RALLYE

Paris, July 30, 2014

INTERIM FINANCIAL REPORT

Article 222-4 of the AMF General Regulations

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1 – STATEMENT BY THE PERSON IN CHARGE OF THE INTERIM FINANCIAL REPORT

I hereby certify that, to my knowledge, the statements presented in the interim financial report have been established in accordance with the applicable accounting standards and that they present fairly the Rallye Group's assets, financial position, and results; and that the interim business report gives a true and fair view of the important events that have occurred during the first six months of the fiscal year and their impact on the interim financial statements, of the main risks and uncertainties for the remaining six months of the year, and of the principal related-party transactions.

Paris, July 30, 2014

Didier Carlier
Chief Executive Officer

2 – INTERIM BUSINESS REPORT

Highlights of the first half of 2014

Rallye

- Successful 7-year, 500-million-euro bond issue and bond tender offer

On March 17, 2014, Rallye announced the successful placement of a bond issue in the amount of €500 million with a 7-year maturity, bearing a yield of 4%. This bond line was heavily oversubscribed by a diversified base of investors. Rallye simultaneously announced the launch of a tender offer for bonds maturing in January 2015 and November 2016, for an amount to be determined, launched by BNP Paribas.
On March 25, 2014, Rallye announced the successof the tender offer with €110.6 million bought back for each of the two bond lines maturing in January 2015 and November 2016, respectively. Bonds bought back by BNP Paribas through the tender offer were transferred to Rallye, and then cancelled. Following this transaction, the principal amount of both bonds was reduced to €389.4 million.

Casino

The first half of 2014 was characterized by the excellent operating performance of the international subsidiaries and, in France, by the operational strength of the brands in a context of significant price investments.

- In France, the period was marked by the solid operating performance of the Casino, Monoprix and Franprix banners, by the recovery of the hypermarkets, and by price investments at Leader Price that helped reposition the banner among the cheapest in the market.
- In Brazil, the managerial control achieved has resulted in good operating performances in business development as well as profitability.
- The e-commerce division recorded very good performances in the first half of the year. A proposed listing of this business (Cnova) was announced by the Group.

There were also several highlights in early 2014 at Casino:

- Launch of three new websites under the Cdiscount banner in Thailand, Vietnam and Colombia

On **January 15, 2014**, Casino announced the launch of three new sites under the Cdiscount banner in Thailand, Vietnam and Colombia. These businesses will complement existing websites within their international subsidiaries and permit the establishment of a strong future position in markets where e-commerce is beginning to grow.

- Conclusion of an agreement between Casino subsidiary Éxito and the Super Inter Group

On **February 10, 2014**, Casino subsidiary Éxito announced the signature of an acquisition and management contract for 50 stores of the Colombian brand Super Inter. Éxito will acquire 19 of the stores in 2014 and conclude a lease-management contract for the remaining 31 stores, on which Éxito holds a purchase option it can exercise in 2015. Super Inter is an independent chain operating in the Cali region and the Coffee region. This operation consolidates Éxito's status as a consumer retail leader in Colombia. It also creates a growth vector for Éxito in the fast-growing discount format through a banner that complements Surtimax.
The transaction will be financed with Éxito cash and will have a positive impact on Éxito's net income beginning in the first year. The conclusion of the transaction is subject to the approval of the Colombian competition authorities.

- Successful 10-year bond issue and bond tender offer

On **February 28, 2014**, Casino successfully completed a tender offer launched on February 21, 2014, that enabled it to repurchase bonds for €214 million and €336 million, respectively, maturing in April 2016 and February 2017.
This tender offer, together with the new 10-year bond issue of €900 million launched on Friday, February 21, extended the average maturity of Casino's bond debt from 4.8 years at the end of December 2013 to 5.4 years as of the date of the transaction.

- Signing of a 5-year, €1.2 billion confirmed credit facility

On **February 28, 2014**, Casino also announced the signing of a confirmed 5-year credit facility in the amount of €1.2 billion with a group of 18 banks. This transaction strengthened the Group's liquidity and extended the average maturity of Casino's confirmed lines from 2.6 years at the end of December 2013 to 4.3 years as of the date of the transaction.

- Acquisition of 8,907,123 preferred shares of GPA

On **April 4, 2014**, Casino acquired 8,907,123 preferred shares of GPA after exercising a call option purchased in July 2012. This raised Casino's share in the capital of GPA to 41.4% versus 38% previously, without any evolution in the total economic exposure of 46.5% (which takes into account other derivatives).

- Project to create an e-commerce platform establishing a major global pure-player

On **May 6, 2014**, the Casino Group announced a project to create an e-commerce platform combining businesses of Cdiscount in France, Colombia and Asia as well as Nova in Brazil (a company jointly owned by GPA and Via Varejo). This transaction would create a major global e-commerce pure-player, with a total business volume of USD 4.1 billion in 2013.

- Conclusion of a strategic partnership with the Bolloré Group

On **June 4, 2014**, the Bolloré and Casino Groups announced the signing of a strategic partnership with the objective of developing an e-commerce business in Africa. Cdiscount Afrique and Bolloré Africa Logistics will create a joint company that will build on their respective strengths: the expertise of the e-commerce leader in France and the skills of the logistics leader in Africa.
The first Cdiscount branded site to be launched should be in Ivory Coast this summer.

- Creation of the new Cnova entity and registration application for a possible listing on the U.S. market

On **June 4, 2014**, the Boards of Directors of Casino, CBD, Via Varejo and Exito approved the principal terms of the creation of a global e-commerce platform and the creation of the new Cnova entity. A registration statement for a possible initial public offering on the U.S. market has been filed.

- Conclusion of an exclusive agreement with the Coopérateurs de Normandie-Picardie and Mutant Distribution

On **June 30, 2014**, the Casino Group signed a purchase commitment for the acquisition of 63 stores operated under the "Mutant Express, Point Coop, C. Express and Le Mutant" banners with Coopérateurs de Normandie-Picardie and Mutant Distribution in return for an exclusivity agreement.

Groupe GO Sport

During the first half of the year, GO Sport France strengthened its focus on sports, particularly through the renewal of its partnership with the PSG and the organization of significant sporting events. During the first six months, the company also worked to strengthen its privileged partnership with major international sports brands whose proportion in GO Sport sales increased in the first six months compared to 2013. The loyalty program, now free, was successfully relaunched. GO Sport has also continued to deploy its affiliate network in France. Following two openings in the first semester, it now numbers nine stores. Finally, the brand's e-commerce site continues to grow, with double-digit sales growth. During the first six months, Courir continued its store renovation program, with 8 stores being remodeled. The banner also opened a new owned store in Marseille in May. Finally, the opening last May of the first Courir-affiliated store in France, in Arras, marks the beginning of one of the strategic projects aimed at increasing the banner's market share.

- Groupe GO Sport and Hervis Sports announce the participation of SportXX in STMI

On **April 15, 2014**, Groupe GO Sport and Hervis Sports announced the expansion of their international purchasing cooperation by allowing Swiss brand SportXX, a member of the Migros Group, to join their joint subsidiary STMI. This addition follows the arrival of Twinner and Forum Sport. The membership of SportXX increases the international dimension of STMI by allowing it to cover near 1,300 stores in 12 European countries. The cumulative business volume in 2013 of members of the structure has now reached €1.7 billion before taxes, i.e., more than €2 billion including VAT.

Business report

The comments on the Interim Financial Report are made in comparison to restated H1 2013. The statements previously published have been restated following the retrospective application of IFRS 11 and the amendments focused mainly on the determination at fair value of assets and liabilities acquired of Monoprix.

Revenue

Rallye's consolidated revenue as of June 30, 2014, amounted to €23.6 billion, up 0.5% compared to June 30, 2013[1]. The breakdown by business operation is as follows:

(In € millions)	June 30, 2014	June 30, 2013 [1]	Change
Casino	23,248	23,125	+0.5%
Groupe GO Sport	305	311	-1.8%
Others *	4	4	-
Total	23,556	23,440	+0.5%

* Holding company activity and investment portfolio

In the first half of 2014, **Casino** recorded consolidated revenue of €23.2 billion, up 0.5%, benefiting from a sequential improvement in the second quarter in France and from the excellent performance of all international subsidiaries. Scope changes made a positive contribution of 4.3%. Changes in exchange rates had a negative impact of 9.9%, mainly due to the depreciation of the Brazilian real.

In **France**, organic sales excluding gasoline and the calendar effect, were down -1.2%, under the impact of price cuts at Géant and Leader Price. The half-year was marked by a return to growth at Géant with a recovery in non-food volumes. At Leader Price, improved traffic was noted at the end of the period. The e-commerce business posted a very good performance.

Franprix-Leader Price recorded a decrease in sales (-2.0%) to €2,133 million (versus €2,176 million in H1 2013). Sales at **Leader Price** declined by 1.8% under the impact of the price cuts implemented since the end of 2013. Volumes recorded sequential improvement in the quarter and customer traffic turned positive in June. **Franprix** completes the roll-out of its loyalty card across its stores and continues its expansion, with impact expected in the second half. **Monoprix** recorded total growth of 99.3% (including the effect of the acquisition of exclusive control starting from Q2 2013) and organic sales excluding gasoline and calendar effect at -0.3% despite changes in evening opening hours in some stores. Food volumes remained on a satisfactory trend and textiles performed well. The rate of expansion remains strong in its various formats (Naturalia, Monop). At **Géant**, organic sales excluding gasoline and calendar effect were up 0.5% in H1 2014 under the impact of the new price positioning, which is now very competitive. Traffic and volumes are improving, which confirms the strategy of lower prices. Many commercial initiatives have also contributed to the revitalization of the banner (sales in large amounts, inexpensive textile offer, etc.). **Casino Supermarkets** sales declined by 2.7%, impacted by price investments. Expansion continued with the opening of six stores in the first half of the year, including 2 owned stores. **Convenience** sales were down -5.1% but improved sequentially between the first and second quarters. The success of the banner continued, with openings of franchise stores while improving the competitiveness of its Vival and Spar franchise networks through price investments. Forintegrated stores, both transformation of stores to the new formats and the renovation of certain stores continued with excellent business results.

International sales benefited from continued strong organic growth (+11.5%), excluding gasoline and calendar effects, driven by Latin America, which posted very strong organic growth of 12.2%, excluding gasoline (+12.5% excluding calendar effects) thanks to good same-store performances and GPA's expansion in Brazil. Changes in exchange rates had a negative impact, mainly due to the depreciation of the Brazilian real against the euro. International activities' contribution represented 57% of sales during the first half of the year.

[1] The comments on the Interim Financial Report are made in comparison to restated H1 2013. The statements previously published have been restated following the retrospective application of IFRS 11 and the amendments focused mainly on the determination at fair value of assets and liabilities acquired of Monoprix.

As of June 30, 2014, consolidated sales for **Groupe GO Sport** were €305.1 million, nearly stable compared to the first half of 2013 (-0.6%).
In **France**, sales for the **GO Sport** banner were down 2.6% on a same-store basis. Sales were up in the second quarter (+5.3% against -8.8% in Q1), with a positive evolution of both the number of clients and quantities sold. The **Courir** banner recorded its eighth straight semester of sales growth, with an increase of 5.2% on a same-store basis, particularly due to the very good performance of the women's collections. In **Poland,** sales for the GO Sport banner fell slightly (-1.0%) over the first half, within a still highly competitive environment in the Polish market.

Current operating income

Rallye posted current operating income of €875 million, a decrease of 4.4% from the first half of 2013. The breakdown by business is as follows:

(In € millions)	June 30, 2014	June 30, 2013 [1]	Change
Casino	880	933	-5.7%
Groupe GO Sport	-18	-16	-7.9%
Others *	13	-3	ns
Total	875	915	-4.4%

* Holding company business and investment portfolio

Current operating income at **Casino** was up 13.5% organically (-5.7% overall) as a result of price investments realized and foreign exchange abroad. International business now represents 83% of current operating income (up from 76% in the first half of 2013).
COI in the France Retail[2] segment was stable compared to the first half of 2013 (excluding Mercialys). COI in the Latam Retail[3] segment was up 18.3% organically (-0.7% overall), driven by the good performances of the GPA banners. COI in the Latam Electronics[4] segment was up 34.3% organically (+13.3% overall). COI in the Asia[5] segment was up 6.0% organically (-6.2% overall) in a difficult political and macroeconomic situation in Thailand. Finally, COI in the e-commerce[6] segment was up 13.0% (-0.5% organically).

Groupe GO Sport recorded a current operating loss of -€17.8 million as of June 30, 2014, down €1.3 million compared to the first half of 2013, impacted by the decrease of commercial margin related particularly to the increase in promotional activity at GO Sport France.

Operating income

Other operating income and expenses resulted in a net expense of €178 million in the first half of 2014, compared with €520 million in the first half of 2013. This relates mainly to provisions for restructuring charges for €72 million at Casino France, Brazil, and Franprix-Leader Price, provisions and charges for risks and litigation of €36 million, mainly for Brazil, and net expenses related to scope transactions for €52 million, mainly concerning France.

After the impact of other operating income and expenses, operating income was €698 million in the first half of 2014, compared with €1,435 million in the first half of 2013.

[1] The comments on the Interim Financial Report are made in comparison to restated H1 2013. The statements previously published have been restated following the retrospective application of IFRS 11 and the amendments focused mainly on the determination at fair value of assets and liabilities acquired of Monoprix.
[2] The France Retail scope includes the Casino, Monoprix, Franprix-Leader Price and Vindémia brands.
[3] The Latam Retail scope includes the GPA group brands Exito and Libertad.
[4] The scope of Latam Electronics includes the Viavarejo Group brands: Casas Bahia and Ponto Frio.
[5] The Asia scope includes the Big C Thaïlande and Big C Vietnam group brands.
[6] The e-commerce scope includes Cdiscount, its vertical and international sites launched internationally in the first half of the year and Nova Pontocom in Brazil.

Net income, Group share

(In € millions)	June 30, 2014	June 30, 2013[1]
Current operating income	875	915
Other operating income and expenses	-178	520
Net cost of financial debt	-405	-406
Other financial income and expenses	30	-24
Net income from continuing operations	197	750
Net income from discontinued operations	0	0
Net income	197	750
Net income, Group share	-90	168
Underlying net income, Group share	-38	-30

Net income, Group share as of June 30, 2014, totaled -€90 million, compared with €168 million as of June 30, 2013.
Underlying net income, Group share, from continuing operations was -€38 million at the end of June 2014 versus -€30 million at the end of June 2013. At constant exchange rates, it was up €6 million compared to 2013.

Shareholders' equity

Shareholders' equity, Group share totaled €1,348 million as of June 30, 2014, versus €1,419 million at December 31, 2013, primarily reflecting:

- -€90 million in net income, Group share for the half-year,
- dividend payments in the amount of -€89 million,
- the change in ownership interests in subsidiaries for -€11 million,
- recognition of €112 million in positive translation adjustments

Financial structure of the holding company scope of consolidation

Rallye's holding company scope of consolidation includes Rallye and its wholly owned subsidiaries that operate as holding companies and hold Casino and Groupe GO Sport shares and the investment portfolio.

- Net debt of the Rallye holding company scope of consolidation

As of June 30, 2014, the restated net assets of the Rallye holding company scope of consolidation totaled €5,562 million, consisting of the Casino shares for €5,301 million, the investment portfolio for €165 million and other assets for €95 million (including the Groupe GO Sport shares for €47 million).

The net debt of the Rallye holding company scope of consolidation totaled €2,695 million as of June 30, 2014, and is therefore hedged 2.06 times by the restated assets.

This debt is composed of bond and bank financing for a total gross amount of €2,724 million, plus the interest accrued and IFRS restatements for a total of -€2 million. Money market investments and cash and cash equivalents, net of issued commercial paper as of June 30, 2014, total -€26 million.

- Investment portfolio of the Rallye holding company scope of consolidation

As of June 30, 2014, the investment portfolio amounted to €165 million versus €212 million as of December 31, 2013. It consists of financial investments with a market value[2] of €131 million and real

[1] The comments on the Interim Financial Report are made in comparison to restated H1 2013. The statements previously published have been restated following the retrospective application of IFRS 11 and the amendments focused mainly on the determination at fair value of assets and liabilities acquired of Monoprix.
[2] The market value of financial investments is the accounting value used for the consolidated financial statements (fair value – IAS 39) and is generally based on outside valuations (fund general partners) or pending transactions.

estate programs booked at historical cost[1] for €34 million. The decline in the value of the portfolio during the first half of 2014 primarily reflects the €50 million in net cash-in[2] received during the period.

Parent company results

Rallye's sales totaled €0.6 million as of June 30, 2014 versus €1.6 million as of June 30, 2013.
Rallye's net income totaled -€28.9 million versus net income of -€34.8 million as of June 30, 2013. In particular, it includes a provision for impairment on shares of Groupe GO Sport for €67 million.

Major related-party transactions

The related-party transactions are described in Rallye's Reference Document for fiscal year 2013, which was filed with the French Financial Markets Authority (AMF) on April 16, 2014, under number D.14-0369. They mainly concern current transactions with companies over which the Group exercises notable influence or joint control and which have been consolidated under the equity method. The transactions are concluded at market price.
Transactions with related parties who are individuals (directors, executive officers, and members of their families) were not material, nor were transactions with the parent companies.

As of June 30, 2014, Foncière Euris owned 55.44% of Rallye's capital and 70.49% of its voting rights.

The only transaction in the half-year between Rallye and Foncière Euris concerned the payment of the dividend for fiscal 2013, which was paid in cash and amounted to €49 million.

Rallye benefits from the guidance of Euris, the Group's parent company, under the terms of a strategic advisory services agreement signed in 2003.

In June 2014, the Casino Group, together with Mercialys, realized a number of asset operations, in particular through the use of asset swaps. As part of these swaps, the Casino Group sold five real estate assets for €164 million and acquired five real estate assets for €169 million. These transactions will result in a negative net effect on cash of €5 million (including €12 million disbursed at the end of June 2014).

Relationships with related parties, including the methods for compensating company directors, have remained comparable to those of the 2013 fiscal year and no unusual transactions, in nature or amount, occurred during the period.

Major risks and uncertainties for the second half of 2014

The Group's business activities are exposed to certain risk factors described in the Rallye Reference Document related to fiscal year 2013, which is available on the Group's website, and was filed with the French Financial Markets Authority on April 16, 2014, under number D.14-0369.

[1] Real estate developments are recorded at historic cost and not revalued before the sale of investments (IAS 40).
[2] Net from investments.

Trends and outlook

- In the second half of 2014, **Casino** will pursue its strategy aimed at:

    - Rolling out discount banners
    - Strengthening positioning in premium formats
    - Accelerating expansion in convenience
    - Becoming a major player in non-food e-commerce

  In addition, Casino confirms its objectives for 2014:
    - a return to positive organic sales growth in France
    - continued strong organic sales growth for International activities
    - renewed organic growth in current operating income
    - continued improvement of its financial structure

- **GO Sport** will continue its "back to basics" action plans, notably by maintaining an intense level of promotional activity. **Courir** will pursue the action plans in order to develop its market share, through the opening of new stores, both franchised and owned, and the launch of its e-commerce website in the third quarter.

- **Rallye** benefits from a very strong liquidity situation, with close to €2.0 billion of confirmed, undrawn and immediately available credit lines as of June 30, 2014. The average maturity of the credit lines was increased to 4.4 years during the half-year.
  Rallye confirms its strategy of maximizing the value of its assets, especially Casino, as well as its objective of selling its investment portfolio and lowering its financial cost of debt.

Consolidated Financial Statements

Group Consolidated Statement of Income

(In € millions)	Note	June 30, 2014	June 30, 2013*
Continuing operations			
Revenue	5	23,556	23,440
Full cost of goods sold		(17,710)	(17,420)
Gross margin		**5,846**	**6 020**
Other income		218	114
Cost of goods sold	6	(4,381)	(4,300)
General and administrative expenses	6	(808)	(918)
Current operating income		**875**	**915**
Other operating income	7	103	828
Other operating expenses	7	(282)	(309)
Operating income		**698**	**1,435**
Income from cash and cash equivalents	8.1	93	88
Gross cost of financial debt	8.1	(498)	(494)
Net cost of financial debt		**(405)**	**(406)**
Other financial income	8.2	141	141
Other financial expenses	8.2	(111)	(165)
Profit before tax		**323**	**1,004**
Income tax expense		(157)	(274)
Income from associates	11	31	20
Net income from continuing operations		**197**	**750**
Company owners		**(90)**	**168**
Non-controlling interests	15	287	582
Discontinued operations			
Net income from discontinued operations		**0**	**0**
Company owners			
Non-controlling interests			
Consolidated net income		**197**	**750**
Company owners		**(90)**	**168**
Non-controlling interests		287	582

(In €)	June 30, 2014	June 30, 2013*
Net income attributable to company owners (in €)		
Consolidated net income per share		
Basic	(1.86)	3.50
Diluted **	(2.08)	3.48
Net income per share from continuing operations		
Basic	(1.86)	3.50
Diluted **	(2.08)	3.48

* The statements previously published have been restated following the retrospective application of IFRS 11 (Note 1.4.3) and the amendments focused mainly on the determination at fair value of assets and liabilities acquired of Monoprix (Note 3.4).

** In accordance with IAS 33, the calculation of net income per diluted share includes the maximum dilutive effect related to the Monoprix ORAs issued December 27, 2013. The Casino Group has a call option on these ORAs; with a maximum dilution representing €0.22 per share which would be reduced to 0 in case of exercise of the option.

Consolidated Statement of Comprehensive Income

(In € millions)	June 30, 2014	June 30, 2013*
Net income over the period	**197**	**750**
Items to be reclassified subsequently to profit or loss	**812**	**(791)**
Cash flow hedges	7	4
Hedges of a net investment in a foreign operation;		
Translation adjustments **	805	(808)
Change in the fair value of financial assets available for sale		28
Share of associates in items to be reclassified	2	(13)
Income tax impact	(2)	(3)
Items that will not be reclassified to profit or loss	**(2)**	**(4)**
Actuarial gains and losses	(3)	(6)
Income tax impact	1	2
Other elements of comprehensive income net of taxes	**810**	**(796)**
Consolidated comprehensive income for the period:	**1,007**	**(46)**
Company owners	**24**	**25**
Non-controlling interests	983	(71)

* The statements previously published have been restated following the retrospective application of IFRS 11 (Note 1.4.3) and the amendments focused mainly on the determination at fair value of assets and liabilities acquired of Monoprix (Note 3.4).

* In 2014, the positive difference of €805 million results principally from the appreciation of the Brazilian and Colombian currencies in the amounts of €731 million and €85 million, respectively.
The negative difference of -€808 million in 2013 results principally from the depreciation of the Brazilian and Colombian currencies in the amounts of €579 million and €207 million, respectively.

Statement of Financial Position

ASSETS (in € millions)	Note	June 30, 2014	December 31, 2013*	January 1, 2013 *
Goodwill	3 & 10	12,193	11,743	10,934
Intangible assets	10	4,466	4,246	3,853
Property, plant, and equipment	10	9,742	9,333	8,077
Investment property		615	563	543
Investments in associates	11	1,016	1,048	1,572
Other non-current financial assets		2,116	1,792	2,233
Deferred tax assets		597	429	864
Total non-current assets		**30,745**	**29,154**	**28,076**
Inventories		5,141	4,778	4,664
Trade receivables		1,502	1,504	1,695
Other current assets		1,685	1,518	1,557
Current tax receivables		108	75	43
Other current financial assets		120	425	471
Cash and cash equivalents	12	4,247	5,686	6,159
Assets held for sale	13	41	98	1,476
Total current assets		**12,844**	**14,084**	**16,065**
Total assets		**43,589**	**43,238**	**44,141**

SHAREHOLDERS' EQUITY AND LIABILITIES (in € millions)	Note	June 30, 2014	December 31, 2013*	January 1, 2013 *
Capital		146	146	146
Reserves and share of income/loss attributable to company owners		1,202	1,273	1,680
Shareholders' equity attributable to company owners		**1,348**	**1,419**	**1,826**
Non-controlling interests	15	12,868	12,449	11,888
Shareholders' equity		**14,216**	**13,868**	**13,714**
Non-current provisions	16	1,106	971	945
Non-current financial liabilities	17	10,432	11,064	11,620
Other non-current liabilities		824	731	1,002
Deferred tax liabilities		1,452	1,407	1,294
Total non-current liabilities		**13,814**	**14,173**	**14,861**
Current provisions	16	197	217	275
Trade payables		6,313	7,080	6,433
Current financial liabilities	17	4,840	3,434	3,406
Tax liabilities payable		94	147	113
Other current liabilities		4,115	4,319	4,244
Liabilities related to assets held for sale		0	0	1,095
Total current liabilities		**15,559**	**15,197**	**15,566**
Total shareholders' equity and liabilities		**43,589**	**43,238**	**44,141**

* The statements previously published have been restated following the retrospective application of IFRS 11 (Note 1.4.3) and the amendments focused mainly on the determination at fair value of assets and liabilities acquired of Monoprix (Note 3.4).

Cash Flow Statement

(In € millions)	June 30, 2014	June 30, 2013*
Net income attributable to company owners	(90)	168
Non-controlling interests	287	582
Consolidated income	**197**	**750**
Amortization, depreciation, and provisions	530	581
Unrealized gains and losses related to changes in fair value	(39)	73
Calculated expenses and income linked to stock options and the like	11	13
Other calculated expenses and income	55	23
Amortization, depreciation, provisions and other non-disbursable items	**557**	**690**
Income from the disposal of assets	(12)	(71)
Losses/(profits) related to changes in interests in subsidiaries with loss of control or non-controlling interests		(689)
Share of income of associates	(31)	(20)
Dividends received from associates	38	57
Cash flow	**749**	**717**
Cost of net financial debt (excluding changes in fair value and amortization)	391	403
Tax liability (including deferred taxes)	159	274
Cash flow before cost of net debt and taxes	**1,299**	**1,394**
Taxes paid	(238)	(195)
Change in Working Capital Requirement (Note 4.1)	(1,592)	(1,079)
Net cash flow from operating activities (A)	**(531)**	**120**
Acquisitions of property, plant and equipment and intangible assets and investment properties	(700)	(751)
Sale of property, plant and equipment, intangible assets, and investment property	26	178
Acquisition of financial assets	(8)	(67)
Sale of financial assets	154	23
Impact of changes in scope of consolidation with change of control (Note 4.2)	(58)	(2,007)
Change in loans and advances made	21	
Net cash flow from investing activities (B)	**(565)**	**(2,624)**
Dividends paid to shareholders of the parent company	(89)	(50)
Dividends paid to minority shareholders of consolidated companies	(262)	(247)
Dividends paid to holders of perpetual super subordinated notes	(19)	(9)
Capital reductions/increases in cash	5	8
Other transactions with minority shareholders (Note 4.3)	(344)	(68)
Purchases and sale of treasury stock	(4)	(42)
Acquisitions and sales of financial investments	(1)	67
Bond issues	2,587	2,474
Bond redemptions	(1,984)	(2,048)
Net financial interest paid	(513)	(462)
Net cash flow from financing activities (C)	**(624)**	**(377)**
Impact of currency translation adjustments (D)	215	(189)
Change in cash (A+B+C+D+E)	**(1,505)**	**(3,070)**

Opening net cash and cash equivalents	5,490	6,111
Net cash from activities held for sale		(204)
Opening net cash on the balance sheet (F)	5,490	5,907
Closing net cash	3,985	3,041
Net cash from activities held for sale €		
Closing net cash on the balance sheet(G)	3,985	3,041
Change in cash and cash equivalents (G-F)	**(1,505)**	**(3,070)**

* The statements previously published have been restated following the retrospective application of IFRS 11 (Note 1.4.3) and the amendments focused mainly on the determination at fair value of assets and liabilities acquired of Monoprix (Note 3.4).

Statement of changes in consolidated shareholders' equity

(In € millions)	Capital	Reserves related to capital	Treasury shares	Consolidated reserves and income/(loss)	Cash flow hedges	Net investment hedge	Translation adjustments	Actuarial gains and losses	Financial assets available for sale	Shareholders equity attributable to owners	Non-controlling interests	Total shareholders' equity
As of January 1, 2013 *	**146**	**1,439**	**(11)**	**167**	**2**	**(15)**	**52**	**(19)**	**66**	**1,826**	**11,888**	**13,714**
Income and expenses realized directly in equity					1		(168)	(2)	26	(143)	(653)	(796)
Consolidated net income for 2013 [1]				168						168	582	750
Total income and expenses recognized				**168**	**1**		**(168)**	**(2)**	**26**	**25**	**(71)**	**(46)**
Capital transactions				(9)						(9)	19	10
Transactions in treasury shares			(3)	(2)						(5)	(33)	(38)
Dividends paid [2]				(49)						(49)	(240)	(289)
Change in interests without gain or loss of control of subsidiaries [3]				(44)						(44)	(43)	(87)
Changes in interest relating to the gain or loss of control of subsidiaries [4]											(359)	(359)
Other changes				(2)						(2)	2	0
As of June 30, 2013 *	**146**	**1,439**	**(14)**	**229**	**3**	**(15)**	**(116)**	**(21)**	**92**	**1,742**	**11,163**	**12,905**
As of January 1, 2014 *	**146**	**1,440**	**(9)**	**163**	**1**	**(15)**	**(365)**	**(15)**	**74**	**1,419**	**12,449**	**13,867**
Income and expenses realized directly in equity					4		112	(1)	(1)	114	696	810
Consolidated net income for 2014 [1]				(90)						(90)	287	197
Total income and expenses recognized				**(90)**	**4**		**112**	**(1)**	**(1)**	**24**	**983**	**1,007**
Capital transactions										0	3	3
Transactions in treasury shares			3	(1)						2	(1)	1
Dividends paid [2]				(89)						(89)	(253)	(342)
Change in interests without gain or loss of control of subsidiaries [3]				(11)						(11)	(290)	(301)
Changes in interest relating to the gain or loss of control of subsidiaries [4]												0
Other changes				**3**						**3**	**(23)**	**(20)**
As of June 30, 2014	**146**	**1,440**	**(6)**	**(25)**	**5**	**(15)**	**(253)**	**(16)**	**73**	**1,348**	**12,868**	**14,215**

** The statements previously published have been restated following the retrospective application of IFRS 11 (Note 1.4.3). The financial statements of December 31, 2013, have been restated following changes primarily in the determination of the fair value of the assets and liabilities acquired from Monoprix (Note 3.4).*

1. *Non-controlling interests come primarily from the Casino Group, in which the Group held 49.08% in June 2013 and 48.38% in June 2014.*
2. *In 2013 the -€289 million include the annual distribution of the balance of the Rallye dividend (-€49 million) and of the subsidiaries Casino, Exito, and Big C Thailand in the amounts of -€173, -€43 and -€19 million, respectively. In 2014, the -€342 million include the annual Rallye distribution (-€89 million) and primarily of the subsidiaries Casino, Exito, and Big C in the amounts of -€182, -€44 and -€2- million, respectively.*
3. *In 2013, this item corresponds primarily to the change in the put and the change in the share of non-controlling interests in GPA for a total amount of -€51 million and the buyback transactions of non-controlling interests related to franchised Franprix-Leader Price masters for -€43 million. In 2014, the negative impact of €301 million was primarily due to the exercise of the call option and the exercise of the GPA stock options for a total amount of -€309 million (including group share of -€11 million) (Note 3.1).*
4. *In 2013, this post corresponds primarily to the exit of minority shareholders for €351 million following the loss of control of Mercialys.*

Notes to the interim consolidated financial statements as of June 30, 2014

Rallye is a *société anonyme* (joint-stock company) registered in France and listed on NYSE Euronext Paris, in Eurolist Compartment A. The company and its subsidiaries are hereinafter referred to as the "Group" or the "Rallye Group."

The condensed consolidated financial statements as of June 30, 2014, reflect the company's financial position and that of its subsidiaries and joint ventures, as well as the Group's interests in associates.

On July 29, 2014, the Board of Directors prepared and authorized the publication of Rallye's consolidated financial statements for the six-month period ended June 30, 2014.

Note 1. Basis of preparation of the financial statements and accounting methods

1.1 Compliance statement

Pursuant to European regulation 1606/2002 of July 19, 2002, the condensed consolidated financial statements of the Rallye Group as of June 30, 2014 have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and adopted by the European Union as of June 30, 2014.

The standards are available on the website of the European Commission via the following link:
http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm

1.2 Basis of preparation

The condensed consolidated financial statements were established in compliance with the international financial reporting standard IAS 34 ("Interim financial reporting").

The interim consolidated financial statements are to be read as a supplement to the consolidated financial statements for the fiscal year ended December 31, 2013, as they appear in the Reference Document filed with the French Financial Markets Authority (AMF) on April 16, 2014, under number D.14-0369.
The Rallye Group's consolidated financial statements as of December 31, 2013 are available on request from the company's financial department at 32, rue de Ponthieu in Paris' 8th arrondissement, or at the website www.rallye.fr.

The financial statements are expressed in millions of Euros, the Group's functional and reporting currency. The tables contain data rounded off individually to the nearest million Euros. Calculations based on rounded figures may differ from reported aggregates and sub-totals.

1.3 Accounting methods

The accounting rules and methods applied in the preparation of the condensed interim financial statements are identical to those used for the consolidated financial statements for the fiscal year ended December 31, 2013, taking into account or with the exception of the new standards and interpretations listed hereafter.

1.3.1 Standards, amendments to standards, and interpretations applicable in the European Union as of the fiscal year beginning January 1, 2014

- IFRS 10 – Financial statements and IAS 27 revised – Separate financial statements:

  IFRS 10 replaces the former IAS 27 - Consolidated and separate financial statements and former interpretation SIC 12 – Consolidation – Special Purpose Entities. This standard introduces a new definition of control based on the power, the exposure (and the rights) to variable returns and the capacity to exercise this power to influence the returns.

- IFRS 11 – Joint Arrangements and revised IAS 28 – Investments in Associates and Joint Ventures:

  IFRS 11 and revised IAS 28 replace IAS 31 – Interests in Joint Ventures and IAS 28 – Investments in Associates, as well as interpretation SIC 13 – Jointly Controlled Entities – Non-Monetary Contributions by Venturers. The definition of joint control is based on the existence of a contractual agreement and the unanimous consent of the parties sharing control. These standards in effect provide for two separate accounting treatments, since IFRS 11 eliminates the proportionate consolidation method applicable to jointly controlled entities:
  - because they give rights to assets and obligations on liabilities, partnerships classified as joint operations will be recognized in the amount of the share of assets, liabilities, income, and expenses controlled by the Group in accordance with the mutual agreement. A joint operation may be implemented by means of a simple contract or by means of a jointly controlled legal entity;
  - partnerships classified as joint ventures -- since they only give a right to the net assets -- will now be consolidated under the equity method;

- IFRS 12 – Disclosures of interests in other entities;

  This standard contains all disclosures required when an entity holds interests in subsidiaries, partnerships, associates, or non-consolidated structured entities, regardless of the level of control or influence over the entity.

- Amendments to IFRS 10, IFRS 11 and IFRS 12 – Transitional provisions:

  These amendments clarify the transitional provisions of IFRS 10 and provide relief to the present comparative disclosures to be made by limiting restatements to the prior period. In addition, regarding disclosures for unconsolidated structured entities, the amendments eliminate the requirement to present comparative information for periods prior to the period in which IFRS 12 is applied for the first time;

- Amendment to IFRS 32 – Offsetting financial assets and financial liabilities:

  This amendment clarifies the rules regarding offsetting;

- Amendment to IAS 36 – Recoverable amount disclosures for non-financial assets;

  This amendment relates to required disclosures regarding the recoverable amount of impaired assets when this amount is based on the fair value less sale costs;

- Amendment to IAS 39 – Novation of derivatives and continuation of hedge accounting;

  This amendment relates to the option of continuing hedge accounting when a derivative designated as a hedging instrument is subject to a novation by one counterparty with respect to a central counterparty under new laws or new regulations if certain conditions are met (in this context, the novation of a derivative is the substitution of the initial counterparty to the contract with a new counterparty).
  With the exception of IFRS 11, whose impact is explained in Note 1.4.3, these newly-published standards did not have a material impact on the Group's results or financial position.

1.3.2 Standards and interpretations not yet in effect in the European Union

Texts adopted by the European Union

- IFRIC 21 – Levies:

  This standard specifies that the trigger for the recognition of various kinds of tax debt, levies, and other charges, which are not within the scope of IAS 12, is dependent on the relevant legislation, regardless of the base period for calculating the levy.

  The European Union has set a mandatory date for application of this text to fiscal years beginning no later than June 17, 2014 (i.e., an application from January 1, 2015 for the Group) versus January 1, 2014, according to the IASB.

Texts not adopted by the European Union

Subject to final adoption by the European Union, the standards, amendments to standards and interpretations presented below are applicable according to the IASB on the following dates:

- IFRS 9 - Financial Instruments: classifications, assessments and subsequent amendments to IFRS 9 and IFRS 7: date of entry into force not known at this stage:

  This is the first of three parts of IFRS 9 "Financial Instruments" which will replace IAS 39 "Financial Instruments – Recognition and Measurement". This first part relates to the classification and measurement of financial instruments. The impact of the application of this standard cannot be assessed independently of the other two parts not yet published, which will relate to the impairment of financial assets and hedge accounting, respectively;

- IFRS 15 - Revenue from contracts with customers: effective January 1, 2017:

  IFRS 15 replaces IAS 11 "Construction Contracts" and IAS 18 "Revenue" and the corresponding interpretations: IFRIC 13 "Customer Loyalty Programs", IFRIC 15 "Agreements for the Construction of Real Estate", IFRIC 18 "Transfers of Assets from Customers" and SIC 31 "Revenue - Barter Transactions Involving Advertising Services".

  This standard establishes the principles for recognizing revenue on contracts with customers (excluding contracts covered by specific standards: leases, insurance contracts and financial instruments). The basic principle is to recognize revenue in order to describe the transfer of goods or services to a client, for an amount which reflects the payment that the entity expects to receive in exchange for those goods or services. The Financial Accounting Standards Board has identified five steps for the implementation of the standard:

  - Identification of the contract(s) with a customer
  - Identification of the performance obligations of the contract
  - Determination of the transaction price
  - Allocation of the transaction price to the performance obligations
  - Recognition of the revenue when a performance obligation is satisfied

  The new standard will also result in improved disclosures in the Notes, provide a guide for the application to transactions that were not fully addressed above (e.g., revenue from services contract amendments) and improve provisions for application to contracts with multiple elements;

- Amendments to IFRS 11 – Acquisition of an interest in a joint operation: applicable from January 1, 2016:
  The amendment published clarifies how to account for acquisitions of interests in a joint venture whose activity is a business within the meaning of IFRS 3 - Business Combinations.

  For these acquisitions, an entity shall apply the accounting principles for business combinations of IFRS 3 and other IFRSs that are not inconsistent with the provisions of IFRS 11. It should also provide the disclosures required in the Notes for business combinations. This applies both during the initial acquisition of a participation and during subsequent acquisitions. In such a case, it is necessary:

- to assess the fair value of identifiable assets and liabilities,
- to recognize acquisition costs as expenses in the period in which the costs were incurred and the services were received,
- to recognize deferred taxes arising from the initial recognition of assets and liabilities as required by IFRS 3 and IAS 12 (Income Taxes) for business combinations (excluding deferred taxes arising from the initial recognition of goodwill),
- to recognize in goodwill, if applicable, the excess of the consideration transferred over the net amounts at the acquisition date, the identifiable assets acquired and the liabilities assumed,
- to carry out, at a minimum once a year, a test for impairment of the cash generating unit to which goodwill has been allocated;

▪ Amendments to IAS 16 and IAS 38 - Clarification on acceptable depreciation methods: applicable from January 1, 2016:

  IAS 16 and IAS 38 both establish the following principle: the basis for depreciation corresponds to the consumption of the future economic benefits of an asset. The IASB has stated that the use of a depreciation method based on revenue is not appropriate because the revenue generated by an activity that includes the use of an asset reflects factors other than the consumption of the economic benefits associated with that asset.

The IASB also states that revenue is generally assumed to be an inappropriate basis for measuring the consumption of the economic benefits associated with an intangible asset. This presumption may, however, be refuted in certain limited circumstances;

▪ Amendments to IAS 19 – Employee Contributions: applicable from July 1, 2014:

  This amendment applies to the contributions of employees or third parties to defined benefit plans. The purpose of the amendment is to simplify the accounting for contributions which are independent of the number of years of service of the employee, such as employee contributions that are calculated based on a fixed percentage of salary. These contributions can be accounted for as a reduction in the cost of services rendered for the period during which the service is rendered instead of being allocated to periods of service;

▪ Annual improvements to the IFRS - 2010-2012 and 2011-2013 cycles: applicable from July 1, 2014:
  In December 2013, the IASB issued the Improvements to IFRS 2010-2012 and 2011-2013 during its annual process of review and improvement of standards.

  The principal amendments are as follows:

  - IFRS 2 - Share-based Payment: clarification of the definition of "vesting conditions";
  - IFRS 3 Business Combinations: recognition of contingent consideration in a business combination;
  - IFRS 8 - Operating Segments; disclosures regarding combination criteria and reconciliation of total assets by segment presented and reconciliation of all the entity's assets;
  - IFRS 13 – Fair value measurement; clarification of the term "fair value" with regard to receivables and short-term debts;
  - IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets: application methods for the measurement method;
  - IAS 24 Related Party Disclosures: clarification of the definition of key management personnel services;
  - IFRS 3 Business Combinations: exclusion of joint ventures from the scope of IFRS 3;
  - IFRS 13 – Fair value measurement; offsetting financial assets and financial liabilities within a portfolio;
  - IAS 40 Investment Property: clarification of the interrelationship of IFRS 3 and IAS 40 with regard to the extent to which a property can be analyzed as a business combination in the sense of IFRS 3.

The Group has not applied any of these new standards or amendments early and is currently assessing the impacts resulting from first-time application, except for IFRS 9, for which the Group is awaiting the publication of the final, complete standard.

1.4 Restated 2013 financial statements

1.4.1 Application of IFRS 11 "Joint Arrangements"

Different interests in joint control have been described as joint ventures under IFRS 11, which resulted in the consolidation by the equity method of all companies, previously consolidated using proportionate consolidation. The main companies involved are Monoprix (impact on the first quarter of 2013 only after taking control from April 5, 2013), Geimex, Grupo Disco Uruguay, Distridyn, Centrum NS and Loop 5.

Impacts on the consolidated financial statements at January 1, 2013, at June 30, 2013 and at December 31, 2013 are detailed in Note 1.4.3.

1.4.2 Changes in the fair value of assets and liabilities acquired through takeovers carried out in 2013

During the first half of 2014, the Casino Group finalized the measurement at fair value of the identifiable assets and liabilities of various acquisitions made in 2013, of which the main one is Monoprix (Note 3.4), which leads to the restatement of accounts as of June 30, 2013 and December 31, 2013 (Note 1.4.3).

1.4.3 Impacts on the consolidated financial statements

The tables below summarize the impacts on the consolidated income statement, the consolidated statement of financial position and the consolidated statement of cash flows, resulting from:

- the change of method associated with the initial application of IFRS 11;
- changes in the allocation of the acquisition price of takeovers carried out in 2013;
- the other following restatements:

  - ➢ The availability of certain additional operational data at Cdiscount and Nova Pontocom resulted in a restatement of sales at June 30, 2013 and December 31, 2013 of -€13 million and -€18 million respectively (negligible impact on margin).
  - ➢ Rental income from commercial galleries GPA has been reclassified from "Cost of sales" to "Sales" for €21 million and €43 million, respectively, as of June 30, 2013 and December 31, 2013.

1.4.3.1 Impacts on the principal aggregates of the consolidated income statement

(In € millions)	June 30, 2013 published	Initial application of IFRS 11	Other adjustments	June 30, 2013, restated
Revenue	24,087	(655)	8	23,440
Current operating income	952	(38)	1	915
Operating income	1,469	(34)		1,435
Profit before tax	1,037	(33)		1,004
Income from associates	(2)	22		20
Consolidated net income	**749**		**1**	**750**
Company owners	**167**		**1**	**168**
Non-controlling interests	582			582

(In € millions)	December 31, 2013 published	Initial application of IFRS 11	Other adjustments	December 31, 2013, restated
Revenue	49,306	(812)	25	48,519
Current operating income	2,364	(50)		2,315
Operating income	2,600	(46)		2,554
Profit before tax	1,680	(45)		1,636
Income from associates	18	29		45
Consolidated net income	**1,291**			**1,291**
Company owners	**173**			**173**
Non-controlling interests	1,118			1,118

1.4.3.2 Impacts on the principal aggregates of the consolidated statement of financial position

(In € millions)	December 31, 2013 published	Initial application of IFRS 11	Adjustments related to PPA (*)	Other adjustments	December 31, 2013, restated
Non-current assets	29,209	(53)	(2)		29,154
Current assets	14,354	(278)	(3)	11	14,084
Total assets	43,563	(331)	(5)	11	43,238
Shareholders' equity	13,867	1			13,868
Non-current liabilities	14,305	(127)	(5)		14,173
Current liabilities	15,390	(204)		11	15,197
Total liabilities	43,563	(331)	(5)	11	43,238

(*) The principal adjustments related to PPA are presented in Note 3.

(In € millions)	January 1, 2013 published	Initial application of IFRS 11	January 1, 2013 restated
Non-current assets	28,634	(558)	28,076
Current assets	16,617	(552)	16,065
Total assets	45,252	(1,111)	44,141
Shareholders' equity	13,714		13,714
Non-current liabilities	15,088	(227)	14,861
Current liabilities	16,450	(884)	15,566
Total liabilities	45,252	(1,111)	44,141

1.4.3.3 *Impacts on the principal aggregates of the consolidated statement of cash flows*

(In € millions)	June 30, 2013 published	Initial application of IFRS 11	June 30, 2013, restated
Net cash flow from operating activities	123	(3)	120
Net cash flow from investing activities	(2,404)	(220)	(2,624)
Net cash flow from financing activities	(372)	(5)	(377)
Impacts of monetary changes on cash	(191)	2	(189)
Net cash at beginning of period	5,808	98	5,906
Closing net cash	3,168	(127)	3,041

(In € millions)	December 31, 2013 published	Initial application of IFRS 11	December 31, 2013, restated
Net cash flow from operating activities	3,183	(21)	3,162
Net cash flow from investing activities	(3,254)	(191)	(3,445)
Net cash flow from financing activities	364	(19)	345
Impacts of monetary changes on cash	(682)	4	(678)
Net cash at beginning of period	5,808	94	5,902
Closing net cash	5,623	(133)	5,490

1.5 Using estimates and judgments

The preparation of consolidated financial statements requires that management use estimates, judgments and assumptions that may have an impact on the assets, liabilities, income, and expenses included in the financial statements, as well as on some of the data included in the Notes to the financial statements.

As assumptions are inherently uncertain, actual results could differ from those estimates. The Group regularly revisits its estimates and assumptions in order to take into account past experience and to include factors deemed to be relevant under prevailing economic conditions.

When preparing these interim consolidated financial statements, the main judgments made by management, and the main assumptions used, are the same as those applied when preparing the consolidated financial statements for the fiscal year ended December 31, 2013.

The main judgments and estimates for the period concerned:
- bond swaps (Note 2.2.2);
- the determination of the fair values of the identifiable assets and liabilities associated with the takeover of Monoprix in 2013 (Note 3.4);
- impairment of non-current assets and goodwill (Note 10);
- deferred tax assets;

Note 2. Significant events

2.1 Changes in the scope of consolidation

The main changes in the scope of consolidation in the first half of 2014 are:

- The exercise by Casino of the call option on GPA preference shares (Note 3.1);
- For the Franprix-Leader Price sub-group: takeover of Mutant Distribution (Note 3.2.1) and additional stake of 49% in the Volta 10 group (Note 3.2.2);
- The acquisition of the entire non-controlling interest in Monshowroom (Note 3.3).

2.2 Other highlights

2.2.1 Conclusion of an agreement with the Super Inter group

On February 8, 2014, Exito signed a purchase and management agreement for 50 stores of the Colombian brand Super Inter. Exito will acquire 19 stores in the second half of 2014 for USD 107 million (€78 million) and enter into a lease-management agreement on 31 other stores on which Exito has an exercisable call option from 2015 for a fixed amount of USD 134 million (€98 million) (with a price supplement fixed on the sales of these stores for a maximum of USD 48 million (€35 million). The transaction will be funded in cash by Exito.

Founded in 1992, Super Inter is an independent chain in the Cali and Coffee regions, and had USD 425 million in revenue in 2013.

Completion of the transaction remains subject to approval by the Colombian competition authorities, which should be obtained during the third quarter of 2014 and therefore has no impact on the consolidated financial statements at June 30, 2014.

2.2.2 Bond swaps

On February 21, 2014, the Casino Group completed a 10-year, €900 million bond issue remunerated at 3.248%.

Following a tender offer for bonds maturing in April 2016 (4.47% coupon) and February 2017 (4.38% coupon), a portion of these bonds (€214 million and €336 million, respectively) were exchanged against 2014 bonds (maturing in 2024). This operation had no impact on earnings to the extent that there have been no substantial changes to the portions of the bonds exchanged. Following this transaction, the nominal amount of the issues maturing in 2016 and 2017 is decreased to €386 million and €552 million, respectively.

On March 17, 2014, Rallye successfully placed a bond issue in the amount of €500 million with a 7-year maturity, bearing a yield of 4%.

Following a tender offer for bonds maturing in January 2015 (8.5% coupon) and November 2016 (7.7% coupon), a portion of these bonds (€110 million each) was exchanged against 2014 bonds (maturing in 2021). This operation had no impact on earnings for the 2016 line as there have been no substantial changes to the portions of the bonds exchanged. In view of the quantitative criteria defined by IAS 39, the 2015 line was substantially amended, resulting in treatment of the swap transaction as an extinguishment of debt. As such, Rallye recorded a charge in cost of financial debt as part of the premium paid on redemption and unamortized fees for a total amount of €7 million. This transaction decreased the nominal amount of the issues maturing in 2015 and 2016 to €389.4 million.

These swap transactions have enabled the Group to extend the maturity of its debt without significant impact on the financial result of the period.

2.2.3 Signature of a credit line

On February 28, 2014, the Casino Group announced the signature of a confirmed 5-year credit line in the amount of €1.2 billion with a group of 18 banks, replacing an existing line in the same amount. Casino also benefits from two one-year extension options that remain subject to the agreement of the banks.

2.2.4 Creation of an e-commerce division and formation of the new entity Cnova

The Casino Group launched three new sites in early 2014 under the Cdiscount brand in Thailand, Vietnam and Colombia and a partnership with the Bolloré group to develop an e-commerce platform in Africa.

On June 4, 2014, the Boards of Directors of Casino, GPA, Via Varejo and Exito approved the principal terms of the creation of a global e-commerce division, consisting primarily of Cdiscount (France, Thailand, Vietnam, Colombia, Ivory Coast) and Nova Pontocom (Brazil), grouped under the new entity under Dutch law Cnova. The legal reorganization will be completed during the summer of 2014.

A registration application for a possible listing on the U.S. market has been filed.

The impact on the interim financial statements consists of the costs of this transaction recognized as a reduction in equity for a total of €7 million, net of tax, as of June 30, 2014 and €19 million in expense for the fiscal year.

2.2.5 Conclusion of an exclusive agreement with the Coopérateurs de Normandie-Picardie and Mutant Distribution for the acquisition of 63 stores

On June 30, 2014, the Casino Group signed a purchase commitment for the acquisition of 63 stores operated under the "Mutant Express, Point Coop, C. Express and Le Mutant" banners with Coopérateurs de Normandie-Picardie and Mutant Distribution in return for a commitment of exclusivity. This transaction would expand the network of Casino Group convenience stores in the Normandy and Picardy region. The aggregate sales of 63 stores in 2013 amounted to €37 million (including VAT).

Note 3. Transactions in the consolidation scope

3.1 Change in the percentage held in GPA

3.1.1 Exercise of the call option

On April 4, 2014, Casino acquired 8,907,123 preferred shares of GPA after exercising a call option purchased in July 2012.

The amount disbursed for this acquisition totaled €330 million (Note 4.3), generating an impact of -€8 million on the Group's share of shareholders' equity.

3.1.2 Exercise of stock options

The exercise of GPA stock options during the half-year had an impact of -€2 million on the Group's share of equity.

These two operations change the Casino percentage of interest held in GPA to 41.34% as of June 30, 2014 (38.07% as of December 31, 2013).

3.2 Franprix-Leader Price sub-group transactions

3.2.1 Le Mutant

On October 28, 2013, Leader Price signed an agreement with Mutant Distribution, a subsidiary of

Coopérateurs de Normandie-Picardie, with regard to the acquisition by Leader Price of 46 stores, principally located in the Southwest of France, and the creation of an affiliate partnership with the Leader Price chain via a brand license and supply contract for close to 90 stores in Normandy-Picardy. The stores are operating under the "Le Mutant" discount banner.

After obtaining the approval of the Competition Authority, the Franprix - Leader Price group took control of 46 Le Mutant stores as of March 8, 2014. The amount disbursed for this acquisition totaled €32 million and generated provisional goodwill of €20 million. The acquisition expenses of this subgroup amounted to €2 million and were recognized in "Other operating expenses" (including €1 million in fiscal year 2013).

The contribution of the business activities of the Le Mutant subgroup to the Casino Group's revenue and pre-tax net income during the period from March 8, 2014, to June 30, 2014, was €24 and -€5 million, respectively. If this acquisition had been completed on January 1, 2014, the additional contribution to sales would have been €13 million, and the contribution to net income would not have been significant.

3.2.2 Volta 10

On October 1, 2013, the Volta 10 group, a Franprix – Leader Price subsidiary with 17 stores, was placed into court-supervised receivership. A court-appointed administrator will thus manage the subsidiary and make all its strategic decisions. Given this, Volta 10 was deconsolidated under the equity method.

On March 15, 2014, Franprix - Leader Price acquired the participation of its partner for €2 million, bringing its ownership share to 100%.

Although the Casino Group holds 100% of this unit, it continues to be recognized under the equity method. The term of the court-appointed administrator is still in progress as of June 30, 2014. The value of shares consolidated under the equity method, taking into account the events of the half year, has been reduced by €3 million (recognized in "Other operating expenses" - Note 7).

On July 9, 2014, the court ended the placement under judicial supervision, which gives de facto control of Volta 10 to Franprix - Leader Price as of that same date.

3.2.3 Other takeovers

During the first half of 2014, Franprix – Leader Price took over various companies that operate 13 stores under the Franprix and Leader Price banners. The amount disbursed for these acquisitions totaled €18 million and generated provisional goodwill of €16 million. If these acquisitions had been completed on January 1, 2014, the additional contribution to revenue and net income would have been €10 and -€1 million.

3.3 Monshowroom

The update of the fair value of identifiable assets and liabilities primarily resulted in the revaluation of the brand for €6 million and customer relationships for €1 million. The final goodwill of Monshowroom is thus €22 million.

In addition, Cdiscount Group (formerly Casino Entreprise) acquired the entire share of the non-controlling interests related to Monshowroom business activity in May 2014 for €6 million, with an impact on equity of €4 million. A price supplement of up to €1 million may be paid at the end of 2014, subject to certain conditions.

3.4 Takeover of Monoprix in 2013

On the date of the takeover, April 5, 2013 the fair value assigned to the identifiable assets and liabilities of GPA was determined by an independent expert and can be summarized as follows:

(In € millions)	Fair value at April 5, 2013
Intangible assets	940
Property, plant and equipment	1,613
Other non-current financial assets	22
Deferred tax assets	8
Inventories	325
Trade receivables	34
Current tax receivables	7
Other assets	139
Cash and cash equivalents	106
Assets held for sale	12
Assets	**3,207**
Non-current provisions	86
Non-current financial liabilities	2
Other non-current liabilities	1
Deferred tax liabilities	614
Current provisions	7
Current financial liabilities	620
Trade payables	443
Other current liabilities	327
Liabilities	**2,100**
Identifiable assets and liabilities at 100%, net (A)	**1,107**
Fair value of the 50% percentage previously held (B)	**1,175**
Acquisition price for 50% of Monoprix (C)	**1,176**
Goodwill (B+C-A)	**1,244**

Measurement of the fair value of identifiable assets and liabilities leads to a provisional goodwill of €1,244 million, representing an increase of €16 million compared to the provisional amounts included in the consolidated financial statements closed on December 31, 2013. This change results from the final allocation of the acquisition price which principally focused on real estate.

Therefore, these changes resulted in the restatement of the consolidated financial statements closed on December 31, 2013 (Note 1.4.3).

Note 4. Additional information regarding the cash flow statement

4.1 Change in working capital requirement related to operating activities

(In € millions)	June 30, 2014	June 30, 2013, restated
Merchandise inventories	(128)	(51)
Real estate development inventories	(21)	(30)
Trade payables	(1,015)	(765)
Trade receivables and related accounts	64	188
Receivables related to credit activities	4	(5)
Financing of credit activities	(38)	(13)
Other	(458)	(403)
Change in Working Capital Requirement (WCR)	**(1,592)**	**(1,079)**

4.2 Impact on cash of changes in scope of consolidation with change of control

(In € millions)	June 30, 2014	June 30, 2013, restated
Amounts paid for takeovers	(67)	(1,293)
Cash and cash equivalents / (bank overdrafts) of the companies acquired	1	(507)
Amount received for the sale of consolidated shares	10	
(Cash and cash equivalents) / bank overdrafts of the companies sold	(1)	
Impact of the Mercialys loss of control process		(207)
Impact of changes in scope of consolidation with change of control	**(58)**	**(2,007)**

As of June 30, 2014, the net impact of these transactions on the Group's cash results primarily from the takeover of the Le Mutant stores in the amount of €46 million (Note 3.2.1) and various other companies in the amount of €32 million by the Franprix – Leader Price sub-group.

As of June 30, 2013, the net impact of these transaction on the Group's cash resulted primarily from the takeover of Monoprix in the amount of -€1,688 million and takeovers by the Franprix – Leader Price sub-group for a total of -€94 million.

4.3 Impact on cash of transactions with non-controlling interests

(In € millions)	June 30, 2014	June 30, 2013
Exercise of the GPA call option (Note 3.1)	(330)	
Franprix-Leader Price sub-group (Distri Sud Ouest, Cafige, Figeac and Cogefisd)		(83)
Monshowroom (Note 3.3)	(6)	
Other	(8)	15
Impact of transactions with minority shareholders	**(344)**	**(68)**

Note 5. Segment reporting

5.1 Key indicators per operating segment

(In € millions)	Food and general retail [1]				Sporting goods retail		Rallye holdings and financial investments		Continuing operations as of June 30, 2014
	France	Latin America	Asia	Other segments	France	Other international segments	France	Other international segments	
External revenue	9,927	11,627	1,694		278	27	3		**23,556**
Current operating income [2]	152	624	105	(1)	(18)		(2)	15	**875**

(In € millions)	Food and general retail [1]				Sporting goods retail		Rallye holdings and financial investments		Continuing operations as of June 30, 2013 restated
	France	Latin America	Asia	Other segments	France	Other international segments	France	Other international segments	
External revenue	9,077	12,220	1,828		281	30	4		**23,440**
Current operating income [2]	227	592	114		(16)		(9)	7	**915**

1. including the e-commerce activities of the Casino Group
2. In conformity with IFRS 8 "Operating Segments," the operating segment information is established based on internal reporting and in particular includes appropriation of holding expenses for all the Group's business units.

5.2 Non-current assets by geographic region

Non-current assets include goodwill, property, plant, and equipment, and intangible assets, investment properties, interests in related companies, and long-term prepaid expenses

(In € millions)	Food and general retail [1]				Sporting goods retail		Holdings and financial investments		Total
	France	Latin America	Asia	Other international segments	France	Other international segments	France	Other international segments	
As of June 30, 2014	13,223	12,799	2,026	53	87	5	22	102	**28,317**
As of December 31, 2013, restated	13,079	11,873	1,983	50	91	5	23	102	**27,206**

1. including the e-commerce activities of the Casino Group

Note 6. Reporting on current operating income

6.1 Seasonal nature of the business

The business is slightly seasonal. The distribution of sales at constant exchange rates and comparable scope recognized in 2013 amounted to 49% in the first half versus 51% in the second half of the year.

6.2 Type of expenses by function

Period ended as of June 30, 2014

(In € millions)	Logistics *	Cost of goods sold	General and administrative expenses	June 30, 2014
Personnel expenses	(304)	(1,930)	(460)	(2,694)
Other expenses	(545)	(2,090)	(258)	(2,893)
Amortization and depreciation	(29)	(361)	(90)	(480)
Total	**(878)**	**(4,381)**	**(808)**	**(6,067)**

* Logistics costs are included under "Full cost of goods sold"

Period ended as of June 30, 2013

(In € millions)	Logistics *	Cost of goods sold	General and administrative expenses	June 30, 2013, restated
Personnel expenses	(282)	(1,919)	(492)	(2,693)
Other expenses	(492)	(2,045)	(313)	(2,850)
Amortization and depreciation	(33)	(337)	(113)	(483)
Total	**(807)**	**(4,300)**	**(918)**	**(6,026)**

* Logistics costs are included under "Full cost of goods sold"

Note 7. Other income and expenses from operations

(In € millions)	June 30, 2014	June 30, 2013, restated
Total other operating income	103	828
Total other operating expenses	(282)	(309)
	(178)	**520**
Income/loss on non-current asset disposals	**3**	**71**
Other operating income and expenses	**(181)**	**449**
Restructuring provisions and expenses [1]	(72)	(41)
Impairment losses[2]	(18)	(48)
Provisions and expenses for disputes and contingencies [3]	(36)	(58)
Net income/(expenses) related to consolidation scope transactions [4]	(52)	624
Other operating income and expenses	(3)	(28)
Other net operating income and expenses	**(178)**	**520**

1. This restructuring expense for the first half of 2014 represents the France Retail and GPA segments in the amount of €42 million and €16 million, respectively. In the first half of 2013, it represents the France Retail and GPA segments in the amount of €19 million and €15 million, respectively.
2. The impairment recognized on June 30, 2014, relates to the Viavarejo stores in connection with the decision of the Brazilian competition authority for €5 million, the participation in Volta 10 for €3 million (Note 3.2) and impairment losses on the private equity portfolio stated in AFS for €7 million. The impairment recognized on June 30, 2013, represents real estate assets of the France Retail segment and the goodwill attached to the Franprix – Leader Price segment for €9 million each, and impairments on the private equity portfolio stated in AFS for €20 million.
3. The provisions for disputes and contingencies primarily concerns Brazil for €20 million. In the first half of 2013, provisions and expenses for disputes related to GPA amounted to €36 million.
4. The expense of €52 million recorded in the first half of 2014 mainly due to expenses related to operations with the scope of GPA (€14 million), expenses related to the Cnova IPO (€19 million) and takeover costs in the subgroup Franprix - Leader Price (€6 million). In the first half of 2013, the income of €624 million was essentially the result of the loss of control of Mercialys (€548 million) and the revaluation of the percentage of Monoprix previously held (€142 million), partially offset by expenses for a total amount of €65 million related primarily to the scope of consolidation transactions of GPA (€31 million) and Monoprix (€18 million).

Note 8. Net financial income (loss)

8.1 Net cost of financial debt

(In € millions)	June 30, 2014	June 30, 2013, restated
Income from sale of cash equivalents	0	(0)
Income from cash and cash equivalents	93	88
Income from cash and cash equivalents	**93**	**88**
Interest expense on financing activities after hedging	(493)	(488)
Financial lease expenses	(5)	(6)
Gross cost of financial debt	**(498)**	**(494)**
Net cost of financial debt	**(405)**	**(406)**

8.2 Other financial income and expenses

(In € millions)	June 30, 2014	June 30, 2013, restated
Financial income from investments	0	0
Foreign exchange gains (excluding financing activities)	20	26
Income from discounting and undiscounting calculations	1	1
Positive change in the fair value of non-hedging derivatives [1]	42	57
Positive change in the fair value of financial assets measured at fair value	0	1
Other financial income [2]	78	55
Total other financial income	**141**	**141**
Foreign exchange losses (excluding financing activities)	(11)	(33)
Expenses from discounting and undiscounting calculations	(9)	(8)
Negative change in the fair value of non-hedging derivatives [1]	(23)	(41)
Negative change in the fair value of financial assets measured at fair value	(1)	(2)
Other financial expenses	(68)	(81)
Total other financial expenses	**(111)**	**(165)**
Total net other financial income and expenses	**30**	**(24)**

1. In June 2014, the net income of €19 million primarily reflects the change in value of the BIG C Thailand TRSs (€10 million), GPA (€12 million) and the GPA forward (€9 million), Mercialys TRSs for 1.37% of the capital (€2 million) and other derivatives (-€16 million).
   In June 2013, the net income of €16 million primarily reflects the change in value of the Total Return Swaps (TRS), forwards, and options to buy shares of Group companies, as well as the change in value of the interest rate swaps and other derivatives. Following a change in the entry prices of the Big C Thailand TRSs, GPA and the GPA forward during the first half of 2013, the Casino Group collected proceeds of €93 million.
2. As of June 30, 2014, other financial products included the unwinding of derivative instruments on GPA securities for €18 million.

Note 9. Income tax expense

The tax expense as of June 30, 2014, comes essentially from the Casino Group. This tax expense represents an effective rate of 35% for the Casino Group as of June 30, 2014, versus 24.2% as of June 30, 2013. This change in the effective tax rate is due primarily to the impact of takeover and loss of control transactions and to sales of shares in the first half of 2013.

Note 10. Goodwill, intangible assets, property, plant, and equipment, and investment properties

During the first half of 2014, acquisitions of intangible assets, property, plant and equipment, and investment property totaled €660 million versus €719 million for the same period of 2013.

As of June 30, 2014, the group conducted a review of the impairment indices as defined in the notes to the 2013 consolidated financial statements relative to goodwill and to fixed assets. Certain Cash Generating Units (CGUs) presented impairment indicators and impairment tests were affected as a result. These tests did not result in the recognition of impairment at June 30, 2014.

In terms of goodwill, tests carried out on the goodwill of the CGUs with indications of impairment focused on Franprix Leader-Price and Casino Restauration and did not reveal any impairment as of June 30, 2014. Concerning Franprix Leader-Price, major efforts to reduce prices at Leader-Price led the Casino Group to update the impairment test. An increase of 100 basis points in the discount rate (which was kept at 5.5% to carry out the test update) or a decrease of 100 bp from the expected EBITDA term rate would highlight a value in use equal to the net book value.

Note 11. Investments in associates

(In € millions)	Opening [1]	Impairment	Share of income for the period	Distribution of dividends	Change in scope of consolidation and foreign exchange	Closing [1]
Changes over fiscal 2013						
Banque du Groupe Casino	82		1			83
Associated companies of the GPA group	102		17	(5)	(19)	95
Associated companies of the Franprix-Leader Price group	57	(6)	(9)		(15)	27
Grupo Disco Uruguay	130		16	(7)	(18)	122
Geimex	44		4		(1)	47
Monshowroom.com	17				(17)	
Monoprix	1,021		10		(1,031)	
Mercialys [2]	1		11	(49)	597	561
Pont de Grenelle	10					10
Ruban Bleu Saint Nazaire	6	(3)	(1)	1	(1)	3
Centrum NS	60		1			61
Loop 5	32					33
Other companies	10		(5)			6
Total	**1,572**	**(9)**	**45**	**(60)**	**(505)**	**1,048**
Changes over the first half of 2014						
Banque du Groupe Casino	83		(1)			82
Associated companies of the GPA group	95		16		9	120
Associated companies of the Franprix-Leader Price group	27		(10)		8	25
Grupo Disco Uruguay	122		7	(7)	(7)	115
Geimex	47		1			48
Mercialys [3]	561		16	(30)	(36)	511
Pont de Grenelle	10		1			11
Ruban Bleu Saint Nazaire	3		(1)		1	3
Centrum NS	61					61
Loop 5	33					33
Other companies	6		2			7
TOTAL	**1,048**		**31**	**(37)**	**(25)**	**1,016**

1. The statements previously published have been restated following the retrospective application of IFRS 11 (Note 1.4.3).
2. Since June 21, 2013, the date of loss of control, Mercialys is consolidated under the equity method.
3. The negative change of €36 million over the period resulting from the neutralization of the capital gain on the real estate swap between Casino and Mercialys in the amount of the share held in that entity (Note 21).

Note 12. Net cash

(In € millions)	June 30, 2014	December 31, 2013, restated
Cash equivalents	2,669	3,621
Cash	1,578	2,065
Gross cash and cash equivalents	**4,247**	**5,686**
Current bank facilities	(262)	(196)
Net cash and cash equivalents	**3,985**	**5,490**

Derecognition of financial assets with continued implication

The Casino Group assigns receivables to financial institutions. In general, these disposals meet the de-recognition of financial assets criteria set out in IAS 39, whose main principles are presented in Note 1.18.5 to the 2013 consolidated financial statements. The risk of dilution attached to assigned receivables initially recognized on the balance sheet (risk of cancellation of the receivable because of credits issued or offsetting payments) is considered to be non-existent. In practice, these are basically receivables on invoices issued for contractual services rendered under the contract between the Group and its suppliers, based on the amount of business it does with each supplier, respectively. The other risks and rewards attached to these receivables have been transferred to the assignee. Consequently, as substantially all of the risks and rewards had been transferred to the assignee at the balance sheet date, the receivables have been de-recognized.

Some subsidiaries continue to manage the debt recovery of assigned receivables. In consideration for this service, the latter receive compensation as part of a delegation mandate; this compensation was considered immaterial as of the fiscal year-closing.

The amount of the receivables assigned with continued implication in the first half at the level of the Casino Group totaled €398 million. The net cost attached to these operations was €1 million. As of June 30, 2014, the Casino Group's cash included €149 million in receivables assigned with continued implication (€178 million as of December 31, 2013).

Derecognition of financial assets without continued implication

In the first half of 2014, GPA assigned receivables for a total amount of €4,785 million to financial institutions (bank card or banking institutions) without recourse or without obligations attached (Note 22.1 of the Notes to the 2013 consolidated financial statements).

Note 13. Assets held for sale

(In € millions)	June 30, 2014	December 31, 2013, restated
Assets of Franprix-Leader Price [1]	16	58
GPA assets	9	14
Monoprix assets [1]	9	12
DCF assets [1]	5	5
Real estate of the Magasins sub-group	2	3
Other		6
Assets held for sale	**41**	**98**

1. In the context of the takeover of Monoprix on April 5, 2013 and the opinion of the Competition Authority, the Casino Group initiated a process to sell 58 stores included in the France Retail segment. To this are added three stores to be divested as part of the takeover of 46 Le Mutant stores (Note 3.2.1). As of June 30, 2014, 45 stores remain to be divested.

Note 14. Share capital

14.1 Share capital

As of June 30, 2014, share capital consisted of 48,698,987 shares representing a nominal value of €146 million.

14.2 Changes in capital

Share capital is composed of shares of common stock issued and fully paid up, with a par value of €3.

	June 30, 2014	December 31, 2013
Number of shares at opening	**48,740,974**	**48,691,578**
Exercise of stock options	64,896	100,372
Cancellation of shares	(106,883)	(50,976)
Number of shares at closing	**48,698,987**	**48,740,974**

14.3 Dividend distribution

The Shareholders Meeting of May 13, 2014, decided to distribute a dividend of €1.83 per share for fiscal 2013.

Note 15. Detail of non-controlling interests

(In € millions)	GPA	Exito	Big C Thailand	Monoprix [2]	Other	Non-controlling interests Casino Group	Non-controlling interests Rallye scope of consolidation [4]	Non-controlling interests Rallye Group
As of January 1, 2014	**5,590**	**1,327**	**352**	**420**	**61**	**7,750**	**4,698**	**12,448**
% held by minority interests [1]	61.9%	45.2%	41.4%					
Net income	163	32	30		6	**231**	56	**287**
Other elements of comprehensive income for the period	531	46	8		(9)	**576**	120	**696**
Dividends paid / to be paid	(6)	(44)	(20)		(16)	**(86)**	(182)	**(268)**
Dividends received		3			12	**15**		**15**
Change in interests without gain or loss of control of subsidiaries [3]	(288)	16			(2)	**(274)**	(16)	**(290)**
Change in interest relating to the gain or loss of control of subsidiaries						**0**	0	
Other transfers	8					**8**	(28)	**(20)**
As of June 30, 2014	**5,999**	**1,380**	**370**	**420**	**52**	**8,221**	**4,647**	**12,868**
% of non-controlling interests held 1	58.7%	45.2%	41.4%					

1. The percentages of holdings of non-controlling interests listed in this table correspond to percentages of non-controlling interests at the level of the Casino Group.
2. Since April 2013, Monoprix has been fully consolidated. The €420 million of non-controlling interests corresponds to the net amount of fees and issue tax on the bonds convertible into Monoprix preference shares of December 27, 2013, in favor of CACIB.
3. The GPA decrease of €288 million results principally from the transactions described in Note 3.1.
4. Non-controlling interests recognized at the level of the Rallye scope of consolidation are mainly from the Casino Group, the percentage of holdings of non-controlling interests at the level of Rallye was 51.6% on January 1, 2014, unchanged over the period. The perpetual super subordinated securities (TSSDI) are reallocated to non-controlling interests.

Note 16. Provisions

16.1 Breakdown and change

(In € millions)	January 1, 2014, restated	Provisions first half of 2014	Reversals first half of 2014	Changes in scope of consolidatio n	Foreign currency changes	Other	As of June 30, 2014
After-sale service	5	1	(5)				1
Retirement	243	8	(6)		1	7	252
Seniority awards	30	1					31
Services rendered	12	1					13
Various disputes	58	8	(18)	1			49
Various risks and contingencies	821	127	(77)	1	57	7	938
Restructuring	19	5	(4)			(1)	20
Total provisions	**1,188**	**151**	**(110)**	**1**	**58**	**14**	**1,303**
of which non-current	971	7	(8)		58	78	1,106
of which current	217	144	(102)	1		(64)	197

The provisions for other disputes, risks and contingencies consist of a number of sums related to proceedings on labor disputes (labor court), real estate (disputes over work, disputed rents, tenant evictions, etc.), tax or economic matters (infringements, etc.).

More specifically, the other risks and contingencies amounted to €938 million and primarily represent the provisions relative to GPA (see table below).

(In € millions)	PIS / Cofins / CPMF disputes *	Other tax disputes	Wage disputes	Civil disputes	Total
As of June 30, 2014	**159**	**369**	**148**	**75**	**751**
As of December 31, 2013	**147**	**332**	**102**	**59**	**640**

* VAT and similar taxes

Note 17. Borrowings, debt, and financial liabilities

17.1 Composition of net financial debt

(In € millions)	June 30, 2014			December 31, 2013		
	Non-current	Current	Total	Non-current	Current	Total
Bond issues	8,300	1,765	10,065	9,113	1,381	10,494
Other financial debt	2 ,015	3,020	5,035	1,821	1,980	3,801
Lease contracts	72	20	92	68	29	97
Debt related to put options on minority interests	33	30	64	42	33	75
Financial derivatives recognized as liabilities	11	5	17	20	11	31
Total financial liabilities	**10,432**	**4,840**	**15,272**	**11,064**	**3,434**	**14,498**
Financial derivatives recognized as assets	(252)	(77)	(329)	(102)	(189)	(291)
Other financial assets						
Investment and other securities		(43)	(43)		(236)	(236)
Cash and cash equivalents		(4,247)	(4,247)		(5,686)	(5,686)
Total financial assets	**(252)**	**(4,367)**	**(4,619)**	**(102)**	**(6,111)**	**(6,213)**
Net financial debt	**10,180**	**473**	**10,653**	**10,963**	**(2,677)**	**8,285**

17.2 Change in financial debt

(In € millions)	June 30, 2014	December 31, 2013, restated
Financial debt at the beginning of the period	**14,207**	**14,641**
New borrowings [1]	2,737	2,789
Repayments (principal and interest) [2]	(2,174)	(3,170)
Changes in fair value (through profit or loss)	5	0
Translation adjustments	177	(543)
Changes in consolidation scope [3]	2	929
Changes in debt related to put options on minority interests	(11)	(439)
Financial debt at the end of the period	**14,943**	**14,207**
Financial liabilities (see Note 17.1)	15,272	14,498
Financial derivative assets (see Note 17.1)	(329)	(291)

1. The new borrowings consist primarily of the transactions described below: (i) the bond swaps described in Note 2.2.2 resulting in a net increase of €670 million, (ii) the net change in short-term treasury bills for €761 million, and (iii) drawing on the syndicated credit line described in Note 2.2.3 in the amount of €550 million and other lines for a total amount of €200 million.
2. The bond redemptions are primarily related to Rallye, Casino, Guichard–Perrachon and GPA for €960 million, €574 million, and €413 million, respectively.
3. In 2013, the impact of the change in scope of consolidation resulted primarily from Franprix – Leader Price and the takeover of Monoprix in the amounts of €301 million and €622 million, respectively.

Note 18. Fair value of financial instruments

The tables below compare the book value and the fair value of consolidated assets and liabilities whose book values are not based on reasonable estimates of fair values such as trade receivables, trade payables, cash and cash equivalents, and bank loans.

(In € millions)	Book value	Fair value	Hierarchy of fair values		
			Market price Level 1	Models with observable parameters Level 2	Models with non-observable parameters Level 3
As of December 31, 2013, restated					
Assets recognized at fair value					
Financial assets available for sale [1]	373	373	159	13	201
Fair value hedge derivative assets (current and non-current) [2]	291	291		291	
Other derivative assets	23	23	22	1	
Other financial assets	7	7	7		
As of June 30, 2014					
Assets recognized at fair value					
Financial assets available for sale [1]	233	233	50	5	178
Fair value hedge derivative assets (current and non-current) [2]	331	331		331	
Other derivative assets	2	2		2	
Other financial assets	25	25	6	19	

1. The fair value of financial assets available for sale is generally determined based on standard measurement techniques. Assets available for sale corresponding to investments in private equity funds are valued on the basis of the most recent data provided by the managers of such funds. These fair value measurements are generally level 3. The financial assets available for sale whose fair value could not be reliably determined are not presented in this note.
2. Derivative instruments are subject to an (internal and external) measurement based on standard measurement techniques for such instruments. The measurement models incorporate observable market parameters (in particular the yield curve) and counterparty quality.

(In € millions)	Book value	Fair value	Hierarchy of fair values		
			Market price	Models with observable parameters	Models with non-observable parameters
			Level 1	Level 2	Level 3
As of December 31, 2013					
Liabilities recognized at fair value					
Fair value hedge derivative liabilities (current and non-current) [1]	31	31		31	
Other derivative liabilities [1]	329	329		329	
Puts on non-controlling interests[2]	75	75			75
Bonds [3]	10,494	11,154	8,375	2,779	
Other bonds [4]	3,801	3,825		3,825	
As of June 30, 2014					
Liabilities recognized at fair value					
Fair value hedge derivative liabilities (current and non-current) [1]	17	17		17	
Other derivative liabilities [1]	237	237		237	
Puts on non-controlling interests [2]	63	63			63
Bonds [3]	10,065	11,091	8,515	2,576	
Other bonds [4]	5,036	5,051	470	4,581	

1. Derivative instruments are subject to an (internal and external) measurement based on standard measurement techniques for such instruments. The measurement models incorporate observable market parameters (in particular the yield curve) and counterparty quality.
2. The fair value of commitments to acquire minority interests is determined based on the contract calculation formulas and, if necessary discounted; the formulas are considered to be representative of fair value, including the use of EBITDA multiples.
3. The market value of the listed bonds was determined based on the latest market price at the end of the period.
4. The fair value of the other level 2 bonds was determined based on other valuation methods such as discounted cash flow method, taking into consideration the Group's credit risk and interest rate conditions at the end of the period.

Note 19. Off-balance-sheet commitments associated with exceptional transactions

The amounts of commitments given were €453 million as of June 30, 2014, and €393 million as of December 31, 2013.
The increase is mainly due to the fees associated with the proposed listing of the new entity Cnova.

Note 20. Contingent liabilities

Contingent liabilities mainly concern the GPA group; these are summarized as follows:

(In € millions)	June 30, 2014	December 31, 2013
INSS (employer contributions to the Brazilian national social security program)	97	87
IRPJ - IRRF and CSLL (income tax)	449	398
PIS, COFINS, and CPMF (VAT and related taxes)	362	302
ISS, IPTU and ITBI (tax on services, tax on urban real estate ownership, and tax on real estate transactions)	121	96
ICMS (VAT)	1,221	995
Wage disputes	196	164
Civil disputes	180	209
Total	**2,626**	**2,251**

Note 21. Related parties

The Rallye company is controlled by Foncière Euris, which is in turn held by Finatis, and then by Euris.

As of June 30, 2014, Foncière Euris held 55.44% of Rallye's capital and 70.49% of its voting rights.

The Rallye Group benefits from the guidance of Euris, the Group's ultimate controlling company, under the terms of a strategic advisory services agreement signed in 2003.

In June 2014, the Casino Group, together with Mercialys, realized a number of asset operations, in particular through the use of asset swaps. As part of these swaps, the Casino Group sold five real estate assets for €164 million and acquired five real estate assets for €169 million. These transactions will result in a negative net effect on cash of €5 million (including €12 million disbursed at the end of June 2014).

Relationships with other related parties, including the methods for compensating company directors, have remained comparable to those of the 2013 fiscal year and no unusual transactions, in nature or amount, occurred during the period.

The principal transaction for the half-year between Rallye and Foncière Euris was the payment of the dividend for €49 million, which was paid in cash.

Note 22. Subsequent events

No events occurred between the balance sheet date and July 29, 2014, the closing date of the interim consolidated financial statements by the Board of Directors and approval of their communication.

4 –AUDITORS' REPORT ON THE 2014 INTERIM FINANCIAL REPORT

To the Shareholders,

In the performance of the engagement entrusted to us at your general meetings and in application of Article L. 451-1-2 III of the Monetary and Financial Code, we have carried out:

- a limited review of RALLYE's condensed interim consolidated financial statements for the period from January 1 to June 30, 2014, as attached herein;

- a verification of the information provided in the interim business report.

These condensed interim consolidated financial statements were prepared under the authority of your Board of Directors. Our role is to express an opinion on these financial statements based on our limited review.

I. Conclusion on the financial statements

We conducted our review in accordance with the auditing standards applicable in France. A limited review essentially consists of speaking with the members of the management in charge of accounting and financial matters, and of implementing analytical processes. A limited review is not as extensive as an audit performed in accordance with the auditing standards applicable in France. Consequently, the assurance, in the context of a review, that the financial statements taken as a whole are free of material misstatements is a moderate assurance, lower than that obtained in an audit.

Based on our limited review, we did not find any material misstatements that would call into question the compliance of the condensed interim consolidated financial statements with IAS 34 (IFRS) as adopted by the European Union for the purposes of interim reporting.

Without qualifying the conclusion expressed above, we draw your attention to Notes 1.4.1 and 1.4.3 to the condensed interim consolidated financial statements, which describe the impact of the initial application of IFRS 11 "Joint Arrangements".

II. Specific verification

We have also verified the information presented in the interim business report while commenting on the condensed interim consolidated financial statements upon which we performed our limited review.

We have no matters to report regarding its fair presentation and conformity with the condensed consolidated interim financial statements.

Paris-La Défense, July 30, 2014
The Statutory Auditors

ERNST & YOUNG et al.

Pierre Bourgeois

KPMG Audit
Department of KPMG S.A.

Catherine Chassaing