED 2014 BALANCE SHEET (CONSOLIDATE DATA)

| (in €m) | 2013 ⁽¹⁾ | 2014 |
|-------------------------------------|---------------------|---------------|
| Non-current assets | 29,125 | 30,434 |
| Current assets | 14,084 | 16,790 |
| TOTAL ASSETS | 43,209 | 47,224 |
| Equity | 13,919 | 13,932 |
| Non-current financial liabilities | 11,064 | 11,611 |
| Other non-current liabilities | 3,109 | 3,263 |
| Current liabilities | 15,118 | 18,417 |
| TOTAL EQUITY AND LIABILITIES | 43,209 | 47,224 |

(1) The previously reported financial statements were adjusted further to the retrospective application of IFRS 11 and IFRIC 21, as well as changes relating primarily to determining the fair value of Monoprix' acquired assets and liabilities.

RECONCILIATION OF REPORTED PROFIT TO UNDERLYING PROFIT

Underlying profit corresponds to net profit from continuing operations adjusted for the impact of other operating income and expense (as defined in the “Significant Accounting Policies” section of the notes to the consolidated financial statements), non-recurring financial items and non-recurring income tax expense/benefits.

Non-recurring financial items include fair value adjustments to certain financial instruments at fair value through profit or loss whose market value may be highly volatile. For example, fair value adjustments to financial instruments that do not qualify for hedge accounting and embedded derivatives indexed to the Casino share price are excluded from underlying profit.

Non-recurring income tax expense/benefits correspond to tax effects related directly to the above adjustments and to direct non-recurring tax effects. In other words, the tax on underlying profit before tax is calculated at the standard average tax rate paid by the Group.

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

| (in €m) | 2013 | Restated | Underlying 2013 | 2014 | Restated | Underlying 2014 |
|--|--------------|--------------|--------------------|--------------|------------|--------------------|
| Current operating income | 2,323 | | 2,323 | 2,235 | | 2,235 |
| Other operating income and expenses | 240 | (240) | | (501) | 501 | |
| Operating income | 2,563 | (240) | 2,323 | 1,734 | 501 | 2,235 |
| Cost of net financial debt | (829) | | (829) | (812) | | (812) |
| Other financial income and expenses ⁽¹⁾ | (89) | 77 | (12) | 19 | (11) | 8 |
| Income tax expense ⁽²⁾ | (394) | (96) | (490) | (321) | (157) | (478) |
| Income from associated companies | 42 | | 42 | 76 | | 76 |
| Net income from continuing operations | 1,294 | (259) | 1,035 | 697 | 333 | 1,030 |
| of which minority interests ⁽³⁾ | 1,119 | (158) | 960 | 729 | 249 | 978 |
| Of which Group share | 175 | (101) | 75 | (32) | 84 | 52 |

(1) The following are deducted from Other financial income and expenses: the impact of monetary discounting of tax liabilities in Brazil (-€25m in 2013 and -€25m in 2014), as well as fair value changes of the Total Return Swaps on GPA and Big C shares, forwards, GPA call options (-€89m in 2013 and -€63m in 2014), the other variations (€15m in 2013 and -€38m in 2014)

(2) The following are deducted from tax charges: tax items corresponding to the items deducted above, as well as non-recurring income and charges

(3) The following are deducted from minority interests: the amounts related to the items subtracted above