RALLYE

Annual Report 2015

AUTORITÉ
DES MARCHÉS FINANCIERS

AMF

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This document includes all information relating to the Annual Financial Report.
It was prepared by the issuer under the responsibility of the persons who signed it.

RALLYE
French Public Limited Company (SA) with share capital of €146 335 578
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Administration of the Company

Jean-Charles Naouri, Chairman of the Board of Directors

BOARD OF DIRECTORS

Jean-Charles NAOURI[1]
Chairman of the Board of Directors

Philippe CHARRIER[1]
Independent Director

Jean CHODRON de COURCEL[1]
Independent Director

Jacques DUMAS[1]
Director

Catherine FULCONIS[1]
Independent Director

Virginie GRIN
Representing Finatis[1]

Sophie GUIEYSSE[1]
Independent Director

Didier LÉVÊQUE
Representing Foncière Euris[1]

Odile MURACCIOLE
Representing Saris[1]

Gabriel NAOURI
Representing Euris[1]

Jean-Marie GRISARD[1]
Christian PAILLOT[1]
Non-voting Directors

EXECUTIVE MANAGEMENT

Didier CARLIER
Chief Executive Officer

Franck HATTAB
Deputy Managing Director

STATUTORY AUDITORS

ERNST & YOUNG et Autres
Represented by
Pierre Bourgeois

KPMG Audit
– Department of KPMG SA
Represented by
Catherine Chassaing

(1) Reappointments and appointments proposed at the Ordinary Shareholders' Meeting of May 18, 2016.

Chairman's message

In a few years, through Casino, the Rallye group has increased in size and has today become one of the world's leading retail groups. This transformation is the result of strategic choices in the management of its assets, as well as the group's positioning in high-growth formats in each of the markets where the Casino Group is present.

In France, 2015 was marked by an upturn in the Casino Group's business. The sales momentum of stores was boosted by price competitiveness and the ability to meet customer expectations. In 2015, the Casino Group gained market share in France and customer traffic rose 1.9%. This performance demonstrates the relevance of the positioning of formats, focused on four segments: popular stores (hypermarkets and discount stores), quality brands, convenience outlets and e-commerce.

Internationally, Casino Group strengthened its position as leader in Latin America and posted excellent performances in Colombia, Uruguay and Argentina. In Brazil, the Casino Group recorded strong results for GPA Food, driven by the growth of the most dynamic formats. In 2015, the Casino Group's consolidated revenue increased by 1.6% at constant exchange rates. The Group share of adjusted net income amounted to €412 million.

Seeking to build its development on solid fundamentals, the Casino Group strengthened its financial position in 2015. The reorganization of the Casino Group's structure in Latin America, carried out in August 2015, contributed more than €1.6 billion to the reduction of Casino's financial debt in France. The Casino Group also announced a €4 billion debt reduction plan. A significant first step was made at the beginning of 2016 with the disposal of Big C Thaïlande, which contributed €3.3 billion to debt reduction. The Casino Group thereby targets a significant drop in its Net Financial Debt/EBITDA ratio, which will enable it to increase its financial flexibility.

The Casino Group's challenges in 2016 will be the consolidation of its leadership position in Latin America, profitable growth in France, the continuation of growth in e-commerce, the asset rotation strategy and a significant reduction in debt. To meet these challenges, the Casino Group relies on a clear strategy and the involvement of its employees worldwide, brought together in a spirit of success, excellence and responsibility.

In 2015, Rallye's consolidated revenue stood at €46.8 billion, up 1.6% at constant exchange rates. Current operating income was €1,445 million.

The net financial debt of the Rallye's consolidated holding company was €2,968 million at December 31, 2015, against €2,798 million at end 2014. This increase is mainly due to the strengthening of Casino's capital during the second half, for a total investment of €126 million.

The cost of Rallye's net financial debt dropped sharply in 2015 to €112 million compared with €165 million one year earlier. This improvement of €53 million is higher than the €40 million target announced at the beginning of the year and reflects the replacement, during the previous year, of most of the expensive financing with less costly resources.

Group share of the adjusted net income of Rallye's continuing operations was €30 million in 2015.

Rallye's investment portfolio was valued at €102 million at end 2015, compared with €143 million at end 2014, in particular as a result of net proceeds of €46 million over the year.

Groupe GO Sport's consolidated revenue amounted to €680 million in 2015, up by 3.2 % on a same-store basis and at constant exchange rates. Gross merchandise volume (GMV) was up sharply, in line with the growth of all the networks (subsidiaries, associates, e-commerce), and totaled over €830 million in 2015, against €740 million two years ago.

Rallye's liquidity position is very robust, with almost €1.5 billion in undrawn confirmed credit lines available for immediate use, the life of which has been extended to 4.6 years, in particular following the refinancing of Rallye's syndicated loan in the first half of 2015. Rallye will make one bond repayment in 2016, limited to €389 million, while the next repayment, of €300 million, will only be due in October 2018.

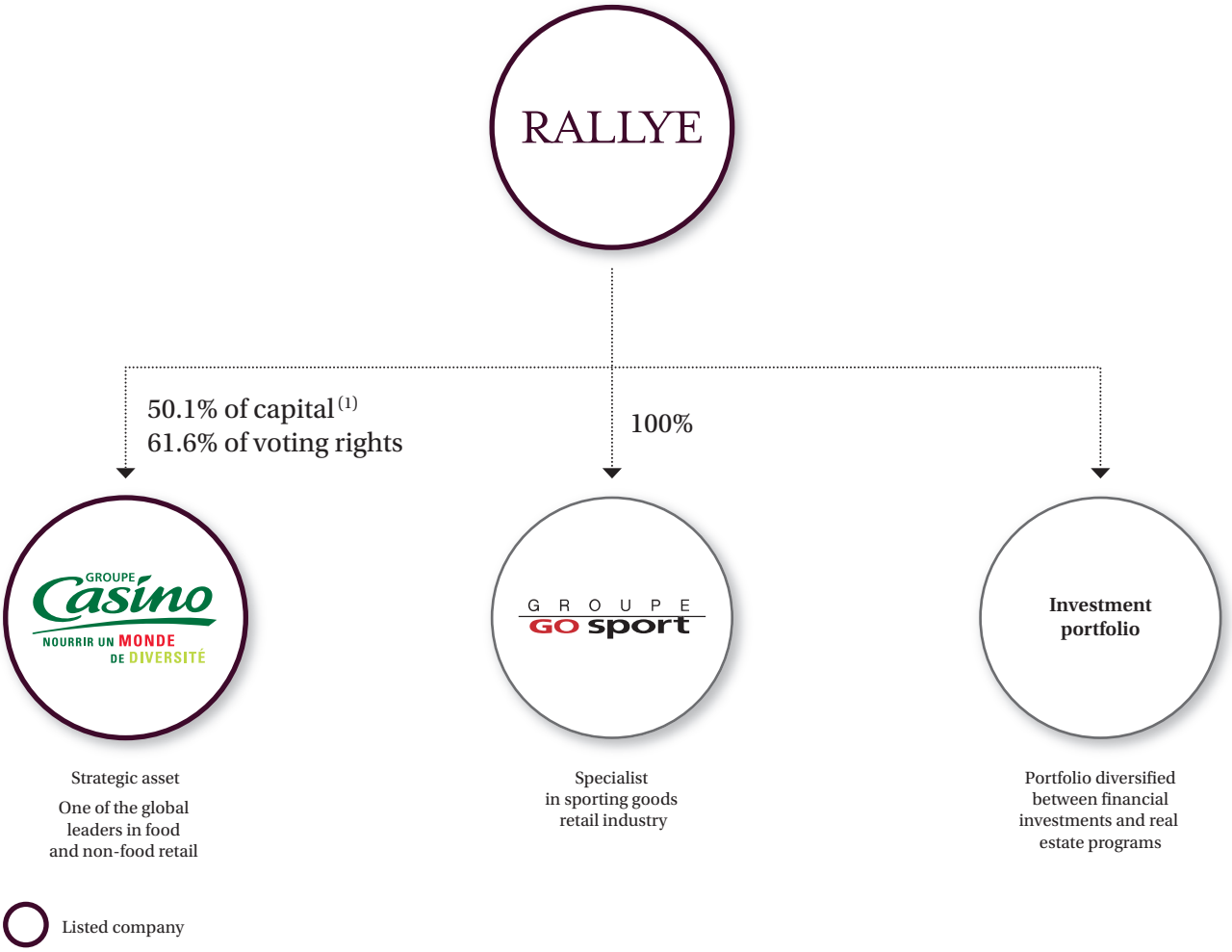
Rallye reiterates its strategy to maximize its assets' value and confirms the strength of its financial structure

The Board of Directors will propose to the General Meeting of May 18, 2016, a dividend payout of €1.83 per share, unchanged from 2014, which will be paid on May 27, 2016.

Jean-Charles Naouri

Simplified Group organizational chart

as at December 31, 2015

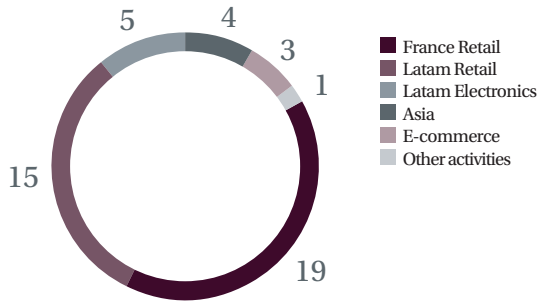


(1) Of which 0.7% is held via an equity swap.

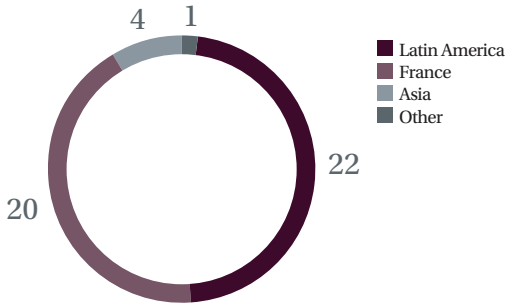
Key figures

as at December 31, 2015

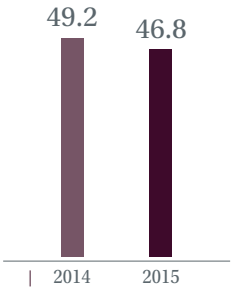
Revenue
by business (in € billions)



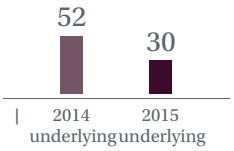
Revenue
by geographic region (in € billions)



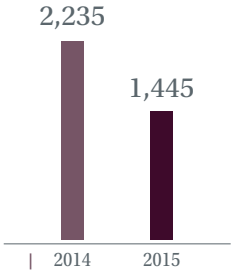
Consolidated revenue
(in € billions)



Net profit, Group share
(in € millions)



Current operating income
(in € millions)



Key income statement figures

(In € millions)	**2015**	**2014**
Net sales	**46,832**	49,155
EBITDA [1]	**2,358**	3,210
Current operating income (COI)	**1,445**	2,235
Consolidated net income	**50**	696
Net income from continuing operations, Group share	**(168)**	(32)
Underlying net income [2], Group share	**30**	52

(1) EBITDA = current operating income + current depreciation and amortization expense.
(2) Adjusted net income corresponds to net profit from continuing operations, restated for the impact of other operating income and expenses, non-recurring financial items and non-recurring tax income and expenses.

1. Management report

Highlights

CASINO

- **On January 9, 2015,** Leader Price opened its 1,001st store and launched the new concept Leader Price Express.
- **On May 4, 2015,** the Casino Group signed a unilateral purchase agreement with Gastronome (Terrena Group) to acquire its Gastronome-Luché subsidiary, which has a site at Luché-Pringé, in north-western France (Sarthe department). This transaction enables the Casino Group to have its own high-quality poultry operation and to thus secure the entire supply chain.
- **On June 12, 2015,** Géant Casino announced a storefront upgrade program starting in September 2015. New concepts will be introduced and synergies developed with other Group subsidiaries (including Cdiscount for multi-channel and Éxito in textile and household products).
- **On June 30, 2015,** Starbucks Coffee Company and Casino Restauration (subsidiary of the Casino Group) signed a licensing agreement that provides for the opening of Starbucks cafés in Géant Casino hypermarkets and Casino supermarkets throughout France.
- **On July 30, 2015,** the Casino Group strengthened its organizational structure by combining all its Latin American operations. The new structure is centered on its Colombian subsidiary Éxito and will boost the Group's future growth prospects in Latin America. The Casino Group signed an agreement with Éxito to sell to Éxito 50% of Casino's holding company in France which holds voting shares in its Brazilian subsidiary GPA amounting to 18.8% of GPA's share capital, and 100% of Libertad (the Casino Group subsidiary in Argentina).
- **On August 18, 2015,** Éxito obtained approval from its shareholders at its General Meeting to acquire from Casino Group 50% of the voting shares of its Brazilian subsidiary GPA and 100% of its Argentinean subsidiary Libertad.
- **On August 20, 2015,** Éxito completed the transaction and Casino and Éxito entered into shareholders' agreements to organize control of GPA.
- **On November 30, 2015,** Casino Group and DIA Group signed a strategic international alliance covering purchasing and services. The two groups agreed to coordinate purchasing negotiations for their private-label brands in Europe, with the ultimate aim of pooling around 50% of their volumes.
- **On December 15, 2015,** the Casino Group announced a plan to strengthen its financial flexibility by reducing its debt by more than €2 billion in 2016 including through the disposal of the Group's activities in Vietnam. The scope of this debt reduction plan was increased to €4 billion in 2016 with the announcement in February of the sale of Big C Thailand.
- **On December 18, 2015,** the Board of Directors of Cnova announced that it had commissioned external consultants to help in an investigation of irregularities presumed to have been committed by stock management employees at its Brazilian subsidiary within its distribution centres. During this investigation, the subsidiary also identified anomalies in supplier payables, receivables and goods in transit with carriers.

Notes 2 and 3 to the consolidated financial statements explain the accounting impact of the main events of the fiscal year.

GÉANT CASINO, France

FRANPRIX, France

| PÃO DE AÇÚCAR, São Paulo, Brazil

| ÉXITO VECINO, Colombia

| Big C, Binh Duong, Vietnam

| Naturalia, Neuilly-sur-Seine, France

| LEADER PRICE, Saint-Étienne Monthieu, France

| MONOPRIX, Lyon Confluence, France

RALLYE

Increase of Rallye's stake in Casino

In 2015, Rallye acquired both directly and through an equity swap 1,965,495 Casino shares, or 1.74% of the share capital, for a total amount of €126 million. Following this transaction, Rallye owns 50.1% of Casino's share capital and 61.6% of voting rights.

Business review

The Rallye Group operates in the food retail business and in non-food e-commerce through its majority stake in Casino Group:

- Casino, Rallye's main asset, which represents 99% of Rallye's consolidated revenue, is a global leader in the food retail sector. In France, its sales performance is based on a mix of banners and formats well adapted to the economic environment, as well as to profound and lasting societal trends. Internationally, its growth is focused on emerging markets with high growth potential, primarily in Latin America and Southeast Asia, where its subsidiaries benefit from strong local roots and leadership positions.
- Furthermore, Rallye owns other assets:
  - a diversified investment portfolio composed of financial investments held directly or through specialized funds, as well as commercial real estate programs;
  - Groupe GO Sport, a wholly-owned subsidiary, which specializes in the retailing of sporting goods and sneakers through its GO Sport and Courir banners.

GO SPORT, La Défense, France

COURIR

CASINO

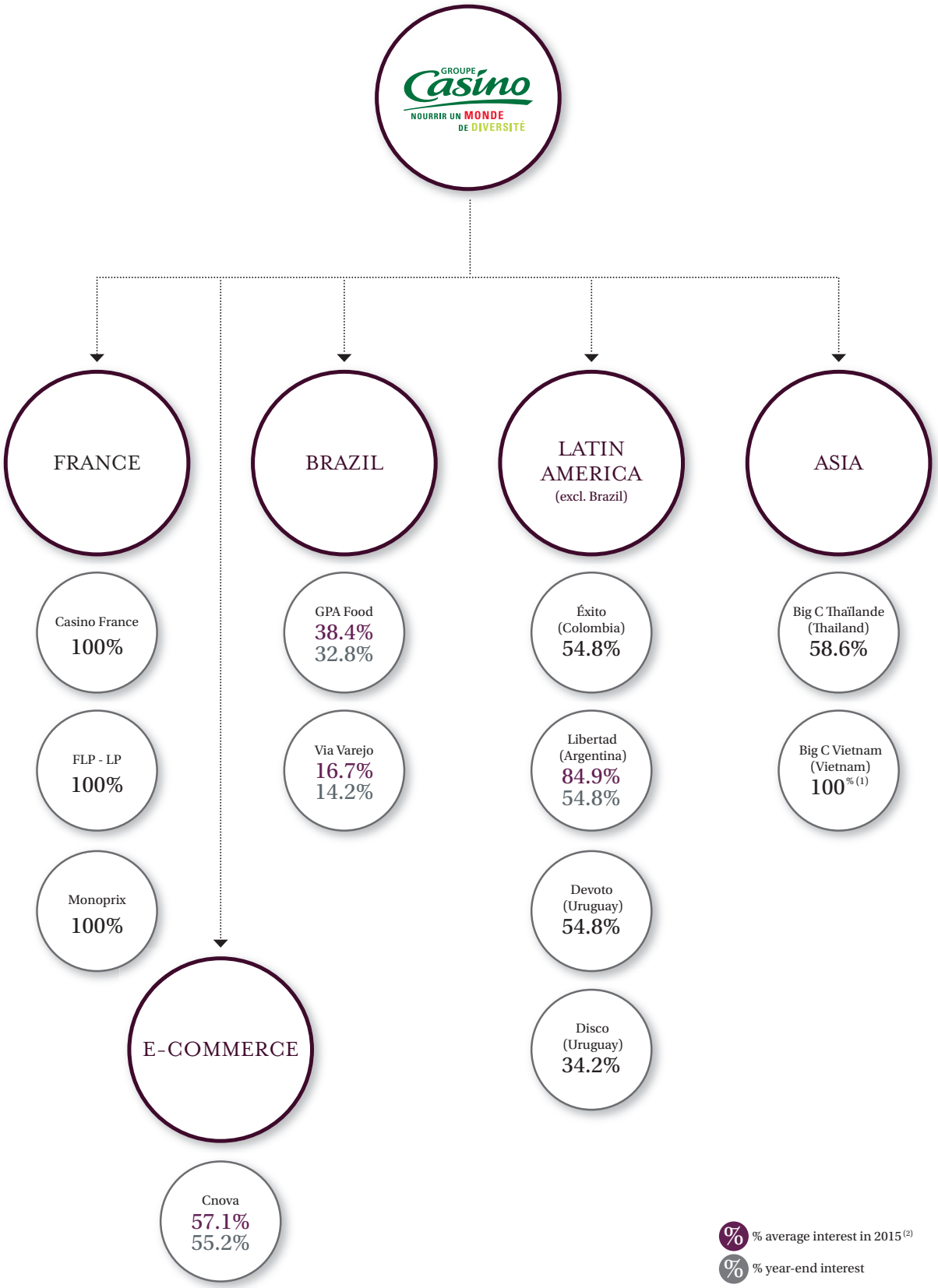
The comments in the 2015 Annual Financial Report are based on a comparison with fiscal year 2014.

2015 was characterized by the following:

- In France, the recovery of business activity and results in the second half of 2015:
  - Continuation of the new commercial strategy:
    - major price repositioning in 2013 and 2014 at Géant Casino and Leader Price;
    - roll out of new concepts and a store renovation program at Géant Casino and Franprix;
    - commercial development of Monoprix with new stores outside of the Paris region.
  - Accelerated business recovery in the second half of 2015.
  - Continuous increases in market share in H2 2015 by the Casino Group, notably for Géant Casino and Leader Price [1].
  - Signature of a purchasing partnership with Dia and extension of the current agreement with Intermarché.
  - Strong increase in profitability in H2 2015, with current operating income of €390 million, up by 34.1% compared to H2 2014 after price and cost investments made during the first half of 2015 weighed heavily on current operating income, particularly for Géant and Leader Price.
- Internationally, subsidiaries are adjusting rapidly to changes in economic conditions:
  - Strong performances by Éxito in Colombia, Uruguay and Argentina.
  - In Brazil, strong results by GPA Food and growth of the share of the most buoyant store formats in the mix:
    - Multivarejo:
      - high margin of 7.7% [2], including 9.2% [2] in Q4,
      - increase in market share by Pão de Açúcar and convenience stores,
      - strengthening of teams since H2 2015 and continued renovations of Extra stores;
    - Assai:
      - acceleration of growth in Q4 (up 27.8% [2] organically) driven by sales and expansion,
      - increase in market share: +2% [2] compared to 2013.
  - Decrease in activity of Via Varejo in connection with the decline in consumption in Brazil.
  - Consolidation all Casino Group operations in Latin America:
    - Acquisition by Éxito of 50% of the voting shares of GPA held by Casino and a 100% stake in Libertad in August 2015.
    - Significant synergies: value creation +50 bps on Éxito's net margin (approx. $160 million).
    - Very strong performance of Big C in Thailand and Vietnam.
    - Negative results from Cnova attributable notably to Cnova Brazil impacted by the macroeconomic environment and by a detected fraud. Satisfactory operating performance of Cdiscount.
    - Negative impact of foreign exchange.
- A debt reduction plan to increase Casino Group's financial flexibility:
  - Rebalancing of the Casino Group's debt in 2015 enabling a significant reduction in the net financial debt of Casino in France [3] by the end of that year.
  - Announcement of a €4 billion debt reduction plan with a major milestone achieved in the first quarter of 2016:
    - proposed sale of Big C Vietnam announced in late 2015;
    - sale of Casino Group's interest in Big C Thailand announced on February 7, 2016.
  - Disposal proceeds will be dedicated to the continued deleveraging of Casino in France [3].

(1) Kantar data.
(2) Figures provided by the subsidiary.
(3) Casino Group holding company scope, including French operations and wholly-owned subsidiaries.

Casino Group simplified organizational chart



(1) Including limited minority interests in the operating subsidiaries of the wholly-owned holding company.
(2) Average monthly percentage held.

France Retail

(In € millions)	2015	2014
Net sales	**18,890**	18,848
EBITDA	**726**	836
EBITDA margin	***3.8%***	*4.4%*
Current operating income	**337**	397
Current operating margin	***1.8%***	*2.1%*

Food retail sales in France amounted to €18,890 million in 2015, against €18,848 million in 2014. Organically, sales excluding fuel and calendar effects were up +1.1% (up +2.7% in Q4 2015). The second half of 2015 was marked by a recovery in sales growth.

By format, we note the following for the year:

- For **Géant Casino** [(1)], the year was marked by the return to growth in revenue both organically and on a like-for-like basis (up 2% excluding fuel and calendar effects). Thanks to competitive pricing and ongoing initiatives to enhance product selection and improve the in-store experience, the banner continuously gains market share [(2)] and posted strong momentum in both volumes and customer traffic. During the second half, food sales showed strong results and non-food improved compared with the first half of 2015.
- Organic sales at **Leader Price** rose 3.9% during 2015, of which 7.5% in Q4 2015, excluding fuel and calendar effects. Customer traffic has been increasing since Q2 2015 and stood at 6.7% in Q4 2015. Leader Price is continuing with its action plans to improve in-store customer service through faster checkouts, extended business hours, changes in its cost structure, and work on product selections and targeted promotions.
- **Monoprix** posted sustained growth in food sales on a like-for-like basis in 2015. Textile and household product sales were strong thanks to several commercial operations and collaborations with designers throughout the year. Organic growth was driven by very dynamic expansion, with 84 gross store openings in 2015. Buoyant formats, Monop' and Naturalia, have accelerated their growth.
- **Casino Supermarkets** have reported positive same-store revenue growth since Q3 2015. Customer traffic was higher over the second half. The banner is continuing its action to enhance store attractiveness by improving customer convenience and launching a new loyalty program.
- **Franprix** reported positive same-store sales over the entire second half and remained highly profitable despite the comprehensive conversion of its stores. The new Mandarine concept has significantly improved customer traffic and revenue in renovated stores.
- **Proximity** reported annual sales growth of 7% on a like-for-like basis, excluding fuel and calendar effects. The banner continued to remodel its integrated stores and the franchise network reported strong momentum thanks to a more competitive offering and renovated stores.

France Retail's current operating income came to €337 million, down from 2014 due to the last significant impacts of price cuts implemented mainly by Géant Casino and Leader Price. Monoprix and Franprix posted strong operating results. The contribution to EBITDA of property development activities was virtually unchanged between 2014 (€162 million) and 2015 (€167 million). In H2 2015, development transactions contributed €86 million (including projects on five Monoprix locations sold to Mercialys) against €93 million in H2 2014.

The current operating margin of the food retail business in France stood at 1.8% in 2015.

Latam Retail

(In € millions)	2015 (CER) [(1)]	2015	2014
Net sales	17,033	**14,714**	15,422
EBITDA	1,148	**993**	1,215
EBITDA margin	*6.7%*	***6.7%***	*7.9%*
Current operating income	810	**703**	895
Current operating margin	*4.8%*	***4.8%***	*5.8%*

(1) CER: Constant exchange rates.

Revenue for the Latam Retail segment totaled €14,714 million in 2015, up 5.8% organically, excluding fuel and calendar effects.

GPA's food banners **in Brazil** had robust sales with strong organic growth of 6.4% in 2015, excluding fuel and calendar effects (up 7.1% announced by the subsidiary, including fuel and calendar effects). The group continues to adapt the mix of formats to changing consumer needs. Multivarejo posted stable organic sales in 2015 and continued to expand its premium and convenience formats with the opening of 79 stores. The group continued its renovation program for Extra stores. Assai posted strong organic growth of 25.5% over the period with the opening of 11 stores, for a total of 95 stores at the end of 2015.

Éxito (excluding Brazil) accelerated its growth with organic sales up 4.0% in 2015 excluding fuel and calendar effects, including 6.6% in the fourth quarter of 2015. In 2015, Colombia continued its expansion with the gross opening of 656 stores (including 610 Surtimax Aliados) and ongoing real estate development. Argentina and Uruguay recorded strong growth.

Latam Retail's current operating income remained strong despite the impact of cost inflation and foreign exchange rates, against a backdrop of weak revenue growth. The margin remained high thanks to several action plans regarding margins and costs. Argentina and Uruguay reported very strong results.

(1) Excluding business mainly from Codim (four hypermarkets) in Corsica.
(2) Kantar.

Latam Electronics

(In € millions)	2015 (CER) [1]	2015	2014
Net sales	6,150	**5,187**	7,245
EBITDA	396	**334**	737
EBITDA margin	*6.4%*	***6.4%***	*10.2%*
Current operating income	322	**271**	677
Current operating margin	*5.2%*	***5.2%***	*9.3%*

(1) CER: Constant exchange rates.

Revenue for the Latam Electronics segment came to €5,187 million in 2015. Via Varejo's sales have been heavily impacted since the second quarter by the downturn in Brazil's equipment goods sector. Sales in Q4 2015 saw a more moderate decline than the previous quarters compared to 2014. The banner increased its market share in Q4 2015.

The current operating income of the Latam Electronics segment was down compared to 2014, to €271 million, impacted by the sharp contraction in activity since Q2 2015. Via Varejo has implemented action plans to improve price competitiveness and enhance the effectiveness of promotions; to reduce basic operating costs; and to close unprofitable stores. A new management team has been in place since October 2015.

Asia

(In € millions)	2015 (CER) [1]	2015	2014
Net sales	3,487	**3,973**	3,513
EBITDA	346	**394**	361
EBITDA margin	*9.9%*	***9.9%***	*10.3%*
Current operating income	243	**277**	255
Current operating margin	*7.0%*	***7.0%***	*7.2%*

(1) CER: Constant exchange rates.

Revenue for the Asia segment totaled €3,973 million against €3,513 million in 2014, up 13.1% helped by favorable foreign exchange impacts.

In **Thailand,** expansion gained momentum with 98 net openings, including 69 in H2 2015. Real estate activities performed well in 2015, with rental income up 4.8% [1] in Q4 2015.

Vietnam continued its growth, both in stores and shopping malls.

Asia's current operating income improved year-on-year to €277 million, thanks to the impact of foreign exchange. The margin fell slightly by 27 bps. Casino Group announced plans to sell its operations in Thailand and Vietnam.

E-commerce (Cnova)

(In € millions)	2015	2014
GMV (gross merchandise volume) published by Cnova	**4,835**	4,487
EBITDA	**(104)**	41
Including Cdiscount in France	*6*	*8*
Including international sites	*(22)*	*(16)*
Including holding companies	*(9)*	*(1)*
Including Cnova Brazil	*(79)*	*50*

E-commerce's gross merchandise volume (GMV) came to €4,835 million in 2015, up 16.4% at constant exchange rates, driven by the rapid growth of marketplaces whose combined share of volume rose to 20.5%.

In **France,** Cdiscount recorded excellent results, with GMV growth of 18.9% and a 27.5% share of marketplace volumes at end 2015. In Q4 2015, Cdiscount increased its market share by 130 bps, raising its total to 27.4%.

In **Brazil,** Cnova Brazil's performance was impacted by the recession and by the discovery of fraud.

Cnova announced the sale or closure of sites operating in the following countries: Thailand, Vietnam, Panama, and Ecuador, along with some vertical sites.

Cnova released its 2015 financial statements, including the temporary impact of fraud discovered in its logistics centers. Given the non-material effect of this incident on the consolidated aggregate figures, the Group recognized the impact in the 2015 income statement in accordance with IAS 8, without restating previous years' results, namely -€25 million in EBITDA and -€23 million in other operating expenses.

EBITDA for the e-commerce segment was negative in 2015. Cdiscount's operating results were satisfactory, with positive EBITDA in H2 2015. Brazil's performance was affected by the macroeconomic environment and by a fraud discovered at Cnova Brazil's logistics centers.

(1) Data published by the subsidiary, in the local context.

Casino key figures

The Casino Group's key figures for 2015 are as follows:

(In € millions)	2015	2014	Change *(%)*	Organic change [1]
Consolidated net sales	**46,145**	48,493	-4.8%	+0.3% [2]
EBITDA [3]	**2,343**	3,191	-26.6%	-22.1%
Current operating income (COI)	**1,446**	2,231	-35.2%	-30.6%
Profit before tax	**150**	1,059	-85.9%	
Income tax expense	**(61)**	(310)	+80.3%	
Income from associates and joint ventures	**66**	77	-15.3%	
Net income from continuing operations, Group share	**(47)**	253		
Consolidated net income, Group share	**(43)**	251		
Underlying net income, Group share [4]	**412**	556	-25.8%	

(1) On a like-for-like basis and at constant exchange rates, excluding the impact of property disposals (OPCI).
(2) Excluding fuel and calendar effects.
(3) EBITDA (earnings before interest, taxes, depreciation and amortization) is defined as current operating income (EBIT) plus current depreciation and amortization expense.
(4) Underlying net income corresponds to net profit from continuing operations adjusted for the impact of other operating income and expense, non-recurring financial items and non-recurring income tax expense/benefits (see Notes).

Consolidated net sales amounted to €46,145 million in 2015, versus €48,493 million in 2014, a decline of -4.8%.

Changes in the consolidation scope had a positive impact of +1.4%. Changes in exchange rates had a slightly negative impact of -6.4%

A detailed review of changes in revenue is provided above in the business reviews of each of Casino Group's five operating segments.

Current operating income in 2015 amounted to €1,446 billion, down -35.2% compared to 2014. Changes in consolidation scope had a positive impact of +0.2% and foreign currency changes had a negative impact of -4.8%. Excluding these impacts, current operating income was down -30.6% in organic terms.

A detailed review of changes in current operating income is presented above in the business reviews of each of Casino Group's five operating segments.

Net income, Group share from continuing operations showed a loss of -€47 million, down from 2014 mainly due to the impact of price cuts in France and the economic slowdown in Brazil.

Consolidated net income, Group share showed a loss of -€43 million.

Underlying net income, Group share totaled €412 million.

Financial position

As at December 31, 2015, **Casino Group's net financial debt** was €6,073 million, versus €5,733 million at December 31, 2014 [1].

The net financial debt of Casino in France at December 31, 2015 totaled €6,081 million, a 20% reduction related to the impact of the reorganization of Casino Group's assets in Latin America.

Cash flow statement of Casino in France *(in € millions)*	2015
After tax operating cash flows of wholly-owned French subsidiaries [1]	**838**
Net CAPEX	**(498)**
Dividends received from international subsidiaries and associates	**194**
Dividends paid and coupons on preferred securities	**(400)**
Net interest expense paid	**(130)**
FREE CASH FLOW AFTER INTEREST AND DIVIDENDS	**6**

(1) Before dividends received from associates and international subsidiaries, which are presented separately in this table.

(1) In 2015, Casino revised the definition of net financial debt mainly in relation to net assets held for sale connected with its debt reduction plan and debt related to "Minority puts". Net financial debt for 2014 was restated according to this new definition.

The after-tax operating cash flows from French operating activities amounted to €838 million and dividends received came to €194 million. This amount covered net capital expenditure (€498 million), interest expense (€130 million), and dividends paid to shareholders and holders of Casino's subordinated securities (€400 million).

At December 31, 2015, **Casino in France** [1] had €5.5 billion of liquidity. This included a strong **gross cash** position of €1.7 billion and **undrawn confirmed credit lines** totaling €3.9 billion. At the end of the year, commercial paper outstanding totaled €424 million.

Casino is rated BBB- by Fitch Ratings (stable outlook) and BB+ by Standard & Poor's (stable outlook).

The Casino Group announced a €4 billion **debt reduction plan** with a milestone reached in the first quarter 2016 with the sale of Big C Thailand for €3.1 billion (€3.3 billion including debt).

Shareholder's equity for the Casino Group stood at €12,419 million at the end of 2015, against €15,608 million at December 31, 2014 and €14,813 million at June 30, 2015.

The price of Casino shares as at December 31, 2014 was €42.415, and market capitalization was €4.8 billion. Rallye owned 50.1% of Casino shares and 61.6% of its voting rights as at December 31, 2015.

OTHER ASSETS

Investment portfolio

Rallye's investment portfolio was valued at €102 million at December 31, 2015, compared to €143 million at December 31, 2014, a decrease of €41 million. This change can be explained by asset disposals and net cash-in [2] for a total of €46 million, and by a portfolio revaluation of €5 million in 2015. In 2015, Rallye sold about 15 lines from its financial investment portfolio as well as two real estate assets.

At the end of 2015, the portfolio comprised, firstly, financial investments with a market value [3] of €84 million (vs. €116 million at end 2014) and secondly, real estate programs recorded at historical cost for €18 million (vs. €27 million at end 2014).

In 2015, the financial investment portfolio contributed €15 million to Rallye's current operating income, compared to €30 million in 2014.

Groupe GO Sport

The consolidated revenue of Groupe GO Sport for 2015 amounted to €680 million, up by 3.2% on a same-store basis and at constant exchange rates. Business volume was up sharply, boosted by the growth of all networks (subsidiaries, franchise, e-commerce), and totaled over €830 million in 2015, against €740 million two years earlier.

GO Sport France continued to display good sales momentum, with renewed sales growth over the year on a like-for-like basis and an increase in both customers and volumes. Courir saw its sixth straight year of growth, particularly with the gradual integration of 18 stores formerly under the Bata banner. Thanks to the success of both GO Sport and Courir's affiliate formats (17 and 23 stores, respectively, at end 2015, vs. 7 and 0 stores, respectively, at end 2013) these formats are growing at a rapid pace. The Group's e-commerce sites saw robust growth during the year and their multichannel strategy was strengthened by, for example, the installation of online shopping terminals in GO Sport stores.

Lastly, the EBITDA and the current operating income of Groupe GO Sport were up in 2015, compared to 2014.

All networks combined, as at December 2015, Groupe GO Sport represented a total of 515 stores, including 74 international locations, against 334 total and 56 international stores at end 2013.

(1) Casino Group holding company consolidation scope, including French activities and wholly-owned subsidiaries.
(2) Net receipts from cash calls.
(3) The market value of financial investments is the carrying value used in the consolidated financial statements (fair value – IAS 39) and is based on the most recent valuations available (General Partners of the funds), adjusted where applicable to reflect the latest known information.

Financial overview

CONSOLIDATED FINANCIAL STATEMENTS

Main changes in scope of consolidation

- Full consolidation of Super Inter in Columbia since October 16, 2014.
- Full consolidation of Disco in Uruguay since January 1, 2015.
- Consolidation of the following groups in 2015: Europrice, Leader Centre Gestion and Parfidis (Franprix Leader Price).
- Sale of 110 Franprix Leader Price stores to two master franchisees in the second half of 2015.

Foreign currency effects

Compared to 2014, the currencies of Latin American countries in which the Group operates fell significantly against the euro (average depreciation of -15.7% for the Brazilian real and -13% for the Colombian peso). Conversely, the Thai baht rose +13.5% against the euro.

Results

Rallye published net consolidated revenue of €46.8 billion versus €49.2 billion in 2014. Revenue is broken down in detail under the business overview for each operating subsidiary.

Revenue by activity in the last two years was as follows:

(In € millions)	2015		2014	
	Amount	%	Amount	%
France Retail	**18,890**	**40.3**	18,848	38.4
Latam Retail	**14,714**	**31.4**	15,422	31.4
Latam Electronics	**5,187**	**11.1**	7,245	14.8
Asia	**3,973**	**8.5**	3,513	7.1
E-commerce	**3,381**	**7.2**	3,465	7.0
Other activities [1]	**687**	**1.5**	661	1.3
TOTAL	**46,832**	**100.0**	**49,155**	**100.0**

(1) Related to the holding activity, the investment portfolio and Groupe GO Sport.

Revenue by geographical region over the last two years breaks down as follows:

(In € millions)	2015		2014	
	Amount	%	Amount	%
France	**21,209**	**45.3**	21,041	42.8
Latin America	**21,569**	**46.1**	24,539	50.0
Asia	**3,997**	**8.5**	3,523	7.2
Other	**58**	**0.1**	52	0.0
TOTAL	**46,832**	**100.0**	**49,155**	**100.0**

Current operating income totaled €1,445 million in 2015, versus €2,235 million in 2014. Changes in current operating income are analyzed for each operational subsidiary in the business overview.

Other operating income and expenses amounted to -€478 million, compared to -€501 million in 2014.

The cost of net financial debt was -€686 million, a decrease of 15.5% compared to 2014. Other financial income and expenses amounted to -€238 million, versus €19 million in 2014.

Income before tax thus totaled €43 million compared to €941 million in 2014.

The share of income from affiliated companies was €73 million, compared to €76 million in 2014.

Net income Group share was -€166 million in 2015, against -€33 million in 2014.

Underlying net income [1], Group share, amounted to €30 million in 2015, compared to €52 million in 2014.

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

Financial structure

Consolidated Group

| Shareholders' equity

Equity capital attributable to the Company's shareholders was €429 million as at December 31, 2015, compared to €1,334 million at December 31, 2014. This decrease was due, in particular, to:

- recognition of negative currency translation adjustments for -€632 million;
- the distribution of dividends by Rallye (-€89 million);
- changes in the percentages held, without acquisition or loss of control of subsidiaries, for -€10 million;
- net loss, Group share of -€166 million for 2015;
- transactions in treasury shares for €31 million.

| Financial ratios

As at December 31, 2015, the ratio of consolidated EBITDA (current operating income adjusted for current operating depreciation and amortization) to the consolidated cost of net financial debt was 3.44, compared to 3.96 in 2014.

The Group's net financial debt was €9,180 million as at December 31, 2015 compared to €8,660 million at December 31, 2014, broken down between the following entities:

- Casino: with net financial debt of €6,073 million, compared to €5,733 million at end 2014;
- Rallye holding company scope: with net financial debt of €2,968 million versus €2,798 million at end 2014;
- Debt related to other Rallye assets: which stood at €139 million (versus €129 million in 2014).

The ratio of net financial debt to consolidated equity (gearing) was 87% in 2015 compared to 62% in 2014 and can be analyzed as follows:

(In € millions)	2015	2014
Net financial debt	**9,180**	8,660
Consolidated equity	**10,575**	13,934
Ratio	**87%**	62%

Rallye Holding Company Scope

The Rallye holding company scope is defined as Rallye plus its wholly-owned subsidiaries that act as holding companies and which own Casino shares, Groupe GO Sport shares and the investment portfolio.

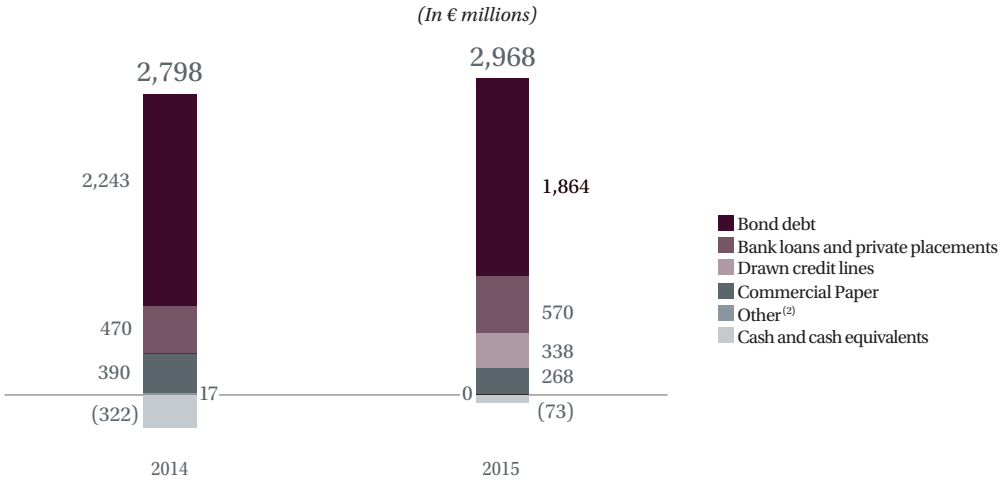
| Financial Debt

Rallye's gross financial debt totaled €3,041 million as at December 31, 2015, *versus* €3,103 million as at December 31, 2014.

Rallye's net financial debt stood at €2,968 million as at December 31, 2015, following the increase of Rallye's share in Casino for €126 million in the second half of the year [1]. Changes in Rallye's net financial debt are detailed below:

NFD AS AT 12/31/2014	2,798
Net financial expenses	**134**
Of which net cost of financial debt	*112*
Of which commissions on credit lines	*21*
General expenses	**21**
Dividends paid by Rallye	**89**
Dividends received from Casino	**(171)**
Net cash-in on the investment portfolio	(46)
Casino share purchase	126
Other	16
NFD AS AT 12/31/2015	2,968

Financial debt for the Rallye holding company scope as at December 31, 2015 breaks down as follows:



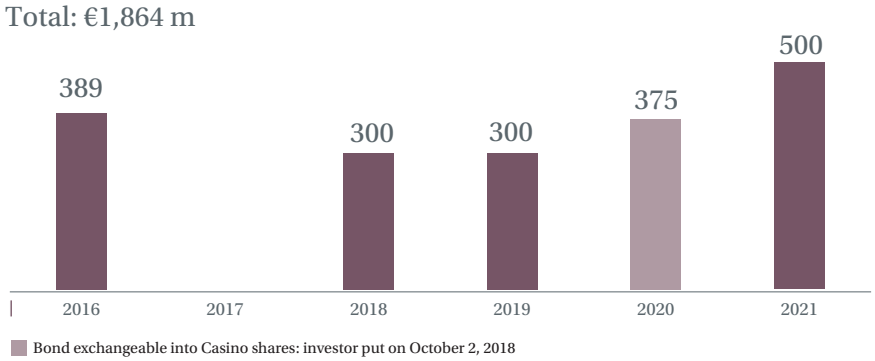
(1) Part of which was acquired through an equity swap.
(2) Other: interest incurred and IFRS restatements.

| Debt Maturity Schedule

Rallye's financial debt has staggered maturities that present a balanced repayment profile over the coming years:

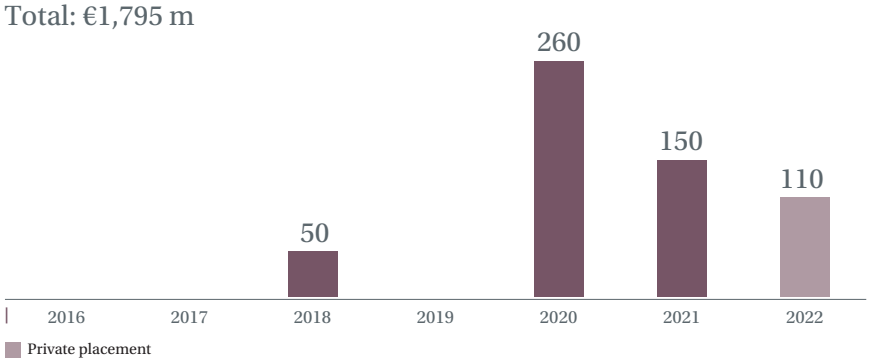
Bond Debt Maturity Schedule

(In € millions)



Bank Loan and Private Placement Maturity Schedule

(In € millions)



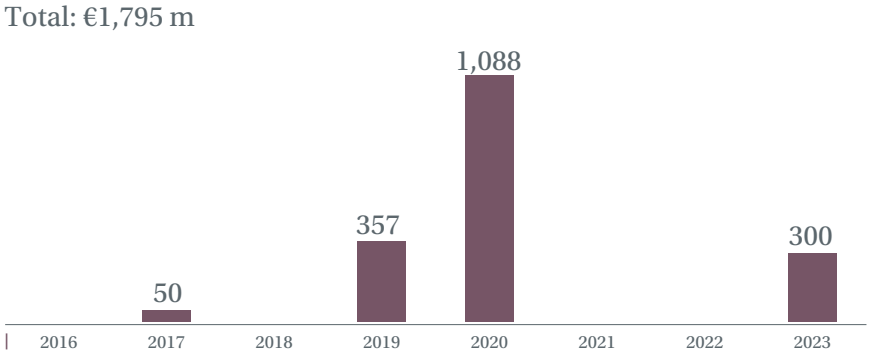
Rallye's average bond debt maturity was extended to 3.5 years, *versus* 3.8 years as at December 31, 2014. Non-bond debt maturity was extended to 4.6 years, *versus* 3.7 years as at December 31, 2014.

Rallye also has a strong liquidity position, with €1.8 billion of confirmed and immediately available credit lines underwritten by some 20 different banks. €1.5 billion of these lines were undrawn as at December 31, 2015.

The maturity of these credit lines is as follows:

Maturity of Confirmed Credit Lines as at December 31, 2015

(In € millions)



The average maturity of the confirmed credit lines was extended to 4.6 years, *versus* 4.1 years as at December 31, 2014, particularly due to the refinancing of the €725 million syndicated loan in the first half of 2015.

| Casino Share Pledges

Under the terms of the credit lines granted to it, Rallye is required to pledge Casino shares on the basis of 130% of the notional amount, with triggers for margin calls and share releases.

Financing secured by Casino share pledges breaks down as follows:

- €310 million in bank loans subject to Casino share pledges;
- €1.47 billion in credit lines also require Casino share pledges, but only when drawn.

Bonds and commercial paper are not subject to asset pledges.

As at December 31, 2015, 18.5 million out of the total 56.7 million Casino shares held, were pledged. The pledged shares were used as collateral for bank loans representing €310 million of financing, and for drawn credit lines representing €328 million of financing.

| Coverage of net financial debt by revalued assets

As at December 31, 2015, the restated net asset value of companies within Rallye's holding scope totaled €2.649 billion:

	Number of securities	Share price *(in €)*	Restated net asset value *(in € million)* [1]
Casino	**56,714,263**	**€42,415**	**2,405**
Other assets			**244**
Of which investment portfolio			102
Of which Groupe GO Sport[2]			102
Of which miscellaneous[3]			40
Restated net assets			**2,649**

(1) Listed assets valued at the closing price as at December 31, 2015, and non-listed assets valued at their fair value as at December 31, 2015.
(2) Valued at a compulsory buyout price of €9.10.
(3) Including Rallye treasury shares valued at the closing price as at December 31, 2015, at €14.4.

Rallye's financial structure is best understood by looking at the coverage of its net financial debt by the market value of its assets. At December 31, 2015 Rallye's revalued assets covered the net financial debt of the Rallye holding company scope 0.89 times. This ratio was 1.60 at December 31, 2014.

In the current market environment where Casino's share price is affected by factors unrelated to its results and outlook, other ways of understanding Rallye's NAV may be used:

Share prices used for Casino	NFD hedging with assets
Average share price for 2015 (€67.2)	1.37x
Average share price for H2 2015 (€55.81)	1.15x

Note: Transition from Published Net Income to Underlying Net Income

Adjusted net income corresponds to net profit from continuing operations, adjusted for the impact of other operating income and expenses as defined in the "Accounting Principles" in the Notes to the consolidated financial statements and the impact of non-recurring financial items, as well as non-recurring tax income and expenses.

Non-recurring financial items include certain financial instruments recognized as income with a fair value that can be highly volatile. For example, the fair value variations of the financial instruments not classified as hedging instruments and of embedded derivatives on the price of the Casino share are therefore restated for the underlying net income.

Non-recurring income and expenses represent the tax effects directly related to the preceding restatements and the direct effects of non-recurring taxes. As a result, the tax liability related to underlying pre-tax income represents the normal average tax rate for the Group.

This aggregate measures the change in recurring income from operating activities.

(in € millions)	2015	Restated items	2015 adjusted	2014	Restated items	2014 adjusted
Current operating income (COI)	**1,445**	**-**	**1,445**	**2,235**	**-**	**2,235**
Other operating income and expenses	**(478)**	**478**	**-**	(501)	501	-
Operating income	**967**	**478**	**1,445**	**1,734**	**501**	**2,235**
Net cost of financial debt	**(686)**	**-**	**(686)**	(812)	-	(812)
Other financial income and expenses[1]	**(238)**	**309**	**71**	19	(11)	8
Tax liability[2]	**(69)**	**(234)**	**(303)**	(321)	(157)	(478)
Share of income from associates and joint ventures	**73**	**-**	**73**	76	-	76
Net income from continuing operations	**46**	**553**	**599**	**697**	**333**	**1,030**
Of which minority interests[3]	**214**	**353**	**568**	729	249	978
Of which Group share	**(168)**	**198**	**30**	**(32)**	**84**	**52**

(1) The following are the main items restated as Other financial income and expenses: the effects of discounting the tax liabilities in Brazil to present value, changes in the fair value of Total Return Swaps on the shares of GPA and Big C, and of future contracts and call options on GPA shares.
(2) The tax effects resulting from the above restated items and the non-recurring tax on income and liabilities are also restated as tax liabilities.
(3) The amounts associated with the above restated items are restated as non-controlling interests.

RALLYE FINANCIAL STATEMENTS

Results

Rallye reported an operating loss of €26.1 million, compared with a loss of €29.1 million as at December 31, 2014.

Rallye employed 23 people as at December 31, 2015.

Rallye also recorded €88.5 million in financial income, compared with a financial loss of €15.1 million as at December 31, 2014.

This can be analyzed as follows:

Income

- Dividends from Casino: €83.4 million.
- Reversals of provisions and impairment, primarily relating to:
  - Rallye securities in the liquidity contract at the end of the previous period for €2 million;
  - interest rates financial instruments for €10.4 million.

Expenses

- Allocations to financial provisions for:
  - impairment of equity investments and other securities for €3.2 million;
  - amortization of the redemption premiums on bonds for €2.7 million and of redemption premiums on exchangeable bonds for €11.3 million.
- Extravagant expenditure incurred in 2015 (Articles 223-quater and 39-4 of the French General Tax Code): None in 2015.
- Reinstated general expenses following a tax adjustment (Articles 223-quinquies and 39-65 of the French General Tax Code): None in 2015.

Extraordinary loss amounted to €4.8 million.

Net profit for the year amounted to €55 million, compared with a loss of €49.3 million as at December 31, 2014.

Financial Structure

Shareholders' equity totaled €1,715.7 million, *versus* €1,749.5 million as at December 31, 2014. This drop can be explained in particular by the €89.2 million dividend payout, which was offset by €55 million in income for 2015.

TERMS OF PAYMENT FOR SUPPLIERS

The terms and conditions applied by the Group to pay suppliers comply with Article L. 441-6-1 of the French Commercial Code. Unless otherwise stated in the terms of sale or in the event of disputes, the sums owed to suppliers are paid within thirty days of receipt of the invoice.

The sums owed to suppliers by Rallye are immaterial and are therefore not covered by a payment schedule.

DIVIDEND

Rallye's balance sheet for the year ended December 31, 2015 showed a profit of €54,975,090.21, and the Board of Directors proposes that it be allocated as follows:

(In €)	
Profit for the year	54,975,090.21
Allocation to the legal reserve	(11,265.60)
Prior Retained earnings	14,500.92
"Former tax reserve for long-term capital gains"	58,019,896.98
Net income available for distribution	**112,998,223.51**
Dividend payout	89,264,702.58

(1) The amount of the dividend to be paid to shareholders is calculated based on the number of shares making up the capital as at December 31, 2015 and will be adjusted according to the number of shares issued, if any, between January 1, 2015 and the dividend payment date following the exercise of stock options and the award of bonus shares.

Upon the Board of Directors' proposal, the amount of the dividend will be deducted from the year's profit and the "Retained earnings" account as a priority, then the balance will come from the "Former tax reserve for long-term capital gains" line item, bringing the line item to €23,733,519.93.

For individuals who are tax residents in France, this dividend is eligible for the 40% rebate provided for in Article 158-3-2 of the French General Tax Code.

This dividend would be paid on May 27, 2016 and, since the shares of Rallye stock held by the Company on the dividend payment date will not receive the dividend, the corresponding sums would be transferred to the "Retained earnings" account.

A table comparing net income for the past year and the four preceding years appears on page 196 of this report.

DIVIDEND DISTRIBUTION POLICY

The amount of the maximum dividend distribution for the last five years is as follows:

	12/31/2011	12/31/2012	12/31/2013	12/31/2014	12/31/2015[1]
Net dividend *(in €/share)*	1.83	1.83	1.83	1.83	**1.83**
Number of shares	46,466,160	48,691,578	48,740,974	48,761,450	**48,778,526**
Maximum distribution *(in €)*	84,357,280	87,904,209	89,195,982	89,233,454	**89,264,703**

(1) In accordance with the resolutions proposed to the Shareholders' Meeting on May 18, 2016.

Rallye's dividend distribution policy is based on its financial positions and its projected financial needs. No guarantees can be made as to the amount of dividends that will be paid out in respect of a given year.

The dividend per share has been stable at €1.83 over the last five years, representing a return for the shareholders of 8.6%, 7.2%, 6%, 6.3% and 12.75% based on the market price on December 31 for fiscal years 2011 to 2015, respectively.

Dividends not claimed within five years from the payment date are time-barred and revert to the Public Treasury in accordance with Articles L. 1126-1 and 1126-2 of the French General Code on the Property of Public Entities.

INCENTIVES AND PROFIT-SHARING CONTRACT

Most of the Rallye subsidiaries benefit from incentives and profit-sharing contracts pursuant to the regulations in force. Rallye does not have such a contract because of its small number of employees.

STOCK MARKET INFORMATION

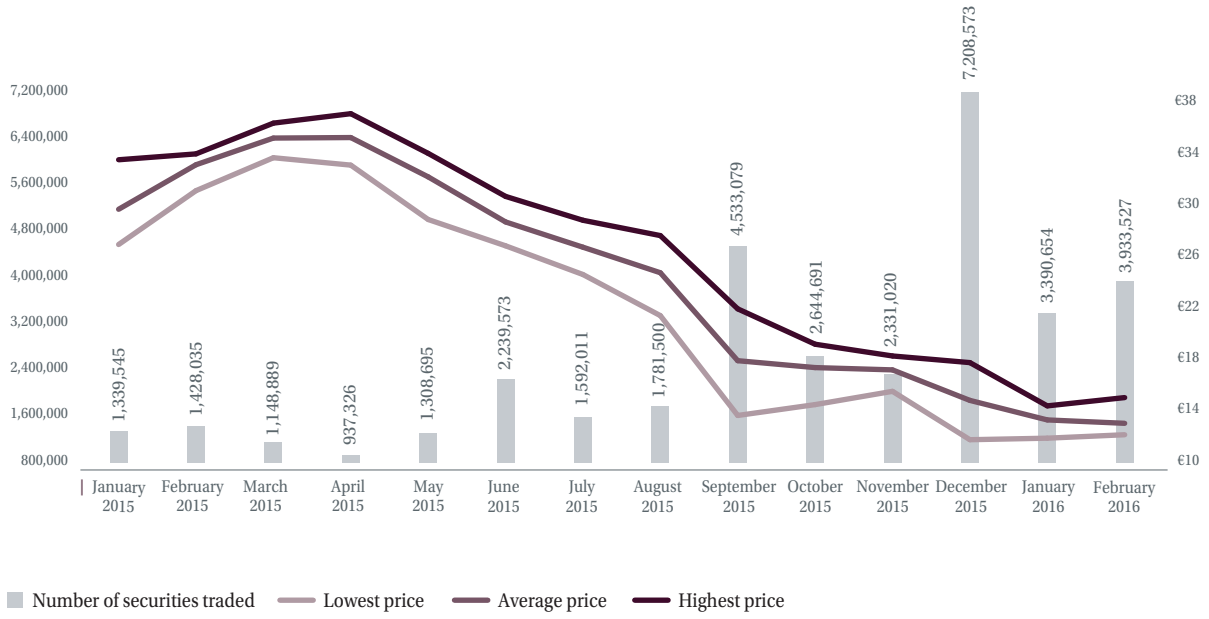
Rallye shares are listed for trading on the Euronext Paris market, compartment B.

Code: ISIN: FR0000060618

High (April 15, 2015)	€37.35
Low (December 22, 2015)	€11.805
Share price as at December 31, 2015	€14.35
Trading volume in 2015 *(number of shares)*	28,492,937
Trading volume in 2015 *(value)*	€621 million

As at December 31, 2015, Rallye had a stock market capitalization of €700 million.

Rallye Shares – Monthly Stock Price Trends in 2015 and Early 2016



Recent Trends and Outlook

(Unaudited data)

SUBSEQUENT EVENTS

On February 7, 2016, the Casino group announced the disposal of its 58.6% stake in Big C Thailand for a total of €3.1 billion (€3.3 billion including the debt). The sale price is THB 252.88 per share. This transaction values Big C at 1.7 times revenue and 16.8 times EBITDA. The closing took place on March 21, 2016.

The Casino Group has also initiated the proposed sale of all the assets of Big C Vietnam, namely: 32 hypermarkets (with 29 shopping centers), 10 convenience stores and cash & carry corners, operating in 15 of the country's 17 largest cities as at December 31, 2015.

In January 2016, three individual shareholders each filed three separate actions as part of presumed class action proceedings. These proceedings have been brought against Cnova N.V., some of its officers and directors, and the underwriters of its IPO in November 2014. The plaintiffs allege a violation of U.S. federal securities law. For two of the cases, proceedings were brought before the Southern District of New York United States District Court; the third case was brought before the New York State Supreme Court, and then referred to the US District Court. Cnova NV stated that these complaints appear to be without merit and that it intends to vigorously defend itself against these accusations.

After having confirmed the BBB-/Stable Outlook rating on December 11, 2015 and having started a process to update its appraisal of Casino Group's credit on January 15, 2016, on March 21, 2016, Standard & Poor's (S&P) decided to lower this credit rating one notch to BB+/Stable Outlook.

The downgrading of Casino's credit rating in the Group's credit rating will result in a slight increase in the cost of its financial bond debt (impact estimated at less than €20 million before taxes in 2016, excluding potential future bond buybacks) and will have no impact on Casino's liquidity.

The agency's decision has no impact on the Group's liquidity, as financial resource availability is totally separate from the S&P rating.

Casino is also rated by Fitch Rating at BBB-/Outlook Stable.

OUTLOOK

Casino

The **outlook** for the Casino Group is as follows:

- significant deleveraging;
- an asset rotation strategy;
- profitable growth in France;
- in E-commerce, further growth and improvement of profitability;
- consolidation of leadership and growth in Latin America.

Listed subsidiaries each reported their financial targets and outlook in conjunction with their annual results.

With regard to France, and specifically the Retail France operations segment, the Casino Group **confirmed the following financial targets** for 2016:

- EBITDA of about €900 million;
- Current operating income of over €500 million;
- Free cash flow[1] after interest expense and dividend payments[2] of at least €200 million.

Rallye

Rallye benefits from a very robust liquidity position, with almost €1.5 billion in undrawn confirmed credit lines available for immediate use, the maturity of which has been extended to 4.6 years. Rallye will face one limited bond repayment of €389 million in 2016 and no repayments in 2017.

Rallye confirms its asset valuation strategy and the strength of its financial structure.

To the best of the Company's knowledge, as at February 29, 2016[3] no factors existed that were likely to represent a significant change in the Group's financial or commercial position since December 31, 2015, other than those detailed previously.

(1) Casino Group holding company scope, including French operations and wholly-owned subsidiaries.
(2) After-tax operating cash flow from French operations – capital expenditures of French operations + dividends received from international subsidiaries and associates – dividends paid (including coupons on synthetic debt instruments) – net financial expenses.
(3) The closest cut-off date to the Rallye Board of Directors' meeting that approved the 2015 financial statements.

Capital and Shareholding Structure

SHARE CAPITAL

Rallye's share capital as at December 31, 2015 totaled €146,335,578, divided into 48,778,526 shares with a par value of €3 each. As at December 31, 2014, it was €146,165,844, divided into 48,721,948 shares with a par value of €3 each.

The change reflects both the exercise of options that resulted in the creation of a total of 17,076 shares as well as the allocation of 39,502 bonus shares as part of a bonus share plan.

SHAREHOLDING STRUCTURE

As at December 31, 2015, Foncière Euris held 55.34% of the share capital and 70.40% of voting rights, based on theoretical voting rights.

As at December 31, 2015, Rallye held 908,857 shares accounting for 1.86% of the capital, under the liquidity agreement with the French Association of Financial and Investment Firms (AMAFI, *Association française des marchés financiers*).

To the Company's knowledge, no other shareholder held more than 5% of the capital or voting rights as at December 31, 2015.

The following instances were declared in which shareholding thresholds were crossed in 2015:

Informant	Date threshold crossed	Manner in which threshold crossed	Number of shares declared	Number of voting rights declared	% of capital	% of VR
Amundi AM	05/19/2015	1% increase in share capital	554,361	554,361	1.13%	0.72%
Amundi AM	05/27/2015	1% decrease in share capital	468,064	468,064	0.96%	0.61%
Financière de L'Échiquier	06/01/2015	1% increase in share capital	893,000	893,000	1.83%	1.16%
Financière de L'Échiquier	06/08/2015	2% increase in share capital	993,000	993,000	2.04%	1.29%
Crédit Agricole SA	06/15/2015	5% increase in share capital	2,951,431	2,951,431	6.05%	3.85%
Crédit Agricole SA	07/15/2015	5% decrease in share capital	1,134,751	1,134,751	2.33%	1.48%
Citigroup Inc.	09/17/2015	1% increase in share capital	803,137	803,137	1.65%	1.06%
Financière de L'Échiquier	10/21/2015	3% increase in share capital	1,480,966	1,480,966	3.04%	1.95%
Financière de L'Échiquier	11/06/2015	2% increase in voting rights	1,535,000	1,535,000	3.15%	2.01%
Norges Bank	11/18/2015	1% decrease in share capital	479,167	479,167	0.98%	0.63%
Citigroup Inc.	12/03/2015	2% increase in share capital	1,165,266	1,165,266	2.39%	1.54%

TREASURY SHARES – AUTHORITY FOR THE COMPANY TO BUY BACK SHARES

To encourage transaction liquidity and price stability for Rallye shares, in June 2005, the Company entrusted Rothschild et Cie Banque with the implementation of a liquidity contract. This contract complies with the Ethics Charter created by the French Association of Financial Markets (AMAFI) approved by the AMF *via* a decision dated October 1, 2008. To implement this contact, the Company allocated 370,000 shares and €1.5 million to a liquidity account.

Additional cash contributions were made on January 30, 2008 (€5 million), on September 25, 2008 (€10 million), on September 28, 2015 (€11.5 million), partial reversals were made on June 26, 2006 (€10 million) and on October 5, 2006 (€15 million) as well as an additional contribution of €370,000 on May 3, 2006.

In 2015, 2,149,621 shares were bought and 1,659,014 were sold under the buyback program at an average price of €19.63 and €25.35, respectively. As at December 31, 2015, the following resources were allocated to the liquidity account: 908,857 shares and €15.1 million.

From January 1, 2016 to February 29, 2016, 328,643 shares were bought and 15,500 were sold under the buyback program at an average price of €12.909 and €15.051, respectively.

On May 18, 2016, the Shareholders' Meeting will be asked to renew the authority granted to the Board of Directors to purchase the Company's shares pursuant to Article L. 225-209 of the French Commercial Code, in order to:

- cover stock options plans granted to employees and to the employees of its affiliated companies pursuant to Articles L. 225-177 *et seq.* of the French Commercial Code, as well as any Company Savings Plan (PEE) or any shareholding plan;
- award bonus shares to its employees and the employees of its affiliated companies pursuant to Articles L. 225-197-1 *et seq.* of the French Commercial Code;
- ensure active trading of the Company's shares under the liquidity agreement signed with an investment services firm, in accordance with the Code of Conduct issued by the AMAFI and approved by the AMF;
- hold shares for delivery to holders of Company securities who exercise their right to receive shares through redemption, conversion, exchange, presentation of a warrant or any other instrument entitling them to receive existing shares;
- hold shares in reserve to use at a later date as a means of exchange or payment in mergers or acquisitions in accordance with the market practices authorized by the AMF;
- cancel shares, up to a maximum of 10% of share capital over a period of 24 months, as part of a capital reduction plan.

The maximum purchase price is set at €75 per share.

The Board of Directors, however, may adjust the aforesaid maximum purchase price if there is a change in the par value of the share, a capital increase through the capitalization of reserves and a bonus share allotment, a stock split or reverse split, an amortization or reduction of capital, a distribution of reserves or other assets, or any other operation on equity, in order to reflect the impact of such transactions on the value of the share.

The aforementioned shares may be acquired, sold, transferred or exchanged by any means and at any time, on the stock market or off-market, between trading parties or over the counter, including as blocks of shares or through the use of derivatives such as call options. The maximum share of capital that may be transferred in the form of blocks of shares may be as high as the entire amount of the repurchase program.

The shares may also be loaned, in accordance with the provisions of Articles L. 211-22 *et seq*. of the French Monetary and Financial Code.

Under the terms of the authorization, the Company may hold no more than 10% of its share capital as at December 31, 2015, *i.e.* 4,877,853 shares corresponding to a theoretical maximum investment of €365,838,975 calculated based on the maximum purchase price of €75 stipulated in the twenty-first resolution to be submitted for a vote at the Shareholders' Meeting on May 18, 2016. It is specified that when the Company's shares are purchased under a liquidity agreement, the number of those shares included in the calculation of the 10% threshold could equal the number of such shares purchased, minus the number of shares sold under the liquidity agreement during the period of the authorization.

This authority to purchase shares is given for a period that will expire at the General Shareholders' Meeting convened to approve the 2016 financial statements and management report, and no later than November 18, 2017.

In the event of a public offer relating to shares, bonds or other securities issued by the Company, the Company may only use this resolution to meet its share delivery commitments, notably under bonus share plans or strategic transactions started and announced before the launch of the public offer.

AUTHORIZED AND UNISSUED CAPITAL

To allow the Company to raise money on financial markets, if necessary, to pursue its development and strengthen its financial position, the Shareholders' Meeting on May 19, 2015 delegated certain authorities to the Board of Directors. All the authorities and delegations given to the Board of Directors which could result in the issuance of equity securities are as follows:

Type of issue	ESM	Duration of the authority	Expiration of the authority	Nominal amounts authorized[1]
Delegation of authority to increase the share capital through the capitalization of reserves, profits, premiums or other sums which may be capitalized	05/19/2015	26 months	07/19/2017	€66 million
Delegation of authority to issue shares or marketable securities conferring entitlement to the allocation of new or existing shares from any other company in which a direct or indirect equity investment is held, with maintenance of preemptive subscription rights for existing shareholders in the event of an issue of new shares[2]	05/19/2015	26 months	07/19/2017	€66 million[3] €1 billion[4] and [5]
Delegation of authority to issue shares or marketable securities conferring entitlement to the allocation of new or existing shares from any other company in which it directly or indirectly holds an equity investment, with waiver of preemptive subscription rights for existing shareholders in the event of an issue of new shares[2]	05/19/2015	26 months	07/19/2017	€15 million[3] €1 billion[4] and [5]
Delegation of authority to issue shares or securities giving the right to the allotment of new or existing shares or existing shares of any company in which the Company directly or indirectly holds an equity investment, with waiver of preemptive subscription rights for existing shareholders in the event of an issue of new shares, *via* an offer made to the persons defined in Article L. 411-2-II of the French Monetary and Financial Code	05/19/2015	26 months	07/19/2017	10% of the capital/year
Delegation of authority to issue securities giving rights to capital in the event of a public tender offer initiated by Rallye for the securities of another traded companies, with cancellation of the preemptive subscription right	05/19/2015	26 months	04/19/2017	€15 million[3] €1 billion[4] and [5]
Delegation of powers to issue shares or securities giving rights to capital in order to remunerate in-kind contributions made to the Company consisting of capital stock or equity securities	05/19/2015	26 months	07/19/2017	10% of the capital
Allotment of stock options for new or existing shares to employees of the Company and employees and officers of the companies or groups defined in Article L. 225-180 of the French Commercial Code	05/19/2015	26 months	07/19/2017	1% of the total number of shares at the time of the allotment
Bonus allotments of new or existing shares to employees of the Company, or to certain categories of employees or of economic interest groups related to the Company under the conditions stipulated in Article L. 225-197-2 of the French Commercial Code	05/19/2015	26 months	07/19/2017	1% of the total number of the Company's shares at the time of the allotment
Capital increase for employees participating in a company savings plan (PEE) of the Company or of its affiliated companies	05/19/2015	26 months	07/19/2017	1% of the total number of the Company's shares at the time of the issue

(1) Amounts authorized equal to residual amounts in the absence of utilization.
(2) The Board of Directors may increase the number of securities to be issued up to a maximum of 15% of the initial issues, at the same price as said issues.
(3) For issues of securities giving rights to capital.
(4) For the loan.
(5) For debt securities.

None of the authorizations granted have been used, with the exception of those pertaining to the allocation of bonus shares. At its meeting on December 15, 2015, the Board of Directors awarded 133,071 bonus shares (cf. section "Securities giving rights to capital" below).

With no authorization expiring, none of the authorizations given by the Shareholders' Meeting on May 19, 2015 will be renewed except for the one relating to the allocation of bonus shares.

At its meeting on May 19, 2015, the Shareholders' Meeting authorized the Board of Directors to grant bonus shares to employees of the Company and its affiliates for a twenty-six month period starting from the Meeting until July 11, 2017. Law No. 2015-990 for growth, business and equal economic opportunity (the "Macron Act") has just changed the legal, tax and employment regime for shares. However, this new regime only applies to allocations authorized by an Extraordinary Shareholders' Meeting taking place after August 7, 2015. As a result, a new resolution has been submitted to the Shareholders' Meeting at its meeting on May 18, 2016 to authorize the Board of Directors to grant bonus shares of the Company to employees of the Company and of its affiliates.

The Board of Directors is also authorized to reduce share capital by canceling treasury shares held, up to a limit of 10% of the share capital on the date of the cancellation, for each 24-month period.

SECURITIES ENTITLING ACCESS TO CAPITAL

As part of the Group's employee promotion and merit policy, Rallye grants stock options and/or bonus shares to its employees.

Pursuant to Articles L. 225-180 and L. 225-197-2 of the French Commercial Code, as authorized by the Shareholders' Meeting, shares are also awarded to employees of the parent companies, Euris and Foncière Euris. These companies belong to the same Group, and in particular, participate in consultation assignments on strategic and development issues, and provide legal and administrative assistance to Rallye.

Stock Options

The Extraordinary Shareholders' Meeting on May 19, 2010 authorized the Board of Directors to award stock options to Rallye employees and the employees of affiliated companies.

As at December 31, 2015, there were 70,719 options outstanding conferring entitlement to subscribe to 70,719 shares under the following stock option plan:

Grant date	Date after which stock options may be exercised	Expiration date	Initial number of beneficiaries	Subscription price[1]	Number of stock options granted		Number of stock options exercised as at 12/31/2015	Number of stock options[2] not exercised at 12/31/2015
					To corporate officers	To the top 10 employee recipients		
09/06/2010	03/05/2013	03/05/2016	12	26.44	42,263	37,439	**40,030**	**70,719**

(1) Stock options are granted based on the undiscounted market price.
(2) This is the number of stock options initially awarded minus stock options canceled and exercised (17,076 options were exercised in 2015).

Bonus shares

The Extraordinary Shareholders' Meetings of May 14, 2013 and May 19, 2015 authorized the Board of Directors to allot bonus shares to Rallye employees and employees of affiliated companies.

As at December 31, 2015, there were 260,109 unvested bonus shares relating to the following plans:

Grant date	Vesting date of bonus shares granted	Date from which the acquired shares can be sold	Initial number of beneficiaries	Number of shares granted		Total number of shares granted as at Dec. 31, 2015[2]
				To corporate officers	To the top 10 employee recipients	
12/17/2013	12/17/2016[1]	12/17/2018	29	12,630	24,192	**69,963**
07/29/2014	7/29/2017[1]	7/29/2019	31	9,788	18,362	**56,445**
12/15/2015	12/15/2018[1]	12/15/2020	33	21,751	38,193	**133,701**

(1) Vesting of 100% of the bonus shares granted provided the beneficiary continues to be employed by the Group on the share vesting date, and subject to two performance criteria: 50% depends on coverage of financial expenses by EBITDA and 50% depends on the level of cost of debt.
(2) This corresponds to the original number of shares granted, less rights canceled due to the departure of beneficiaries (1,042 rights were canceled in 2015).

POTENTIAL CAPITAL AS AT FEBRUARY 29, 2016

The potential capital as at February 29, 2016 breaks down as follows:

Number of shares at February 29, 2016:	48,778,526
Exercise of stock options	70,719
Bonus shares to be issued	260,109
Number of potential shares	49,109,354

The maximum dilutive effect amounted to 0.7% for a shareholder who holds 1% of the capital as at February 29, 2016.

CHANGE IN CAPITAL OVER THE PAST FIVE YEARS

Date	Change in capital	Changes			New capital *(in €)*	Total number of shares
		Number of shares	Capital *(in €)*	Share premium *(in €)*		
2011	Payment of the 2010 dividend balance in shares	1,321,416	3,964,248.00	35,162,879.76		
	Payment of the 2011 interim dividend in shares	793,939	2,381,817.00	14,108,296.03		
	Exercise of options	50,802	152,406.00	571,014.48		
12/31/2011					**139,398,480.00**	**46,466,160**
2012	Payment of the 2011 dividend balance in shares	774,497	2,323,491.00	14,304,959.59		
	Payment of the 2012 interim dividend in shares	1,501,723	4,505,169.00	27,286,306.91		
	Cancellation of shares	(74,505)	(223,515.00)	(854,378.39)		
	Exercise of options	23,703	71,109.00	266,421.72		
12/31/2012					**146,074,734.00**	**48,691,578**
2013	Cancellation of shares	(50,976)	(152,928.00)	(480,782.13)		
	Exercise of options	100,372	301,116.00	1,128,181.28		
12/31/2013					**146,222,922.00**	**48,740,974**
2014	Cancellation of shares	(106,883)	(320,649.00)	(1,107,963.25)		
	Exercise of options	87,857	263,571.00	1,391,631.48		
12/31/2014					**146,165,844.00**	**48,721,948**
2015	Exercise of options	17,076	51,228.00	400,261.44		
	Creation of shares (Bonus share issue)	39,502	118,506.00	(118,506.00)		
12/31/2015					**146,335,578.00**	**48,778,526**
02/29/2016					**146,335,578.00**	**48,778,526**

DISTRIBUTION OF CAPITAL AND VOTING RIGHTS

Amount of Capital

- Share capital as at December 31, 2015 and February 29, 2016: €146,335,578.
- Number of shares as at December 31, 2015 and February 29, 2016: 48,778,526 shares.

The shares have a par value of €3, are paid in full and belong to the same category.

Shareholders may choose to register their shares or carry them in bearer form, subject to applicable legal or regulatory provisions.

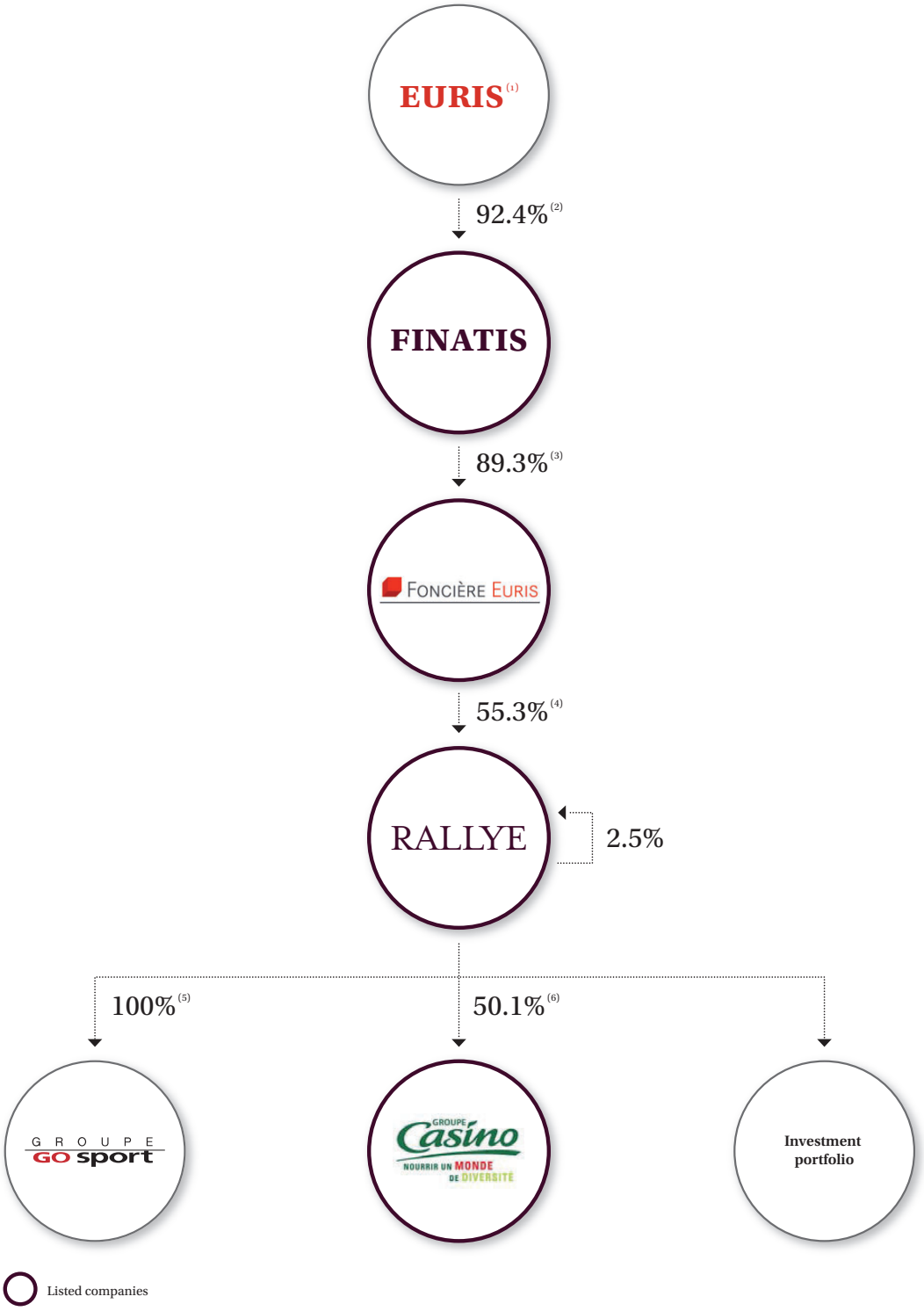
The Company keeps track of its shareholders, in compliance with applicable legislation.

The shares are freely negotiable, except as otherwise stipulated by law or regulations.

Double voting rights are granted to shares that have been held as registered shares by the same person for over two years. As at February 29, 2016, a double voting right had been granted to 27,919,645 shares, and the total number of voting rights was 75,464,171 for 48,778,526 shares.

GROUP ORGANIZATIONAL CHART AS AT FEBRUARY 29, 2016

Rallye is controlled, directly and indirectly by Euris. The organizational chart below shows, on February 29, 2016, the Company's position within the Group:



(1) Euris is controlled by Jean-Charles Naouri.
(2) 92.4% of voting rights based on theoretical voting rights.
(3) 89.3% of voting rights based on theoretical voting rights.
(4) 70.40% of voting rights based on theoretical voting rights.
(5) 100% of voting rights based on voting rights.
(6) 61.5% of theoretical voting rights. 50.1%, including derivatives that can be unwound in shares accounting for 0.7% of the share capital.

The Rallye Group's current structure results from restructuring operations undertaken in 1992 and 1993, which included:

- the contribution of all the hypermarket, supermarket and cafeteria business lines to the Casino Group;
- the consolidation of the parent companies Rallye SA and Coficam and of SMPO and Record Carburants *via* mergers. After these transactions, the acquiring company, Genty-Cathiard, changed its name to Rallye;
- a transfer of property assets by Foncière Euris.

This structure was completed by the public exchange offer for Casino shares, initiated in September 1997 and by the merger-absorption of GO Sport by Courir, now known as Groupe GO Sport, on December 27, 2000.

CHANGE IN THE DISTRIBUTION OF CAPITAL AND VOTING RIGHTS OVER THE LAST THREE YEARS

The distribution of capital and voting rights has changed over the last three years as follows:

Shareholders	12/31/2015				12/31/2014				12/31/2013			
	Number of shares	% of capital	% of voting rights that can be exercised at the Share-holders Meeting(1)	% of theoretical voting rights(1)	Number of shares	% of capital	% of voting rights that can be exercised at the Share-holders Meeting(1)	% of theoretical voting rights(1)	Number of shares	% of capital	% of voting rights that can be exercised at the Share-holders Meeting(1)	% of theoretical voting rights(1)
Foncière Euris	**26,996,291**	**55.34%**	**71.25%**	**70.40%**	26,996,291	55.41%	71.10%	70.57%	26,996,291	55.39%	70.41%	70.06%
Treasury stock	**908,857**	**1.86%**	**-**	**1.18%**	554,631	1.14%	-	0.72%	380,170	0.78%	-	0.51%
Control	**12,000**	**0.02%**	**-**	**0.02%**	12,000	0.02%	-	0.02%	-	-	-	-
Other shareholders	**20,861,378**	**42.77%**	**28.75%**	**28.40%**	21,159,026	43.43%	28.90%	28.68%	21,364,513	43.83%	29.59%	29.44%
TOTAL	**48,778,526**	**100.00%**	**100.00%**	**100.00%**	**48,721,948**	**100.00%**	**100.00%**	**100.00%**	**48,740,974**	**100.00%**	**100.00%**	**100.00%**

(1) The number of voting rights that can be exercised at the Shareholders' Meeting is determined differently from the number of voting rights published under regulations on crossing thresholds (theoretical voting rights). In fact, each month, for the publication, from the total number of voting rights and the number of shares making up the share capital, the total number of voting rights is calculated on the basis of all of the shares to which voting rights may potentially be attached, including shares without voting rights (treasury shares), in accordance with Article 223-11 of the AMF's General Regulations.

The distribution of capital and voting rights as at February 29, 2016 is as follows:

Shareholders	Shares	% capital	Voting rights that can be exercised at the Shareholders' Meeting	% of voting rights that can be exercised at the Shareholders' Meeting	Theoretical voting rights	% theoretical voting rights
Foncière Euris	26,996,291	55.34%	53,992,582	71.55%	53,992,582	70.40%
Other companies of Euris Group	1,275	0.00%	2,217	-	2,217	-
Other members of the Board of Directors	210,111	0.43%	310,289	0.41%	310,289	0.40%
Sub-total	**27,207,677**	**55.79%**	**54,305,088**	**71.96%**	**54,305,088**	**70.80%**
Treasury stock	1,222,000	2.51%	-	-	1,222,000	1.59%
Control	12,000	0.02%	-	-	12,000	0.02%
Other shareholders(1)	20,336,849	41.69%	21,159,083	28.04%	21,159,083	27.59%
- of which registered shares:	*1,347,176*	*2.76%*	*2,169,410*	*2.87%*	*2,169,410*	*2.83%*
- of which bearer shares:	*18,989,673*	*38.93%*	*18,989,673*	*25.16%*	*18,989,673*	*24.76%*
TOTAL	**48,778,526**	**100.00%**	**75,464,171**	**100.00%**	**76,698,171**	**100.00%**

(1) To the Company's knowledge, none of the "Other shareholders" holds more than 5% of the share capital or voting rights either directly or indirectly, or in concert.

Pledged securities

In the context of the credit facilities it has established, Foncière Euris pledges Rallye shares based on the amount of the facilities or current draws, as applicable. As at December 31, 2015, 16,641,869 Rallye shares held by Foncière Euris were pledged, accounting for 34.1% of Rallye's capital.

Shareholders' agreement and shares held in concert

To the Company's knowledge, there are no shareholders' agreements or persons or group of persons exercising, or who could exercise control over the Company other than Foncière Euris.

Material agreements

In the last three years and at the date of this Registration Document, the Group has not entered into any major contracts, other than those that are part of its normal course of business, which might create a significant obligation or commitment for the Group as a whole.

Off-balance sheet commitments are explained in Notes 3.4.2, 6.10, 7.3 and 7.6 of the notes to the consolidated financial statements.

Related-party transactions

Rallye has entered into a consulting and advisory agreement with Euris for strategic support.

Under the agreement, Euris draws on its structures and resources to provide Rallye with continuous support in determining strategy as well as in managing and developing its business. It also provides technical assistance on legal and administrative matters when appropriate, and depending on the Group's needs.

No loans or guarantees have been set up or granted by the Company to Members of the Board of Directors, who are individuals.

Corporate officers or members of their family own none of the assets required for operations.

Information on related-party transactions is provided in Note 14 to the consolidated financial statements.

Pursuant to the provisions of Article 223-22 of the AMF's General Regulations governing transactions in Rallye shares conducted by corporate officers or related persons, shareholders are notified of the following:

Informant	Financial instrument	Date	Type of transaction	Average weighted price	Amount
Didier LÉVÊQUE[1]	Shares	03/13/2015	Sale	€36.2046	€36,204.60
	Shares	03/13/2015	Exercise of stock options	€26.44	€79,320.00
	Shares	03/13/2015	Sale	€36.1199	€108,359.70
	Shares	03/13/2015	Exercise of stock options	€26.44	€79,320.00
	Shares	03/16/2015	Sale	€36.05	€108,150.00
	Shares	03/16/2015	Exercise of stock options	€26.44	€79,320.00
	Shares	03/17/2015	Sale	€36.05	€108,150.00
	Shares	10/15/2015	Sale	€18.7983	€30,077.28
	Shares	10/15/2015	Sale	€18.65	€19,582.50
	Shares	10/15/2015	Sale	€18.6521	€49,428.065
	Shares	10/15/2015	Sale	€18.65	€29,840.00
	Shares	10/15/2015	Sale	€18.5577	€35,203.957
	Shares	10/15/2015	Acquisition	€18.94	€19,887.00
	Shares	10/15/2015	Acquisition	€18.6	€4,501.20
	Shares	10/15/2015	Acquisition	€18.705	€49,568.25
	Shares	10/15/2015	Acquisition	€18.68	€29,888.00
	Shares	10/15/2015	Acquisition	€18.60	€35,284.20
	Shares	10/15/2015	Acquisition	€18.77	€30,032.00
	Shares	11/03/2015	Sale	€17.30	€18,165.00
	Shares	11/03/2015	Acquisition	€17.30	€13,978.00
	Shares	11/04/2015	Sale	€18.04	€11,726.00
	Shares	11/04/2015	Acquisition	€18.04	€7,216.00
	Shares	11/04/2015	Acquisition	€18.04	€4,510.00
	Shares	11/10/2015	Sale	€17.61	€29,937.00
	Shares	11/10/2015	Acquisition	€17.61	€29,937.00
Gabriel NAOURI[2]	Shares	09/15/2015	Acquisition	€17.45	€300,000.40
	Shares	09/18/2015	Acquisition	€16.80	€84,000.00
	Shares	11/12/2015	Acquisition	€16.5768	€99,460.80
	Shares	11/13/2015	Acquisition	€15.75	€87,491.25

(1) Permanent representative of Foncière Euris, Director.
(2) Permanent representative of Euris, Director.

Declarations of the above share transactions have been posted online on the AMF's website.

To the Company's knowledge, no other corporate officer traded company shares in 2015.

STOCK OPTIONS AND BONUS SHARES

The stock option plans and bonus share plans currently valid for Rallye employees and employees of affiliated companies are as follows:

Meeting Date	EGM of 05/19/2010	ESM of 5/14/2013	ESM of 05/14/2013	ESM of 05/19/2015	Total
Date of Board meeting	09/06/2010	12/17/2013	07/29/2014	12/15/2015	
Type of plan (Stock option/Bonus shares)	Stock option	Bonus shares	Bonus shares	Bonus shares	
Initial number of beneficiaries	12	29	31	33	
Total number of options/shares initially awarded	**124,485**	**69,963**	**57,487**	**133,701**	**385,636**
Total number of stock options/shares awarded to corporate officers	*42,263*	*12,630*	*9,788*	*21,751*	*86,432*
Total number of stock options/shares awarded to top ten employees	*37,439*	*24,192*	*18,362*	*40,797*	*120,790*
Start date for option exercise period	03/06/2013	N/A	N/A	N/A	
Expiration date of options/shares	03/05/2016	12/17/2016	07/29/2017	12/15/2018	
Exercise price, in euros	26.44	N/A	N/A	N/A	
Number of options exercised at Monday, February 29, 2016	**40,030**	**-**	**-**	**-**	**40,030**
of which since January 1, 2015	*17,076*	-	-	-	*17,076*
Stock options/shares canceled as at February 29, 2016(1)	**13,736**	**2,016**	**2,605**	**0**	**18,357**
of which since January 1, 2015	-	*2,016*	*1,563*		*4,081*
Stock options/shares remaining as at February 29, 2016	**70,719**	**67,947**	**54,882**	**133,701**	**327,249**
Residual number of shares that may be vested or subscribed as at February 29, 2016	**70,719**	**67,947**	**54,882**	**133,701**	**327,249**

(1) Following the departure of beneficiaries.

STOCK OPTIONS AND BONUS SHARES GRANTED TO TEN OF THE ISSUER'S EMPLOYEES WITH THE LARGEST NUMBER OF OPTIONS AWARDED DURING THE YEAR BY THE ISSUER AND ANY GROUP COMPANY

Granting company	Grant date	Expiration date	Type	Number of options granted	Numbers of corresponding shares	Exercise price *(in €)*
Rallye	12/15/2015	12/15/2018	Bonus shares	40,797	40,797	N/A

STOCK OPTIONS HELD ON THE ISSUER OR ON ANY GROUP COMPANY EXERCISED DURING THE YEAR BY THE TEN EMPLOYEES WITH THE HIGHEST NUMBER OF STOCK OPTIONS EXERCISED

Granting company	Grant date	Expiration date	Number of stock options exercised	Numbers of corresponding shares	Exercise price *(in €)*
Rallye	09/06/2010	03/05/2016	6,076	6,076	26.44

INVESTMENT POLICY

Rallye's investment portfolio is discussed on page 17 of the management report.

Annual investment by operating subsidiaries for the past two years was as follows:

(in € millions)	2015	2014
Casino	**1,488**	1,529
Other	**18**	17
TOTAL	**1,506**	**1,546**

Investments by operating companies are detailed in the "Business Overview" section of the Management Report. For more information about Casino Group's strategy, please refer to its Registration Document.

Risk factors and insurance

Risk management is an integral part of the operational and strategic management of the Group. Like every company, it is necessarily exposed to risks which, if they occur, could have a negative impact on its business activities, financial position and assets. This section presents the major risks to which the Group considers itself exposed: those specific to Rallye's holding business, risks specific to its majority stake in Casino Group in addition to legal risks, which are presented in detail in the Casino Registration Document.

Given these risks, Rallye has implemented an Internal Control process to prevent and control them. Internal control and risk management procedures are described in the Chairman's report as stipulated by Article L. 225-37 of the French Commercial Code (see page 53 of this Registration Document).

However, a complete absence of risk cannot be guaranteed. Moreover, other risks of which the Group is presently unaware of, or does not consider to be significant on the date of this report, could have a negative impact.

Risks to which the Group considers that it is exposed:

- risks related to Rallye's holding activity;
- risks specific to its majority stake in Casino Group;
- legal risks.

RISKS RELATED TO RALLYE'S HOLDING ACTIVITY

Market risks

Market risks are independently managed by Casino Group and by Rallye as the parent company.

Within each of these entities, cash, currency and interest rate risks are managed centrally, under the responsibility of the finance department, which has the necessary tools and expertise and reports to senior management.

These risks, as well as the tools used to manage them, are described in further detail in Note 11.6 "Financial risk management policies and objectives" to the consolidated financial statements closed on December 31, 2015.

In addition, certain credit documents include clauses giving lenders the option to demand immediate repayment of the outstanding amounts due and, where appropriate, the cancellation of the credit commitments made to the Company, in the event of a change of control over Rallye.

Liquidity risk

At any time, the Rallye Group must have the financial resources necessary for its current operations. Liquidity risk is managed through constant monitoring and optimization of financing duration and conditions, the permanence of available credit lines, and the diversification of resources, both at the level of the holding company and the operating subsidiaries.

| Casino

Casino Group's approach to managing liquidity risk is to ensure that it will always have sufficient liquidity to honor its liabilities when due, under normal market conditions or in a deteriorated environment, by adhering to a permanent strategy of anticipation.

The majority of the Group's debt is held by Casino, Guichard-Perrachon. Resources are managed by the Corporate Finance department. The Group's main subsidiaries (GPA, Big C Thailand, Monoprix, Éxito) also have their own financial resources.

The Group's bank loans and bonds contain the standard commitment and default clauses found in such contracts: maintaining the loan at the same level ("pari passu"), limiting the securities allocated to other lenders (negative pledge) and cross-default.

In the event that Casino's majority shareholder changes, the Casino, Guichard-Perrachon line of credit contracts include an obligatory early redemption clause.

Furthermore, bonds issued by Casino, Guichard-Perrachon carry an early redemption clause at the discretion of investors in the event that Casino, Guichard-Perrachon's senior long-term debt rating is downgraded to "non-investment grade," but only if this downgrade is the result of a change in the Company's majority shareholder.

As at December 31, 2015, the Casino Group's liquidity appeared to be highly satisfactory: cash, cash equivalents and confirmed and undrawn credit lines were sufficient to cover any financial liability repayments due in the short term and seasonal changes in Working Capital Requirement.

More details on Casino's liquidity position are available in the 2015 Casino Group Registration Document, in Note 11.6.4 to the consolidated financial statements.

| Rallye

Rallye's holding consolidated scope had a net financial debt of €2,698 million as at December 31, 2015, composed primarily of €1,864 million in bond debt and €570 million in non-bond debt, subject to recurring financing needs.

Rallye regularly refinances it maturities and searches for new liquidity sources for the Group. In this context, Rallye has nearly €1.5 billion in undrawn, confirmed and immediately available credit lines contracted with twenty different banks in order to reduce counterparty risk. Rallye also has an EMTN program capped at €4 billion, with €1,100 million used as at December 31, 2015. Lastly, since October 2013, the holding company has a commercial paper program for a maximum amount of €750 million, with €268 million used at the end of 2015, which offers an additional source of short-term liquidity for Rallye.

Liquidity risk is also covered by the financial assets owned by the Rallye holding scope, including the Casino shares and the investment portfolio, the market value of which covers most of the net financial debt as at December 31, 2015. More details on the Group's financial structure are provided on page 138 of this Registration Document.

Rallye is also subject to covenants for its bank debt. There are two types of such covenants: the first is the ratio of consolidated EBITDA to the cost of the consolidated net financial debt, which must be higher than 2.75; and the second is for Rallye SA's corporate shareholders' equity, which must be higher than €1.2 billion. As at December 31, 2015, both covenants were met at 3.44 and €1.72 billion, respectively.

Liquidity risk is carefully managed within the entire Rallye Group, both at the holding company level and the main subsidiary level, which gives the Group a very solid liquidity position that enables it to approach its financial maturities serenely. More information on the Group's liquidity management can be found in Note 11.6 to the consolidated financial statements.

Interest rate risk

| Casino

Detailed information on this risk can be found in Note 11.6 to the Casino Group's consolidated financial statements. To manage its exposure to the risk of fluctuating interest rates, Casino Group uses various derivative instruments, including interest rate swaps, in particular. Although they are not systematically recognized as hedge instruments, all interest rate instruments are subscribed under the interest rate risk management policy, with the Group's strategy being based on proactive debt management. This entails monitoring its hedge ratio in line with interest rate trend forecasts and adjusting it if necessary, with the goal of managing its exposure to interest rate fluctuation risks and optimizing its financing cost.

Sensitivity to interest rate risk is analyzed in Note 11.6 to the Casino Group's consolidated financial statements.

| Rallye

Due to the nature of its financial liabilities, the Rallye Group is exposed to interest rate risk. The Group's policy is to protect itself against rate fluctuations and optimize its financing costs by establishing a mix of fixed rate and variable rate debts. In this context, the Group has concluded a number of swaps, under the terms of which Rallye has made a commitment to exchange the difference between the fixed rate and floating rate at specific dates, based on a given notional.

Depending on anticipated changes in debt (new debt or repayment), and expected changes in interest rates, the Group sets targets for the distribution of fixed rates/floating rates. As at the end of December 2015, the distribution of fixed rate and floating rate debt was 53% for fixed rate debt and 47% for floating rate debt.

Foreign exchange risk

Rallye is indirectly exposed to foreign exchange risk through its majority stake in Casino Group.

Since it has operations in diverse geographical locations, the Casino Group is exposed to currency translation risk. This means that its balance sheet and income statement, and consequently its financial structure ratios, are sensitive to changes in exchange rate parities when consolidating the financial statements of its non-eurozone foreign subsidiaries. The Casino Group is also exposed to trading risk for non-euro transactions. Casino Group's operating foreign exchange risk policy seeks to hedge highly probable budget exposures, linked primarily to monetary flows resulting from purchases in a currency other than its operating currency, such as goods purchased in US dollars hedged by forward purchases and foreign exchange currency swaps. Sensitivity analysis of net exposure to foreign exchange risk after hedging is presented in Note 11.6.2 to the consolidated financial statements.

Risks related to investment valuation

Rallye holds a portfolio of financial and real estate investments that are currently being sold. The assets in the portfolio are valued using a defined process that reduces the risks of this valuation. Real estate programs are not revalued before they are sold, pursuant to IAS 16. They are therefore recognized at historic cost.

The private equity portfolio is recognized under the mark-to-market method: its valuation is based on the latest valuations received from General Partners as part of a strict review process of the portfolio's assets.

Rallye monitors both the geographic and sector diversification of the portfolio in order to optimize its sale depending on changes in the macroeconomic climate. The diversification of financial investments is not limited to geography and sector, but also includes the type of investment, partner and scale, generating a strong spreading of risks which is further enhanced by the large number of investments and their small size.

More details on the composition of the investment portfolio can be found on page 16 of this Registration Document.

RISKS SPECIFIC TO ITS MAJORITY STAKE IN CASINO GROUP

As a majority shareholder of the Casino Group, Rallye is indirectly exposed to specific risks incurred by Casino.

The main risks likely to impact the monetization of the investments in question, are described below.

Risks linked to competition and to the economic environment

As the controlling holding company of an operational company with predominant operations mainly in the food retail sector, Rallye is unrivaled and has no peer. Casino's positions are presented in detail in its 2015 Registration Document.

Casino Group is present on the highly competitive markets of in-store shopping and e-commerce. Competition is particularly ferocious in France, which is a mature market. Internationally, the Group, a leader in most of its markets, competes with international and local operators trying to strengthen their positions. As a result, the Casino Group may have to lower its prices to defend its market share, which could have a negative impact on the Group's earnings. The competitive environment and changes in trends are monitored and taken into account at the level of each country and banner, primarily by managing price grids and promotional and loyalty programs as well as by identifying and carrying out growth or arbitrage transactions.

Furthermore, unfavorable economic conditions may affect the operations and financial performance of the Casino Group. Indeed, an economic downturn on one or several markets or all of its markets could have a negative impact on the financial position, earnings or capacity to implement strategic decisions.

Risks related to product quality, compliance and safety

Guaranteeing product safety and compliance with health and safety standards in stores is a major challenge that could seriously impact the Group's reputation and financial performance and, potentially incur its liability.

A comprehensive system guarantees the sale of safe, healthy and quality products from the drawing up of specifications through to store operations. The Group Quality department coordinates regular exchanges with the Quality departments of the different entities which are individually responsible for guaranteeing the quality standards of own-brand products and ensuring consumer safety for all products sold.

Store network risk

The Casino Group stores operate through affiliated networks and/or franchises in France and internationally. Accordingly, the Group is particularly exposed, first to an image risk in case the practices of franchise holders are not compliant with regulations, standards or values of the Group and secondly, to a risk of payment default. Each of the networks establishes and maintains ongoing relationships with its franchisees/affiliates, with regular dialogue and support for sales advisors.

Risks linked to brands and chains

The Casino Group owns almost all of its brands and is not particularly dependent on patents or licenses, with the exception of the "Spar" brand, for which it holds an operating license in France that was renewed for ten years in 2009. In addition, the Group implements a preventive protection policy for all the brands it operates or distributes, and believes that the risks of a violation of regulations in respect of the brands should not materially affect the Group's business and/or results.

Risks related to suppliers

The Casino Group is not particularly dependent on industrial and commercial supply contracts. The Group may have to source from suppliers located in countries that may present risks in terms of non-compliance with manufacturing labor laws and non-compliance with the values stated in the Universal Declaration of Human Rights and the ILO Declaration on fundamental principles and rights at work. As a signatory of the United Nations Global Compact since 2009, the Group reaffirms its values and takes actions to promote compliance with human rights throughout its international subsidiaries and its suppliers.

Logistics risks

Casino Group's various activities, both in-store shopping and e-commerce, are backed by logistical structures tailored to ensure smooth supplies to all outlets, including integrated and franchised stores, or smooth delivery to e-commerce customers. Changes in the Group's logistics structures or the malfunction of one or several of them can lead to a temporary or prolonged disruption of its business operations and negatively impact its image and financial earnings. The logistical organization is defined locally (at country level) rather than internationally and may differ depending on the activity.

IT systems and data protection risks

The day-to-day management of Casino Group's operations, which include, in particular, purchases, supplies, distribution, online sales, invoicing operations, reporting and consolidation as well as exchanges and access to internal information, relies on the smooth operation of all technical infrastructures and IT applications. Casino Group considers that protecting and ensuring the continuity of its IT systems' operating capacity is highly important. The Group does this by using a variety of information systems, both directly and indirectly (servers, networks, applications, websites, databases), which are critical to carrying out its operations smoothly.

Other operating risks

Risks related to fraud, corruption and theft

Fraud, corruption and theft are risks that may impact the Group's earnings and image. The internal control process implemented by the Casino Group's various entities aim at limiting the occurrence of these risks. The Casino Group wishes to perform its operations ethically and has accordingly implemented a framework, tools and control bodies tailored to its businesses and corporate culture. The anti-corruption policies and ethical whistle-blowing systems rolled out by the Group are presented in the section on "Corporate Social Responsibility" of Casino's Registration Document.

Geographical risk

A portion of Casino Group's business is exposed to risks and uncertainties resulting from commercial operations conducted in countries that could experience, or have recently experienced a period of economic or political instability, especially in Latin America and Asia. The occurrence of such risks may influence business operations with, potentially, an impact on the Group's financial position and on the valuation of its underlying assets, especially goodwill. The Group develops action plans and implements measures designed to reduce the effects of these risks and ensure business continuity.

Human Resources Risks

The expertise, motivation, quality and commitment of Casino Group's employees play an important role in developing the Group's business. If the Group does not succeed in identifying, attracting, retaining and training skilled employees, notably in emerging countries and/or in the Group's major markets, its business development and results could be impacted. The Group is thus developing a motivating and involved professional environment and encouraging commitment to its values.

Risks related to natural disasters

The Casino Group may be exposed to natural disasters in countries where it is established, with direct or indirect impacts on its activities, assets and its employees, and potential consequences on the Group's financial position. The Casino Group develops action plans and implements measures designed to reduce the effects of these risks and ensure business continuity.

Industrial and environmental risk

The Casino Group's commitment to sustainable development has been in place since 2002 with the creation of a dedicated unit. Given the internationalization of its operations, the Group joined the United Nations Global Compact in 2009. To develop its Corporate Social Responsibility (CSR) progress initiative with its French and international subsidiaries, a Group CSR department was created in 2010 with the specific objectives of accelerating the implementation of CSR commitments in its subsidiaries. The analysis and management of environmental risks are described in the section on "Social and Environmental Data" in Casino's Registration Document.

LEGAL RISKS

Regulatory risks

Given the nature of its businesses and international presence, the Casino Group is required to comply with various regulations especially in terms of labor law, competition law, consumer law, urban planning law, stock market law, health law and environmental law. Changes to these laws, especially through more stringent legal provisions may have an impact on the Group's activities and earnings. For example, in France and internationally, the Casino Group must comply with all laws and regulations governing the operation of establishments open to the public, especially with respect to hygiene and safety and classified establishments (service stations). The same applies to product compliance and safety.

In addition, new stores and store expansions may be subject to administrative permit procedures. Moreover, in the different countries where Casino Group operates, expanding its operations through acquisitions may be subject to control by the competition authorities in certain countries, which may lead to the sale of certain retail outlets. Some of the Group's operations are subject to special regulations for which the legal structures and processes required at the appropriate levels have been implemented to ensure compliance with said regulations.

Tax and customs risks

Through its geographic spread, Casino Group is subject to the regulations in force in the various countries in which it operates, which apply to the business sectors of its various entities. The Group's Tax department and the tax departments of its different entities are in charge of identifying, curbing, tracking and controlling tax risk.

Disputes

As part of its normal operations, the Casino Group is involved in various legal, arbitration or administrative proceedings, and is subject to various government and regulatory inspections on a regular basis. Provisions are recorded for these proceedings if there is a legal, contractual or constructive obligation to a third party as at the closing date, if it is likely that an outflow of resources without compensation will be required to settle the obligation, and if a sufficiently reliable estimate can be made of the amount of the obligation.

Information on disputes is provided in Note 13 to Casino Group's consolidated financial statements at 31 December 2015.

As at the filing date of this Registration Document, there were no legal, arbitration or government proceedings, including any proceedings of which the Company is aware, either unresolved or pending, that is likely to have, or has in the past 12 months, had a significant effect on the Company and/or Group's financial position or profitability, other than those mentioned below.

- As regards Geimex, a company owned on a 50/50 basis by the Casino Group and the Baud family that owns the international rights to the Leader Price brand, the disputes between the two shareholders mainly concern Casino's disposal of Leader Price Polska in 2006 and the Baud family's Swiss activities. Commercial and criminal litigation between the parties is still pending.
- As regards Globex Utilidades SA, it should be noted that, in June 2009, GPA acquired the controlling block, through one of its subsidiaries, in Globex Utilidades SA, a leading company in the retail of electronic products and household appliances under the "Ponto Frio" banner. The former majority shareholder (Morzan Empreendimentos) considering that GPA, jointly with its controlling shareholders, including GPA's majority shareholder Wilkes, but also Casino, Guichard-Perrachon and three of its other sub-holding companies, had failed to comply with the contractual terms regarding payment of a portion of the purchase price in GPA shares and launched an arbitration proceeding before the International Chamber of Commerce *via* a statement of claim dated May 30, 2012. Morzan Empreendimentos is seeking damages of approximately BRL 160 million.

  In any event, both GPA and its controlling shareholders considered that the request is unfounded. Furthermore, with the exception of GPA and Wilkes, which are parties to the share disposal agreement, none of the other parties named as defendants are bound by the provisions of said agreement. This was confirmed by the arbitration tribunal on July 9, 2013.

  The Morzan Empreendimentos claim did not result in a provision being created.

  Contrary to all expectations, including the defendants' legal analyses in particular, the arbitration court upheld Morzan Empreendimentos' demand in a sentence rendered on August 14, 2015 and declared CBD and Wilkes jointly and severally liable to pay it the sum of 212 million reals plus interest until the payment is made in full.

  On November 17, 2015, CBD and Wilkes lodged an appeal for annulment before the Paris Court of Appeal. A decision is not expected until 2017.

  Since the appeal for annulment does not have a suspensive effect, the sentence handed down on August 14, 2015 will be executed during the first quarter of 2016.
- On December 17, 2015, the company Muddy Waters exhibited questionable behavior and disseminated a report containing grossly untrue allegations about Casino Group and its holding company, Rallye, right in the middle of a trading session, leading to a substantial and brutal plunge of its stock price. The Companies contacted the French Financial Markets Authority (AMF) to take disciplinary sanctions and prevent such actions from occurring again.
- Three class action lawsuits were filed by individual shareholders in the United States on January 15, 20 and 22, 2016 against Cnova N.V., certain executives and directors (former and current) and financial guarantors during its IPO on the NASDAQ in November 2014. The plaintiffs allege that certain provisions of US securities laws were violated, and particularly financial information presented in the prospectus created during the IPO. Two lawsuits were filed with the Southern New York District Federal Court, and the third was filed with the New York State Supreme Court. At this stage, the U.S. courts have not expressed an opinion on the merits of these class action lawsuits, and the plaintiffs have not stated how much they are seeking in damages.

INSURANCE

Coverage of risks likely to be incurred by the company

The Rallye Group manages its insurance and risks as part of a wider policy framework designed to protect the Group's balance sheet while monitoring certain objectives, including the following:

- to protect the assets and liabilities incurred by the Group;
- to defend shareholders' interests;
- to take account of regulations applying to establishments open to the public in France.

Analysis of random insurable risk, as well as subscription and management of insurance policies, and monitoring of losses are handled independently by Casino and its parent company, Rallye.

Insurance policies taken out

The main insurance policies maintained by the Rallye Group are as follows:

- property damage and resulting operating losses;
- civil liability.

For risks other than those mentioned above, the Group has taken out insurance cover whenever required by law. It has also done so whenever the nature of the risks in question makes insurance coverage useful and necessary and insofar as the insurance market adequately provides the desired coverage.

Level of coverage

The Group continued its insurance policy in 2015, with the same objective of maintaining or improving the protection of its assets, customers and employees, while keeping costs under control. To do so, Casino Group relies on internationally-reputed insurance brokers and buys insurance from first-rate solvent companies, recognized for their coverage of major risks.

Self-insurance

To monitor and control the financing of its risks, in 2015, the Casino group continued its self-insurance policy, in particular concerning frequent and small claims, most of which involve civil liability and property damage. This strategy reinforces risk and litigation management and it optimizes the insurance premiums that the Group pays.

Property damage and operating losses

The purpose of this insurance is to protect the Group's assets.

Casino's policy covers traditionally covered risks, such as fire, water damage, explosion, natural disasters, collapse, electrical damage, operating losses, rental risks. In 2015, as part of its policy, the Group structured its program differently while increasing the contractual indemnity limit from €250 million to €400 million per claim per year and saving money on premiums. The guarantees and/or coverage sublimits defined for certain listed dangers and/or geographic areas have been either improved or remain unchanged.

On the date of writing of this document, no major and/or material loss had occurred in 2015 which was likely to alter the current guarantee terms or the overall amounts of the ongoing insurance premiums and/or self insurance.

Civil liability insurance

This program covers the financial consequences (bodily, material and immaterial) as a result of the Group's civil liability due to a fault, error, omission or negligence while performing a service or carrying out its operations.

Coverage for the general civil liability insurance program is capped at €75 million, of which €75 million per claim and per year for professional liability.

Other insurance programs (mandatory or optional)

Additional or separate insurance programs are taken out per country, depending on the specific nature of certain activities or certain risks. This is primarily the subsidiaries' responsibility, either to meet a local management need, for regulator reasons or sometimes for budgetary reasons.

Crisis prevention and management

With regard to property and casualty risks, Casino Group's Operations, Technical and Support Departments play a role in prevention and management and also receive support from Insurers' Engineering Departments (for example: regular visits by insurers' Engineering Departments to the insureds' high asset sites such as hypermarkets, shopping centers and warehouses).

Concerning risk linked to the civil liability of products, Casino Group maintains and continues the quality and preventive initiative launched several years ago, upstream of sales outlets for both retail brands and other brands.

Likewise, in the event of a crisis and/or major loss, Rallye and Casino have the appropriate technical and human resources as well as advisors which, depending on the circumstances, would allow it to respond rapidly to protect people's lives, safeguard properties and maintain the continuity of its operations and services.

Rallye has reviewed its risks and believes that there are no significant risks other than those described in this document.

Corporate Social Responsibility

Corporate social responsibility (CSR) is defined as the responsibility of companies with respect to their impact on society. The Group embraces this responsibility by ensuring compliance with applicable laws and collective bargaining agreements. Rallye seeks to fully address all CSR issues by working closely with stakeholders in a process designed to incorporate social, environmental, ethical, human rights and consumer concerns into business activities and fundamental strategy.

This document presents the organization of CSR within Rallye as well as the most relevant CSR indicators at the Group level. All other CSR indicators are provided in detail in the CSR report of the Casino Group.

ORGANIZATION OF CSR (CORPORATE SOCIAL RESPONSIBILITY) WITHIN RALLYE

CSR procedures

Rallye specializes in the food and sporting goods retail sector through its majority stakes in the Casino Group and Groupe GO Sport. Rallye continues to sell off assets in its diversified investment portfolio. The breakdown of this portfolio is available in the management report of this Registration Document in the chapter entitled "Business Overview".

As part of the overall analysis of risks relating to the Company's business, Rallye applies good governance practices designed to ensure the longevity of the business and which are described in the Chairman's report on corporate governance and internal control procedures on page 53 of this Registration Document.

As part of the Group's day-to-day management, Rallye is involved in normal business relationships with all its subsidiaries. The prevention of conflicts of interest is described in the Management Report on page 72 of this Registration Document.

As at December 31, 2015, no provision had been recognized in Rallye's financial statements for environmental reasons.

In each company in which Rallye is a shareholder - Casino (listed company in the sector based on food retail) and Groupe GO Sport (sporting goods retail) - Corporate Social Responsibility issues are managed directly by the management teams. Nevertheless, in its role as shareholder, Rallye makes sure that each of its subsidiaries focuses on the most relevant issues with respect to their own activities and that the CSR commitments made by its subsidiaries and presented in their respective reports comply with regulations.

Due to its size and business, Rallye's exchanges with its stakeholders mainly involve communication with the financial community. Rallye leaves its subsidiaries with the responsibility of organizing dialogue with their own stakeholders.

CSR reporting methodology

Rallye's CSR officer liaises directly with the CSR officers of its Casino and Groupe GO Sport subsidiaries. The CSR officer is in charge of coordinating the overall CSR process, collecting social, environmental and societal data and consolidating all CSR indicators.

Scope

At Casino, except in specifically mentioned exceptions, the social, societal and environmental data, relates to all businesses under the operational control of the Casino Group or its majority-owned subsidiaries in France and abroad. The data does not include affiliates, franchises and lessee managers. All data is fully consolidated (100% consolidated).

Prepared in accordance with financial reporting, data is reported on the following scopes of consolidation:

- the "Group" scope includes consolidated data;
- the "France" scope of consolidation includes activities under the Casino, Monoprix, Cdiscount, Franprix, Leader Price banners and support functions (logistics, purchasing, human resources, etc.);
- the "Latin America" scope of consolidation includes GPA (including Multivarejo, Viavarejo, Assai, CNova Brazil), Libertad SA, Grupo Exito, and Disco Devoto; and support functions;
- the "Asia/Indian Ocean" scope of consolidation includes BIG C Thailand, BIG C Vietnam and Vindémia (and its Reunion, Mayotte, Mauritius and Madagascar entities) and support functions.

In addition to this document, every year, the Casino Group publishes a corporate social responsibility report, which presents the major CSR indicators, actions and objectives of the Group's subsidiaries. The report is available at: www.groupe-casino.fr.

In France, Monoprix, Cdiscount and Vindémia also publish CSR information in their Management Report. Internationally, GPA, Grupo Exito, and Libertad, members of the Global Compact, publish an annual CSR report, which is available on their websites: (www.gpari.com.br, www.grupoexito.com.co, www.libertadsa.com.ar). BIG C Thailand communicates its CSR initiatives in its Annual Report (www.bigc.co.th).

For Groupe GO Sport, the information below covers all of the consolidated subsidiaries: Groupe GO Sport, GO Sport France, Courir France and GO Sport Poland (excluding training).

Rallye's business and its impact on the environment

Rallye has only two office buildings, which have no particular impact on the environment. The impact of the Group's business is mainly indirect as it exists at the subsidiary level. For this reason, implementing a specific environmental policy within its own scope is not particularly relevant.

For example, Rallye is committed to selective waste sorting. All employees at its head office have been made aware of this policy. Paper used by the teams, printer cartridges and used batteries, plastics, cardboard and metals (mainly cans) are collected for recycling. To print its Registration Document, Rallye selects service providers who offer a selection of PEFC/FSC certified recycled paper. Lastly, numerous meetings are held *via* teleconference in order to reduce the need for travel.

Rallye's human resources policy

In order to attract and retain the best talent, Rallye strives to recruit employees and implements the best possible work environment for them.

At Thursday, December 31, 2015, Rallye had a workforce of 26 employees who were all based in France. The percentage of women in the workforce is stable at 50%. A breakdown by age group is 11.5% for those under 30, 42.3% for 30 to 50 years old and 46.2% for people over 50.

Part-time workers accounted on average for 4% of the workforce and the rate of absenteeism due to illness was 2.5% in 2015.

Apart from the investment team and the management team, the majority of the workforce held support roles within the Finance department and the Legal department.

The Company also uses external service providers to run its premises (security, maintenance, reception, etc.). It strives to build strong, high-quality ties with these service providers to ensure long-lasting and secure relationships.

Improving the employability of its employees is a priority for the Company. It offers training to ensure that all employees have the required level of know-how at all times to successfully carry out their duties. During 2015, three employees received training, with the average number of training hours per employee at 1.7 hours (some training courses span 2015 and 2016).

It also seeks to optimize work conditions and relations by holding regular meetings with employees and encouraging dialogue. Lastly, Rallye ensures that all recruitment, career development (training and promotion) and compensation decisions are made on a non-discriminatory basis, according to the employee's capabilities and without any other criteria than their skills.

Compensation policy

At Rallye, all employees undergo an annual review with the aim of encouraging individual and collective performance. This review system allows the regular adjustment of the different fixed and variable components of pay to reflect each employee's position, skills, performances and potential. It also clearly and transparently communicates the rules used to determine compensation.

Persuaded of the importance of employee shareholding as key to a successful long-term partnership with its employees, Rallye has always promoted its development through company savings plans or through the allocation of bonus shares.

Promoting health and safety in the workplace

Rallye complies with health and safety legislation and regulations (keeping premises clean and properly heated and lit, maintenance of equipment, fire prevention, etc.). No workplace accidents occurred in 2015.

Considering the nature of Rallye's business, no specific exchanges took place with employees in terms of health and safety.

ORGANIZATION OF CSR (CORPORATE SOCIAL RESPONSIBILITY) WITHIN RALLYE'S SUBSIDIARIES

Rallye is the majority shareholder of Casino and Groupe GO Sport. The financial statements of these companies are accordingly fully consolidated in the Group's consolidated financial statements. The highlights of their Corporate Social Responsibility are presented in the chapters below. Further details on this information can be found in their own CSR reports.

Within its main subsidiaries, CSR issues are managed by dedicated teams at Casino and by the head of the HR department at Groupe GO Sport.

Casino

The Casino Group's commitment to sustainable development has been in place since 2002 with the creation of a dedicated unit. Taking into account the increasingly international dimension of its businesses, the Group joined the United Nationals Global Compact in 2009 and gave a new momentum to its pre-existing procedures. In 2010, it implemented a Group CSR Department to roll out a progress initiative defined in 2011. This process is rolled out in France and abroad and works with the different subsidiaries' CSR departments.

Casino Group is present in the following socially responsible investment (SRI) indices: FTSE4GOOD, Vigeo Eurozone 120, Ethibel Sustainability Index Excellence Europe, MSCI Global Sustainability Index, STOXX® Global ESG Leaders Indices. Éxito Group is present in the "Dow Jones Sustainability Index for emerging countries". These indices comprise companies with the best ratings in social, environmental and governance criteria.

Casino Group has worked with the Carbon Disclosure Project (CDP) since 2013 and received a grade of 91C in 2015.

The Group regularly receives awards in recognition of its initiatives. In 2015, Casino was awarded the LSA Diversity and CSR Award ("Jury's favorite") for its commitment toward anti-discrimination) as well as the Women of the Year Award in distribution (in the "Female Manager" category). Casino Group received the ESSEC Grand Prize for Responsible Distribution in 2012 and 2014. The international subsidiaries are also lauded for their CSR initiatives: Disco in Uruguay received three distinctions for its environmental protection policy and initiatives, and for its responsible use of natural resources and community support. Big C Thailand received a special award recognizing its policy for disabled people for the fourth year in a row. The "Monitor Empresarial de Reputación Corporativa" (MERCO) awarded the Human Capital award in the retail sector to Grupo Exito, based on a questionnaire verified by KPMG (ISAE 3000).

Groupe GO Sport

Groupe GO Sport chose to place CSR issues under the responsibility of its Human Resources department. The CSR strategy is mainly overseen by the Group's HR department and implemented by the Groupe GO Sport communication department.

Groupe GO Sport is committed to its CSR procedures and promotes its sustainable development measures by communicating information of an ethical or civic nature, and by asking its suppliers to comply with all the ethical rules established by the various bodies concerned.

SOCIAL RESPONSIBILITY

One of the key elements of the Company's economic and social performance is the development of men and women.

Workforce and organization of work time

| Casino

The number of working hours of the Group's employees is defined in accordance with each entity's strict legal framework and with the local regulations of the country in which the Group operates.

Most Casino Group employees (92%) are employed on permanent contracts. The Group uses fixed-term contracts mainly to replace absent employees and to back up teams in stores with seasonal peaks in activity.

87% of the Group's employees work under full-time contracts. In France, Casino set up a voluntary program that has enabled 1,786 people to move from a part-time to a full-time contract over the year.

| Groupe GO Sport

At Groupe GO Sport, the workforce has remained mostly stable from 2014 to 2015 at the Group level; however, there are some disparities depending on the brand, and in particular:

- an increase in the Courir network's sales force related to opening new points of sale;
- opening several points of sale in Poland;
- and several GO Sport stores becoming affiliates.

In accordance with the provisions of the "Aubry Act", Groupe GO Sport SA and its French subsidiaries have implemented the reduction of working hours since June 1, 2000. This organization of working hours is still in force in the GO Sport network stores in France. The July 2000 agreement on shorter working time and its amendments reconciles the individual constraints of employees and the commercial challenges linked to the store's needs, according to fluctuations in employee workload.

GO Sport France signed a collective company agreement on February 10, 2010 on Sunday work, pursuant to the provisions of Articles L. 3132-25-1 *et seq.* of the French Labor Code. This agreement is consistent with legislation on Sunday work.

Promoting social dialogue

| Casino

Human resources policies are built on regular dialogue between management and labor in France and internationally.

To take the pulse of its social climate, Casino Group conducts employee surveys based on specific topics and/or using internal or external metrics, *via* its Human Resources departments. It also deploys mechanisms that allow employees to express their opinions and submit suggestions.

| Groupe GO Sport

In France, each company has a Works Committee, an Employee Representation Committee and an Occupational Health and Safety Committee (CHSCT).

A Central Committee for Economic and Social Unity (UES) brings together the Works Committees of Group GO Sport, GO Sport France and Courir France.

Supporting changes within the company

| Casino

In compliance with legal provisions, the human resources departments support the Company's organizational changes. The Job and Skills Management Planning (GPEC) agreement signed within Casino also serves as a tool for dialogue to help anticipate organizational changes in the businesses.

Combating discrimination and stereotypes

| Casino

The Casino Group has been involved in the fight against all forms of discrimination since 1993. The Group considers diversity to be an economic performance factor and has thus defined a proactive policy aimed at recruiting people from diverse backgrounds and promoting professional equality at all levels and in all business processes to promote peaceful co-existence. This policy is based on several main actions: fighting against stereotypes, which are at the root of discrimination, building together policies with representative union organizations, addressing discrimination criteria and evaluating implemented actions together. The Group's main areas of action include: social background, gender, disability, age, sexual orientation, religious diversity, and trade union commitment, and since 2014, physical appearance.

Casino has been the first distributor to obtain the Diversity seal issued by Afnor Certification (since 2009), which recognizes companies that employ an exemplary policy. This seal was renewed in May 2012 for a four-year period. It also obtained the professional equality seal in 2013.

| Groupe GO Sport

As part of its hiring policy, Groupe GO Sport strives to promote diversity. A hiring charter, which mainly stresses the fact that Groupe GO Sport is against all forms of discrimination, was implemented and distributed to all concerned parties in 2014. The GO Sport network is also committed to maintaining people's employment when sites are closed. This process is written in the mobility agreement signed on November 19, 2014, and arose from the ANI (National Interprofessional Agreement) of January 2013.

Main initiatives to promote the induction of people with disabilities

| Casino

In October 2015, the Group signed the ILO (International Labor Organization) "Business and Disability" Global Network Charter to reaffirm its commitment toward maintaining employment of and hiring disabled people in France and abroad. The Group has 9,345 people qualified as disabled (on permanent contracts, fixed-term contracts, internships), *i.e.* a 27% increase compared to 2014 (7,370 people in 2014).

Since 1995, Casino has developed a proactive policy regarding disabled people. This year, the brand celebrated the 20th anniversary of its policy in favor of disabled people by organizing demonstrations, conferences, tokens of appreciation, and in-store games to highlight the initiatives achieved with the support of employees, customers and privileged partners

| Groupe GO Sport

In 2014, Groupe GO Sport renewed its commitment toward disabled people by signing a third agreement on integrating disabled people into the workforce. The scope of this agreement includes Groupe GO Sport, GO Sport France and Courir France. This new agreement focuses on making disabilities an inclusive theme central to the societal issues the company is focusing on.

At the same time, Groupe GO Sport reaffirmed its support for disabled sports by implementing various initiatives.

Main group initiatives to help young people, and especially those from underprivileged backgrounds and senior citizens

| Casino

The Casino Group has rolled out initiatives to help young people, especially those with no significant qualifications or from underprivileged backgrounds, to facilitate their professional insertion. The Department responsible for promoting diversity and solidarity continued its initiatives according to the high-priority focus areas defined in the national partnership agreement signed in 1993 with the Ministry for Urban Affairs. This agreement was renewed in 2013. In particular, it promotes the professional insertion of people with few qualifications and access for young graduates from underprivileged neighborhoods into management positions. The Casino Group's subsidiaries signed agreements called generational contracts (contrats de génération) or set up action plans aimed at improving the long-term insertion of young people and to maintain older employees in their jobs while ensuring the passing down of knowledge and skills to young employees.

| Groupe GO Sport

Stores mainly hire young employees who practice sports, who are sales-driven and who have strong appeal for athletic footwear culture and the Courir brand. This is why 20-35 year olds account for a vast majority of these brands in France and in Poland. The same is true for Directors and Store managers, as most of them were promoted internally, in line with the Group's policy.

Promoting gender equality in the workplace

| Casino

The Group is determined to strengthen the diversity of teams at all levels of the organization through an active policy promoting professional equality by focusing on job diversity, career management, human resource procedures (wages, access to training, recruitment and promotions) and parenting. To drive change in female representation in management, eight strategic indicators are monitored by the Human Resources Departments of each subsidiary and presented to the Executive Committee once per year.

Casino Group, which signed a framework agreement for the 2013-2015 period with the Ministry for Women's Rights, is ranked fifty-fourth in the 2015 SBF 120 list of feminized companies, created by the ministry. It has been a signatory of the Company Parenthood Charter created by the Parenthood and Work-Life Balance Observatory since 2008, and uses the network of female managers called "C'avec elles", implemented in 2011, which has 500 members.

| Groupe GO Sport

At Groupe GO Sport, salary grids are applied equally between women and men, for equal positions. On December 20, 2011, a unanimous agreement was signed with the representative union organizations on gender equality at work in order to develop measures to encourage the hiring of women, especially in store supervisory positions, as well as access to training for women to boost their career development within the Group.

Promoting health and safety in the workplace

| Casino

The Casino Group is committed to improving the safety and physical and mental health of its employees. The Human Resources department is responsible for implementing action plans in each of the subsidiaries.

Several years ago, the Group implemented a prevention program by listening to employees, which prevents professional risks by feeling out their working conditions. This prevention through listening program covers Casino and Cdiscount hypermarkets, supermarkets, warehouses and cafeterias. It takes into account employee feedback and needs closer to the ground.

Concerned about the health of its workers outside the workplace, the Group's entities implement measures to encourage employees to adopt a healthy life style, such as exercising regularly, providing access to advice from nutrition specialists and providing assistance to quit smoking.

| Groupe GO Sport

GO Sport France seeks to constantly improve health and safety conditions for its employees. This is particularly reflected in 2015 by the implementation of a national Occupational Health and Safety Committee, which met 39 times. Improving working conditions also happens through support from the Human Resources Department to implement new shared and individual protection equipment.

Encouraging Professional and social development

| Casino

Since its inception, the Casino Group has always been committed to the professional development of its employees, who play a key role in its operational performance. To strengthen a managerial culture that respects the Group's values contributing to this goal, the Group has defined a framework for evaluating Managerial Attitudes and Behaviors.

This reference guide is called L.I.D.E.R.S. (Leadership, Innovation, Decision, Engagement, customer Responsibility, Synergies), the framework was rolled out in France and in some of the countries where the Group operates, and is part of managers' annual skills assessment.

Furthermore, training is one of the key factors in developing and maintaining the employability of its employees. In line with the Group's objectives, the Human Resources Departments of each subsidiary implement training tools to facilitate and encourage professional development and career paths and define training plans when employees join the company and during professional interviews.

| Groupe GO Sport

Groupe GO Sport also places a premium on supporting its employees when they start a new job and helping them adjust to the workstation by implementing appropriate training tools specifically aimed at achieving operational excellence.

Compensation policy

| Casino

The Casino Group's compensation policy takes into account the skills, the level of responsibility and the experience acquired by employees, and proposes a fair and competitive pay level in line with the usual practices observed for similar jobs in the sector, and adapted to the local characteristics of the country in which the Group operates.

Annual interviews manage employees' professional development and define the variable portion of compensation. This is structured for managers around Group objectives, individual quantitative and qualitative objects and a managerial behavior assessment called "Managerial Attitudes and Behaviors" (ACM – L.I.D.E.R.S.). This managerial reference guide guarantees that the objectives set are met with regard to respecting managerial principles defined, and reinforces a shared human resources culture for employees.

Casino was awarded for its commitment toward gender equality in the workplace in 2013 by receiving the Professional Equality Seal for a three-year period. This seal, awarded by a Joint Committee steered by the Ministry for Women's Rights in partnership with Afnor Certification, attests to its commitment. To guarantee equal pay between women and men, Casino has conducted an audit since 2010 that shows that on average, the largest gap between women and men employees did not exceed 5%. To remedy the differences that were not justified, a budget has been set up as part of Mandatory Annual Negotiations. More than 4,000 women have benefited from this system since 2010.

| Groupe GO Sport

At Groupe GO Sport, collective changes to compensation are negotiated each year with representative trade union organizations within the Groupe GO Sport Economic and Social Unit (ESU) as part of Mandatory Annual Negotiations (NAO). In addition, changes in wages reflect the negotiated wage defined by the professional sector in which the Group is a stakeholder. Furthermore, individual compensation evolves with changes in positions, in the context of positioning with respect to internal and external environments, but also to show appreciation for high-potential employees. This is part of a wider Group-level human resource management policy.

Workplace figures

The main social indicators of Rallye subsidiaries are presented below. Detailed information can be viewed in the corporate social responsibility report of Casino.

2015 workplace indicators	Units	Casino Group	Groupe GO Sport
Number of employees as at December 31, 2015	No.	325,820	4,613
Percentage of total workforce represented by women	%	52	52
Number of long-term contract recruitments	No.	Approx. 80,000	671
Number of workers declared as disabled as at December 31, 2015	No.	9,345	84

2015 workplace indicators – Casino Group	Units	Casino Group
Number of layoffs	No.	39(1)
Average number of hours training per employee per year	hours	19
For illnesses and work related accidents (including occupational illnesses)	%	1.62(2)

(1) France scope.
(2) Excluding GPA.

2015 workplace indicators – Groupe GO Sport	Units	Groupe GO Sport
Average number of hours training per employee per year	hours	14
Number of workplace accidents	No.	263

At Casino, the breakdown of the workforce by age group is 40% for those under 30, 49% for 30 to 50 years old and 11% for the people over 50. At Groupe GO Sport, it stands at 61% for the under 30s, 38% for 30 to 54 years old and 1% for those over 54.

ENVIRONMENTAL RESPONSIBILITY

The Group's environmental impact is mainly at the level of the Casino and Groupe GO Sport subsidiaries. The environmental policies of Rallye's subsidiaries aim to minimize the environmental impact of products and the use of natural resources, to improve eco-responsibility and adopt a more ecological approach.

| Casino

Casino Group has defined its commitments to combat climate change, reduce pollution, and protect natural resources and biodiversity since 2003. These commitments were reaffirmed in 2009 when it signed the United Nations Global Compact and in the CSR progress initiative that defines the Group's environmental priorities.

To manage this plan, in 2012, Casino Group bolstered its organization by creating an Environmental Department within the CSR Department. The Environmental Department is responsible for coordinating environmental priorities, sharing best practices and monitoring action plans.

Each entity of Casino Group is responsible for implementing the organization and action plans needed to meet the objectives defined locally so that they can take their specific local conditions into account.

Employees are informed of environmental challenges through best practice guides, seminars and conferences and through internal communication media (intranet, internal newsletters such as Regards) which explain challenges associated with global warming, waste management, energy saving, biodiversity and wasting food.

| Groupe GO Sport

Through its business as a textile, shoes and sports equipment retailer, Groupe GO Sport is committed to the quality of articles sold in its stores, for both international brands and its own private labels. The Group offers its customers reliable, quality products made in compliance with environmental standards. In 2013, Groupe GO Sport joined the CSR Commission of the Fédération des Entreprises du Sport (French federation of sporting goods companies) and is striving to introduce a long-lasting and ethical environmental policy within the next few years.

Reducing greenhouse gas emissions (GHG) to combat global warming

| Casino

In order to raise the technical teams' awareness on reducing greenhouse gases generated by commercial refrigeration, the Environmental Department worked with ADEME to create guidelines in four languages that identify solutions to implement for low-carbon commercial refrigeration. These guidelines followed on from "Eco-friendly habits in stores", disseminated in early 2015 to limit energy consumption, sort waste and reduce food waste. In Brazil, Assai continued its awareness-raising initiatives for its customers, in particular by participating in the "Coelce" program created in 2007, which enables families that sort their waste in pre-defined recycling stations to receive benefits.

The carbon accounting methods used by Casino Group have been standardized since 2012 to compare the inventories of the different subsidiaries and identify best practices.

The main emission line items in Casino Group's operating scope are:

- refrigerant refills related to refrigerator leaks, which account for 50% of emissions for scopes 1 and 2;
- the facilities' energy consumption;
- burning the fossil fuels necessary for merchandise transportation.

Each year, the subsidiaries conduct their GHG inventory (scopes 1 and 2) to verify that the reduction plans comply with the objectives defined by the Group.

| Groupe GO Sport

Groupe GO Sport outsources all its private label product manufacturing activities. The Group is therefore not involved in implementing measures to prevent, reduce or repair emissions into the air and ground which impact the environment. As a responsible operator, Groupe GO Sport nevertheless ensures that its suppliers follow an exhaustive list of criteria, provided in its general terms of sale, such as compliance with the environmental constraints of the country to which the product's manufacture is outsourced.

Using resources sustainably

| Casino

Adapting to climate change

The main risk related to identified climate disturbances that potentially have an impact on the Casino Group's businesses is the increase in extreme climate events: 100-year rises in sea-levels in France (Paris), hurricanes at Reunion island, floods in Thailand, drought in Brazil and in Argentina. These events, and their increased occurrence, may have direct consequences on the Group's business, as well as indirect consequences: increases in raw material prices, loss of seasonable product sales, increase in energy prices. Controlling these risks happens by complying with local regulations, which specify the equipment to put in place to manage and store rain water; building up strategic inventories of raw materials needed in collaboration with suppliers; strengthening stores' energy self-sufficiency with solar panels and generators to ensure service continuity.

Energy

Casino Group's two primary sources of energy consumption are store lighting and food refrigeration. Casino Group has committed to reducing electricity consumption per square meter of sales area 20% by 2020 (with 2012 being the benchmark year).

Reducing energy consumption is subject to a continuous improvement process based on monitoring consumption, conducting energy assessments at sites and an energy renovation program (Energy Performance Contracts). Casino Group subsidiaries define action plans every year.

The renewable energy development program implemented in 2007 by the Casino Group continues to be rolled out in all countries, and Colombia and Brazil in particular, with solar power stations on roofs and sun shades for hypermarket parking lots. In 2015, 65 power stations were connected for a total solar panel area of around 525,500 m^2 with installed capacity of 104 MWc and with theoretical generation of 125,000 MWh per year.

Water

The Casino Group's businesses are located in areas with low to medium water stress and mostly use potable water from municipal networks, primarily for sanitary purposes.

The Casino Group takes the necessary measures to limit its facilities' water consumption by encouraging initiatives to reuse rain waste, install pressure reducers on sinks and monitor consumption to detect leaks from plumbing or from sanitary equipment. Used water management is performed in compliance with regulations from countries that require adapted pre-treatment.

Biodiversity

The Casino Group's main direct impact on biodiversity is related to losing natural areas while building or expanding stores and warehouses. In France, in 2014, Casino Développement's real estate developer created a best practices guide to implement to preserve biodiversity in a shopping center and training for project managers.

The Group's main impacts identified are indirect and related to production methods and consumption of products sold in stores. The Group implemented actions to protect certain marine species (ban on selling fish caught in deep water), or vegetation endangered by excessive exploitation, and to combat deforestation related to palm oil or cattle breeding in Brazil.

| Groupe GO Sport

Groupe GO Sport has no indicators relating to the tonnage of the principal marketed raw by category, nor the tonnage of the main raw materials used in manufacturing articles sold, nor the quantities of approved textile raw materials.

Since Groupe GO Sport does not directly manufacture its products, it is not directly concerned by the issues related to biodiversity conservation, but is nevertheless attentive when signing a new contract with its suppliers, to ensure compliance with the environmental measures stipulated in its general purchasing terms and conditions.

Reduction, waste recovery and anti-pollution measures

Sorting waste from operations

| Casino

The main types of waste generated by the facilities are cardboard, plastic, paper and fermentable products. The Casino Group's goal is to reduce waste and increase recovery rates by supporting the development and securing of local recycling areas. In 2015, 265,000 metric tons of waste (cardboard, plastic, organic) were recovered.

| Groupe GO Sport

In 2015, Group GO Sport continued its efforts to manage waste, notably within its stores, by working to reduce the quantity of cardboard and plastic and by encouraging recycling. Groupe GO Sport outsources all of its own private label manufacturing operations and is therefore not involved in implementing measures to prevent, reduce or repair emissions into the air and ground which impact the environment. As a responsible operator, Groupe GO Sport nevertheless ensures that its suppliers follow an exhaustive list of criteria, provided in its general terms of sale, such as compliance with the environmental constraints of the country to which the product's manufacture is outsourced.

Collecting used products brought back by customers for recycling

| Casino

To facilitate the emergence of a circular economy using used products as raw material sources, the Casino Group makes used product collection terminals available to its customers in its stores so that they can be recovered. In 2015, the Group collected 378 metric tons of batteries, 83 metric tons of light bulbs, 2,370 metric tons of electric and electronic equipment waste (WEEE), 7 metric tons of ink cartridges and 5,658 metric tons of cardboard paper, which have been entrusted to approved processing companies to be recycled.

| Groupe GO Sport

Groupe GO Sport is a member of organizations in charge of preventing environmental risk. This policy covers the financial means devoted to preventing environmental risks and pollution and encourages all efforts to recycle waste, packaging and end-of-life products.

Combating pollution

| Casino

In France, Franprix and Monoprix's use of alternative modes of transportation (river, rail) helps decrease pollution in downtown areas. Casino favors less polluting transportation carriers (Euro V and VI), which use the Piek Azote standard and with a certified noise level of less than 60 decibels, and hybrid vehicles for overnight downtown deliveries, which enables the last mile to be delivered in silence in electric mode.

The main ground pollution risk is related to service stations, which are operated by the Casino Group. They are monitored based on strict audits conducted by authorized third parties.

| Groupe GO Sport

Groupe GO Sport ensures that its suppliers and subcontractors commit to respecting their countries' environmental constraints. The Group also works with several companies that hold environmental certificates. The Group also requests that its suppliers and subcontractors express their commitment to consumer and environmental safety in writing.

Environmental Data

The main environmental indicators of Rallye subsidiaries are presented below. Detailed information can be viewed in the corporate social responsibility report of Casino.

All of the environmental data for 2014 and 2015 exclude operations in Mayotte, Mauritius and Madagascar (0.0004% of the Group's 2015 revenue).

2015 environmental indicators	Units	Casino Group	Groupe GO Sport
Reduction of greenhouse gas emissions (GHG)			
GHG Scope 1 = direct emissions related to combustion (gas and fuel) and to refrigerant fluid refills	metric tons eq. CO_2	1,470,000	1,065
GHG Scope 2 = indirect emissions related to energy consumed (electricity, steam, heat, cold)	metric tons eq. CO_2	900,000	3,397
Sustainable use of resources - Energy consumption			
Electricity	MWh	4,730,113(1)	44,640
Gas	MWh	201,742(1)	2,224
Water	m^3	12,642,286(2)	32,416

(1) Details on the scope of available data: the total coverage rate in sales area is 96%.
(2) Details on the scope of available data: the total coverage rate in sales area is 78% for water.

SOCIETAL RESPONSIBILITY

Beyond strictly environmental measures, the Group's policy has a societal dimension which is expressed through major themes aimed at encouraging responsible consumption.

Local solidarity

| Casino

As a highly-involved local stakeholder in the local life of the territories (city-center, suburbs and rural areas), the Casino Group contributes to local economic development, regional solidarity and efforts to fight poverty and marginalization. It encourages its stores to strengthen solidarity partnerships with leading public charities through the CSR progress initiative, especially with food bank networks, to develop local solidarity measures in stores and support its Foundations' initiatives.

The Casino Group supports the implementation of partnerships with food banks in the countries where it operates. In particular, in order to combat food waste, the Casino Group's brands and warehouses have been donating products with a short shelf-life to food bank networks for a long time.

In order to support national and local associations, Casino Group stores and warehouses also set up non-food item donation and collection operations. The Casino Group also enlists its suppliers in this cause.

Created in 2009, the Casino Foundation has chosen to get involved in combating exclusion through education and theater, which provides an artistic and collective experience, and helps people learn to express themselves and learn about others. Since a large number of children are affected by cultural exclusion from a very young age, which stunts their development and social inclusion, the Casino Foundation chose to contribute to their education by giving them the means to make something of themselves and plan for their success and excellence. The Casino Foundation's commitment to children extends to five other Casino Group foundations: Instituto GPA and the ViaVareja Foundation in Brazil, the Éxito Foundation in Colombia, the Big C Foundation in Thailand, the Monoprix Foundation in France. All of these organizations are committed to supporting underprivileged children.

| Groupe GO Sport

Groupe GO Sport is committed to promoting employment and regional development in the areas where its stores are located. Consequently, at the opening of a store, Groupe GO Sport contributes to the creation of new jobs in the local region concerned.

Groupe GO Sport is not directly involved with issues related to the regional impact of its businesses on local and neighboring populations.

Preventing corruption

The Group supports the fight against corruption and is committed to enforcing current legislation. To do so, it has adopted procedures, raised awareness among its employees, and implemented control procedures.

As part of the day-to-day management of the Group, Rallye is involved in normal business relationships with all its subsidiaries. Information on the possibility of conflicts of interest within the Group's governing bodies and executive management is presented in the management report on page 72 of this Registration Document.

| Casino

Casino Group signed the UN Global Compact in 2009 and drafted a Group Ethics Charter in 2011 with nine commitments. The Charter has been translated into four languages and was distributed to all the Group's Human Resources departments and can be viewed on the Group's intranet. It repeats the Group's commitments to "shun all forms of corruption and business offenses" (commitment 2) "implement loyal practices in its commercial relations and ensure fair treatment" (commitment 7). By signing the Global Compact in 2009, and through its Ethics Charter, the Casino Group wished to reaffirm its commitment in the fight against corruption and its consideration for human rights within its sphere of influence.

The Group's anti-corruption program falls under the responsibility of the Senior Management of each of its entities. The Group's Internal Control department is ready to assist senior management in strengthening their procedures as part of its awareness-raising measures with all of the Group's Business Units. A guide listing out expectations formulated by stakeholders, as well as reflex sheets, have been disseminated to subsidiaries in France and abroad. The Group's Internal Control newsletter, circulated monthly to the Finance Departments of Group entities since 2010, tackles subjects relating to business ethics and anti-corruption, in particular.

| Groupe GO Sport

In order to avoid any risk of corruption, Groupe GO Sport ensures strict adherence to the rules defined, enabling the smooth implementation of the processes essential to its business. To this end, internal and external audits are regularly conducted concerning, in particular, the division of labor in the different functions, the double checking of financial inflows and outflows, systematic reconciliations of the Group's accounts with those of its partners (banks, customers, suppliers), stock management through regular inventories. Each half-year, the Internal Audit department submits a report on its activities to the Audit Committee (numbers of checks made, stores concerned, anomalies observed), and proposes action plans on the points raised.

Lobbying practices

| Casino

The Casino Group leads lobbying initiatives in the countries where it operates through the Department of Public Affairs in order to have discussions and keep elected officials informed of legislative processes, and participates in the work of various federations that represent its sector. It maintains regular and open dialogue to construct public policies. The Casino Group complies with the laws in effect in these countries that relate to rules on corporate financing for political parties.

Responsible retailer

| Casino

The Casino Group's aim, which is reflected in its corporate slogan, "Nourishing a World of Diversity", is to offer high-quality products to the greatest number of people possible while enabling its customers to consume in a more responsible manner. Two priorities have been defined under its CSR progress initiative: take action for consumer health by offering more balanced food, and encourage them to move toward more environmentally-friendly consumption.

Diet, which is at the heart of health and social issues, is a major concern for the Casino Group, which is developing a products policy that reconciles safety, nutritional balance, health, pleasure and respect for the environment.

Ensuring product quality

| Casino

Regardless of the type of own brand product range, the quality and safety of products are an absolute priority for the Casino Group. A comprehensive system guarantees the sale of safe, healthy and quality products from the drawing up of specifications through to store operations. The Group Quality department coordinates regular exchanges with the Quality departments of the different subsidiaries, which are individually responsible for guaranteeing the quality standards of private label products and ensuring consumer safety for all products sold. These exchanges, which mainly concern best practices and procedures (product quality and safety policy, tracking procedure, supplier audits, crisis management, products withdrawal and recalls, etc.), have led to the introduction of a Group Quality Charter communicated to all entities.

Improving the nutritional balance of products

| Casino

As a pioneer of the distributor brand (MDD) concept having launched Casino-brand products in 1901, the Casino Group's subsidiaries rely on this expertise to develop their own brands. The Casino Group's healthy diet initiative launched in 2005 was confirmed in 2008 with the signing of a charter on voluntary commitments to nutritional progress with the French Ministry for Health, in connection with the National healthy diet plan (PNNS).

In 2010, the Casino Group set up a Health Committee, which meets four times per year to analyze data, scientific trends and consumer expectations in the area of health. This Committee issues recommendations on controversial ingredients (aspartame, endocrine disrupters, bisphenol, pesticides, etc.).

Informing consumers about the nutritional profile of a product

| Casino

The Casino Group supports the implementation of nutritional labels on own-brand products to better inform consumers. Food products from French brands (Casino, Leader Price and Monoprix) offer nutritional labels that indicate the energy value, quantity of proteins, carbohydrates, sugar, fat, saturated fat, dietary fiber and sodium, as well as the presence of allergens in the list of ingredients and the origin of the meat for cooked meals. Casino decided to go beyond this new regulation by applying it to exempted product families.

Encouraging more environmentally-friendly consumption habits

| Casino

To encourage its customers to make more environmentally-friendly consumer choices, the Casino Group has developed several initiatives to reduce the environmental impact of products. These include optimizing and reducing the packaging used; developing product ranges in compliance with more environmentally-friendly reporting standards; indicating the environmental footprint on the packaging of food products; communication campaigns encouraging consumers to return their used products to the store for recycling and more.

In order to enable its customers to consume more environmentally-friendly products, the Casino Group sells more than 17,850 certified responsible products in its stores (+ 17% compared to 2014).

To raise the awareness of its customers and suppliers, the Casino Group rolls out information and awareness-raising campaigns in its stores primarily focused on responsible consumption, the recycling of used products (light bulbs, batteries, small electric appliances) and food wasting.

In order to raise its customers' awareness of the environmental impact of their consumption, Casino has been a trailblazer in including carbon labels on its own private label products. This labeling, which began in 2008, was gradually replaced by the environmental index (EI), which includes greenhouse gas emissions, water consumption and water pollution throughout the product's entire life cycle. It is currently available on private label products ("Casino", "Monoprix"). This process enables the Casino Group to better understand a product's environmental impact, inform customers and raise their awareness and encourage suppliers to implement improvement initiatives. A tool to calculate the environmental index has been rolled out to industrial food manufacturers in order to accelerate its use.

To encourage more responsible consumption and reduce household waste, the Casino Group is involved in an approach to reduce the distribution of single-use plastic bags in stores. As part of the COP 21, the Casino Group presented 12 solutions that it has implemented to combat climate change, including the use of reusable plastic bags that the Group's stores offer.

| Groupe GO Sport

Groupe GO Sport requests all of its private label suppliers to comply with environmental protection laws and decrees at their manufacturing facilities according to ISO-14001, and safeguard customers' health and protect the environment according to the European REACH regulation. This involves banning the supply of substances of very high concern to human health, or toxic and very persistent substances; not using banned or dangerous products (banned coloring, pesticides, nickel, chrome, etc.) and adhering to regulatory requirements concerning Electric and Electronic Equipment (EEE).

At the request of Groupe GO Sport, each supplier is required to disclose information on the consequences of its company's operations on the environment.

Groupe GO Sport also requests that private label suppliers issue a letter once per year certifying that no product or packaging exceed the 0.1% tolerated limit of substances of very high concern to human health per product, that no product nor packaging contains prohibited substances. A list of prohibited substances to-date is available on the ECHA (European Chemicals Agency) website.

External lab tests took place in 2015 to verify the truthfulness of information provided by subcontractors. A review of collections was organized for 2015 private label product lines to identify all of the high-concern substances likely to be present in the different products.

Organic farming and agricultural best practices

| Casino

The Casino Group offers a wide range of organic products, which are displayed to customers in dedicated sales areas (Monoprix, Casino, Libertad, Disco Devoto, etc.) and are featured in marketing campaigns to customers. Product lines using agricultural best practices are offered by Casino Group brands: in France, under the "Terre et Saveurs" brand, and abroad, the Casino Group encourages its suppliers to use "Good Agricultural Practices" (GAP) guidelines.

The Casino Group's policy on GMOs has been formalized since 1997. The Group's private label products sold in French stores (Casino, Monoprix, Leader Price, Franprix) are guaranteed to be GMO-free: including the ingredients used as well as additives and aromas. Internationally, private labels comply with regulations in effect, and labeling regulations like in Brazil, where products are controlled and indicate the presence of GMOs if they exceed 1%.

The Casino Group is one of the first distributors to have a palm oil policy, since 2010. Taking into account its stakeholders' numerous expectations, the Group became a member of the RSPO (Roundtable on Sustainable Palm Oil) in 2011 in order to meet the goal of only using palm oil that doesn't cause deforestation or exploitation.

For several years, the Casino Group has been committed to continuously improving its seafood offering to support non-industrial fishing by rolling out the "La Criée" (Auction) concept by developing partnerships with several ports on the Atlantic and Mediterranean. Casino has taken several measures since 2007 in favor of preserving fish, notably by gradually halting the sale of threatened deep sea species (emperor, blue ling, swordfish, rattail fish, tusk). Other threatened species are not sold (rock salmon, eels, elvers and white grouper). In 2015, certain species of shark, the most threatened, have been removed from the list of species sold.

A trusted partner

Strengthening the social ethics approach

| Casino

The Casino Group supports the implementation of consistent and stringent standards on both the national and international level. Involved since 2000 in the Initiative Clause Sociale (ICS), which brings together 20 distributors, it participates on the international level in work being led by the Global Social Compliance Program (GSCP) to harmonize standards.

Since 2002, the Casino Group has implemented a social ethics approach with its suppliers aimed at controlling and helping to improve the social conditions in which the private label products sold by the Group are manufactured. This approach, managed by Casino Group's CSR Department in collaboration with the Purchasing Departments, has been rolled out in the different entities, and social ethics officers have been appointed to support its implementation.

The "CSR Spirit" progress initiative implemented by Casino Group was built fully in line with the commitments of the Group Ethics Charter communicated to all of the entities in 2011. It reminds readers of the Group's attachment to the values listed out in the Universal Declaration of Human Rights and the ILO's Declaration relating to fundamental principles and rights at work. Through the nine commitments of the Ethics Charter, Casino Group undertakes in particular to comply with national and international laws, principles, standards and regulations; to implement loyal practices in its commercial relations; to foster the development of quality social relations built on respect for employee representative bodies and constructive social dialogue; to promote equal opportunity in access to employment, training and career growth; to consider the diversity of expectations, needs and lifestyles of the stakeholders with which the Group liaises. Through this Ethics Charter, and by signing the UN Global compact, the Casino Group has sought to reaffirm its desire to respect and promote human rights throughout all of its international subsidiaries and with its suppliers.

| Groupe GO Sport

The recommendations of the International Labor Organization summarized in standard SA 8000 are the basis on which Groupe GO Sport interacts with its suppliers in its CSR procedure. These regulations were highlighted in the General Purchasing Terms and Conditions, which specify environmental responsibility requirements and which all suppliers of private label brands must sign, along with a commitment that their own subcontractors will adhere to them as well.

Encouraging the CSR initiatives of SMEs and supporting local manufacturing industries

| Casino

Since its inception, the Casino Group has had a close relationship with its suppliers (SMEs/SMIs, farmers, cooperatives). It has launched several programs to support producers, cooperatives or livestock farmers. It helps local suppliers improve the professional level of their production circuits and logistics, their manufacturing standards and even their administrative management to enable them to enhance their economic development beyond their commercial relationship with the Group. One of Casino Group's objectives is to enhance their visibility with store customers.

Report of independent third-party agencies

on the corporate social responsibility information published in the management report

Year ended December 31, 2015

Dear shareholders,

In our role as an independent third party accredited by COFRAC[1] under number 3-1050 and member of the network of one of Rallye's Statutory Auditors, we hereby present to you our report on the consolidated corporate social responsibility information of Rallye, presented in the management report, hereafter the "CSR Information", prepared for the fiscal year ended on December 31, 2015, as required by Article L. 225-102-1 of the French Commercial Code.

RESPONSIBILITY OF THE COMPANY

The Board of Directors is responsible for preparing a management report comprising the CSR Information required by Article R. 225-105-1 of the French Commercial Code, in accordance with the reporting standards used by the Company and its subsidiaries Casino Group and Groupe GO Sport (hereafter the "Reporting Standards"), which is summarized in the chapter "Scope" of this management report and in that of its two subsidiaries.

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by regulatory texts, the French Code of Ethics for auditors, and in the provisions set out in Article L. 822-11 of the French Commercial Code. We have also implemented a quality control system which includes written policies and procedures aimed at ensuring compliance with the professional rules of conduct, professional standards, and the relevant legal and regulatory texts.

RESPONSIBILITY OF THE INDEPENDENT THIRD PARTY

It is our responsibility, on the basis of our work:

- to certify that the required CSR Information is presented in the management report and is subject, in the case of omission, to an explanation in accordance with paragraph three of Article R. 225-105 of the French Commercial Code (Certificate of CSR Information);
- to express a conclusion of limited assurance that the presentation of the CSR Information, as a whole, is true and fair in all material respects and compliant with the Reporting Standards used (Reasoned opinion on the fairness of the CSR Information).

Our task was carried out by a team of three people between February and March 2016 for a total period of approximately four weeks.

We performed the tasks below in compliance with the professional standards applicable in France, with the May 13, 2013 ruling determining the conditions under which independent third parties carry out their engagements and with the international standard ISAE 3000[2].

1. CERTIFICATE OF INCORPORATION OF CSR INFORMATION

- We reviewed, based on interviews with the heads of the relevant departments, the presentation of sustainable development guidelines, according to the social and environmental consequences linked to the Company's activities and its social commitments and if any, the resulting initiatives or programs;
- We compared the CSR Information presented in the management report with the list specified in Article R. 225-105-1 of the French Commercial Code;
- For any consolidated information that was not disclosed, we verified that the explanations provided complied with the provisions of Article R. 225-105, paragraph 3 of the French Commercial Code;
- We checked that the CSR Information covered the consolidated scope, *i.e.*, the Company and its subsidiaries within the meaning of Article L. 233-1 of the French Commercial Code and the companies which it controls within the meaning of Article L. 233-3 of the French Commercial Code.

Based on this work, we certify that the required CSR Information has been incorporated into the management report.

(1) Scope available at www.cofrac.fr.
(2) ISAE 3000 – Assurance engagements other than audits or reviews of historical information

2. REASONED OPINION ON THE FAIRNESS OF THE CSR INFORMATION

Nature and scope of the work

We conducted two interviews with the persons responsible for preparing the CSR Information, the persons responsible for the information collection process and where applicable, the persons responsible for internal control and risk management procedures, in order to:

- assess the suitability of the Reporting Standards in terms of their relevance, completeness, reliability, neutrality and clarity, by taking into consideration the sector's best practices, if any;
- verify the implementation of a data-collection, compilation, processing and control procedure that is designed to produce CSR Information that is exhaustive and consistent, and familiarize ourselves with the internal control and risk management procedures involved in preparing the CSR Information.

We established the nature and scope of our tests and controls according to the nature and importance of the CSR Information with respect to the Company's characteristics, the social and environmental challenges related to its activities, its sustainable development guidelines and sector best practices.

For the CSR information that we considered the most important(3):

- at the parent company level, we reviewed the documentary sources and conducted interviews to confirm the qualitative information (organization, policies, actions, etc.), we implemented analytical procedures on the quantitative information and verified, based on spot checks, the calculations as well as the consolidation of data and we verified their consistency and correspondence with the other information provided in the management report;
- at the level of a representative sample of entities selected by us(4) according to their activity, their contribution to consolidated indicators, their geographical presence, and risk analysis, we conducted interviews to verify the correct application of procedures and implemented detailed tests on the basis of sampling, in order to check the calculations made and compare the data from the supporting documents. The sample thus selected represents on average 41% of the employees and between 23% and 26% of environmental information.

For the other consolidated CSR Information, we assessed its consistency based on our knowledge of the Company.

Finally, where applicable, we assessed the relevance of the explanations with respect to the total or partial absence of certain information.

We consider that in the light of the sampling methods and sample sizes that we chose based on our professional judgment, we can express a conclusion of limited assurance, since a higher level of assurance would have required more extensive verifications. Due to the use of sampling techniques, as well as to limits inherent in the operation of any information and internal control system, the risk of non-detection of a material misstatement in the CSR Information cannot be entirely ruled out.

Conclusion

Based on our work, we did not find any material misstatements likely to call into question the fact that the CSR Information taken as a whole is a true and fair presentation, in accordance with the Reporting Standards.

Paris-La Défense, March 15, 2016

The Independent Third Party

ERNST & YOUNG et Associés

Éric Mugnier
Partner, Sustainable Development

Bruno Perrin
Partner

(3) **Environmental and societal information:**
- Indicators (quantitative information): pollution and waste management (recovered tonnages), the sustainable use of resources and climate change (energy consumption, GHG emissions).
- Qualitative information: the general environmental policy, measures taken to encourage consumer health and safety, procurement according to local constraints, regional, economic and social impact, importance of subcontracting and taking social and environmental issues into consideration in the purchasing policy and in supplier and subcontractor relationships, fair practices (anti-corruption initiatives launched, measures taken to promote consumer health and safety), human rights initiatives launched.

Employee-related information:
- Indicators (quantitative information): employment (total workforce and breakdown), absences, workplace accidents (particularly frequency and severity), total number of training hours.
- Qualitative information: measures taken to encourage employee health and safety, promoting and respecting the provisions of the ILO's fundamental conventions (freedom of association, elimination of discrimination, forced work and child labor).

(4) Casino Group and Groupe GO Sport.

2. Corporate Governance - Chairman's Report

This section of the Registration Document contains all of the provisions of the report prepared by the Chairman of the Board of Directors, in accordance with Article L. 225-37 of the French Commercial Code, which includes the principles and rules of governance applied within the Board of Directors and Executive Management as well as internal audit and risk management procedures.

- The section of the Chairman's Report on the organization and functioning of the Board of Directors and of the Executive Management, as well as on the methods for determining the compensation and benefits granted to corporate officers, was prepared on the basis of recommendations of the AFEP/MEDEF Code, revised in November 2015, and of the AMF and of the recommendations appearing in the High Committee on Corporate Governance's "Application Guide to the AFEP/MEDEF Code of Corporate Governance of Listed Companies", published in December 2015.
- The section of the Chairman's Report on internal audit and risk management was prepared from work carried out by the departments responsible for Rallye's internal audit, based on internationally recognized "COSO" (Committee of Sponsoring Organizations of the Treadway Commission) guidelines, which are compatible with the AFEP and MEDEF recommendations.

The report was reviewed by the Appointments and Compensation Committee and by the Audit Committee, then approved by the Board of Directors at its meeting on March 8, 2016. It was made available to the shareholders prior to the Annual General Meeting.

It was also the subject of a report by the Statutory Auditors, under Article L. 225-235 of the French Commercial Code, with regard to the internal audit procedures relating to the preparation and processing of accounting and financial information, as well as a certification concerning the preparation of other disclosures.

Code of Corporate Governance

As part of the Company's approach to practicing good governance, the Board of Directors refers to the November 2015 version of the AFEP/MEDEF Code of Corporate Governance. The Company applies all the AFEP/MEDEF Code's recommendations as well as those listed in the "Application Guide to the AFEP/MEDEF Code of Corporate Governance of Listed Companies", published in December 2015.

Over the past year, the Company has continued to pay close attention to correctly applying corporate governance principles and to strengthening them.

The appointment of a female Independent Director at the Shareholders' Meeting on May 19, 2015 and her appointment as a member on the Appointments and Compensation Committee, two-thirds of which are independent members, was part of this strengthening process.

Board of Directors

COMPOSITION OF THE BOARD OF DIRECTORS

On March 8, 2016, the date on which the financial statements for the year 2015 were approved, the Board of Directors consisted of eleven Directors:

- Jean-Charles Naouri, Chairman of the Board of Directors;
- Philippe Charrier [(1)];
- Jean Chodron de Courcel [(1)];
- Jacques Dumas;
- Catherine Fulconis [(1)];
- Jean-Marie Grisard, representing Finatis;
- Sophie Guieysse [(1)];
- Didier Lévêque, representing Foncière Euris;
- Odile Muracciole, representing Saris;
- Gabriel Naouri, representing Euris;
- Christian Paillot [(1)].

- Non-voting observer, André Crestey.

(1) Independent Directors.

The Board thus includes five Independent Directors (over 45%) and six representatives of the majority shareholder. There are three women Directors, accounting for 27% of the Board.

The membership of the Board of Directors was changed in 2015 following the appointment of Sophie Guieysse by the Shareholders' Meeting on May 19, 2015. She was also appointed to be a member of the Appointments and Compensation Committee.

Directors are chosen for their experience, diversity of experience and synergies.

The Board of Directors ensures that Board and Committee membership is balanced, particularly with regard to the presence of women, the representation of Independent Directors, and the diversity of their areas of expertise.

Within this context, the Appointments and Compensation Committee conducts annual reviews of the Board of Directors and its Special Committees, in which it periodically assesses their size and structure, and communicates its conclusions and recommendations to the Board of Directors.

The Appointments and Compensation Committee, in particular, assessed the following aspects of the Board of Directors' composition:

The length of terms of office

The one-year terms of office of all the Directors expire at the Shareholders' Meeting on May 18, 2016.

Representation of Independent Directors

As part of its duties, the Appointments and Compensation Committee is in charge of monitoring the position of each Director with regard, if applicable, to the relationships that may exist between him/her and the Company or Group companies, which might compromise his/her freedom of judgment or might lead to potential conflicts of interest with the Company.

The Appointments and Compensation Committee conducted an annual review of the independence of Directors with regard to the assessment criteria proposed by the AFEP/MEDEF Code, detailed in the table below. The Committee presented its findings to the Board of Directors on March 8, 2016.

Summary analysis of the position of each Director with regard to the independence criteria of the AFEP/MEDEF Code

Independence criteria of the AFEP/MEDEF Code:	Not to be an employee or a corporate officer of the Company, or an employee or Board member of the parent company or of a company it controls, and not to have been one during the previous five years;	Not to be a corporate officer of a company in which the Company (or an employee designated as such or a corporate office of the Company) directly or indirectly holds a seat on the Board;	Not to be a customer, supplier, investment bank, lending bank of the Company	Not to have a close personal relationship with a corporate officer	Not to have been an Auditor of the Company during the previous five years	Not to have been a Board member of the Company for more than twelve years
Independent Directors						
Philippe Charrier	Y	Y	Y	Y	Y	Y
Jean Chodron de Courcel	Y	Y	Y	Y	Y	Y
Catherine Fulconis	Y	Y	Y	Y	Y	Y
Sophie Guieysse	Y (1)	Y	Y	Y	Y	Y
Christian Paillot	Y	Y	Y	Y	Y	Y
Non-independent Directors						
Jacques Dumas	N					N
Jean-Marie Grisard, representing Finatis	N					N
Didier Lévêque, representing Foncière Euris	N					
Odile Muracciole, representing Saris	N					
Jean-Charles Naouri	N					N
Gabriel Naouri, representing Euris	N			N		

(1) Sophie Guieysse was formerly a Director of Groupe GO Sport from April 4, 2011 until April 17, 2015, i.e. for less than 12 years. She has never held an executive position at Groupe GO Sport or at any other company in the consolidated Group. She therefore qualifies as an Independent Director, because her position in the past does not create any serious risk of a conflict of interest.
Note: non-compliance with the criteria is identified with an "N", and compliance with a "Y".

The Committee noted that Christian Paillot, appointed on April 15, 2004, reached the maximum 12-year period for performing the duties of a Director, as provided for in the AFEP/MEDEF Code.

The Committee noted that no Independent Directors have a business relationship with the Company or with one of the Group companies.

The presence of women

The Board has three women Directors (27%).

As such, the Appointments and Compensation Committee has continued to select women Directors in order to reach, by the 2016 Shareholders' Meeting, the 40% threshold recommended by the AFEP/MEDEF Code and required by law.

Directors holding more than one office

No Director whose re-appointment has been recommended to the Shareholders' Meeting on May 18, 2016 holds more than one office as provided for by law and AFEP/MEDEF Code.

In accordance with the recommendations of the AMEP/MEDEF Code, the executive corporate officer must obtain the Board of Directors' approval before accepting a term of office in a listed company.

Non-voting observer (advisor to the Board)

The Company's by-laws allow for the appointment of one or more non-voting observers, chosen from among the shareholders. These observers are appointed for one year and attend Board Meetings; in this role, they share their observations and advice, and participate in discussions in an advisory capacity. There may not be more than five such observers in total.

Employee representatives within the Board of Directors

The Board of Directors does not fall under Articles L. 225-23 (Directors elected by employee shareholders accounting for more than 3% of the share capital) or L. 225-27 (Directors elected by virtue of the by-law provisions instituted by the Company) of the French Commercial Code.

In order to prepare its recommendation to the Board of Directors, the Appointments and Compensation Committee will specifically review the application of the new provisions of Article L. 225-27-1, which was introduced by the Law of August 17, 2015 and provides for the appointment of employee shareholders, with voting rights, by no later than the end of the 2017 Annual Shareholders' Meeting.

Proposed composition of the Board of Directors, subject to approval at the Shareholders' Meeting on May 18, 2016

Taking into account these different items, particularly those concerning balanced gender representation and independent members, and in accordance with the Appointments and Compensation Committee's opinion, the Board of Directors has decided to reduce the number of Directors from 11 to 10 and to submit the following for the approval of the Shareholders' Meeting:

- the renewal of the terms of office: of Catherine Fulconis and Sophie Guieysse; of Jean-Charles Naouri, Philippe Charrier, Jean Chodron de Courcel and Jacques Dumas; of Euris, represented by Gabriel Naouri; of Saris, represented by Odile Muracciole; of Foncière Euris, represented by Didier Lévêque; and of Finatis, with Virginie Grin serving as its permanent representative;
- the appointment of Jean-Marie Grisard as a non-voting observer to replace André Crestey and Christian Paillot, whose term of office will not be submitted for renewal.

As a result, at the end of the Shareholders' Meeting on May 18, 2016, the Board might comprise 10 members, including four women Directors and four Independent Directors (40%). It would also include two non-voting observers.

STRUCTURE AND OPERATION OF THE BOARD OF DIRECTORS

Preparation and organization of the work of the Board of Directors

The requirements governing the preparation and organization of the work of the Board of Directors are defined by law, by the Company's by-laws, by the Board's internal regulations, and by the charters of the Special Committees set up within it.

Organization and Operation of the Board of Directors

Since February 28, 2013, the functions of Chairman of the Board of Directors and Chief Executive Officer have been separated.

Didier Carlier holds the position of Chief Executive Officer, while Frank Hattab is the Deputy Managing Director. Jean-Charles Naouri is Chairman of the Board of Directors.

On May 18, 2016, the Board of Directors will be asked to deliberate on keeping the functions of Chairman of the Board of Directors separate from those of the Executive Management, and on renewing the terms of office: of the Chairman of the Board of Directors, Jean-Charles Naouri; of the Chief Executive Officer, Didier Carlier; and of the Deputy Managing Director, Franck Hattab.

| Powers of the Chairman of the Board of Directors

Within the Board of Directors, the Chairman organizes and directs the activities of the Board, about which he reports to the Shareholders' Meeting.

He convenes meetings of the Board of Directors and is in charge of setting the agenda and producing the minutes of these meetings. He ensures proper functioning of the Company's operations and, in particular, that the Directors are able to perform their duties.

| Internal regulations of the Board of Directors

The organization and operations of the Board of Directors are subject to the internal regulations adopted in December 2003, and last revised by the Board of Directors on May 13, 2014. They include and specify the different rules that are applicable by law, regulations and the Company's by-laws. They include the principles of "corporate governance" with which they ensure compliance.

The internal regulations describe the operation, powers, authorizations and duties of the Board of Directors and of its Special Committees: the Audit Committee and the Appointments and Compensation Committee. They describe the limits to the powers of the Executive Management.

The regulations lay down the code of ethics applicable to members of the Board of Directors, in particular: the obligation of confidentiality referred to in Article L. 465-1 of the French Monetary & Financial Code, and in Articles 621-1 *et seq.* of the General Regulations of the French Financial Markets Authority (AMF) on insider trading; and the obligation to observe a blackout period concerning any transactions in the Company's shares.

They also mention the registration of Directors on the list of permanent insiders drawn up by the Company as part of the regulatory provisions intended to improve the prevention of breaches and insider trading.

The internal regulations also include provisions governing the declarations required from corporate officers and from individuals with "close personal ties" to members of the Board of Directors with respect to their transactions in Company shares.

The internal regulations set out the principle of formal and regular assessments of the Board of Directors' operations.

They also spell out the terms and conditions for its meetings and deliberations and, in particular, enable Directors to attend Board meetings by videoconference and by any other means of telecommunication.

The internal regulations of the Board of Directors may be consulted on the Company's website at: http://www.rallye.fr.

| Information Provided to Directors

In accordance with Article L. 225-35 of the French Commercial Code, the Chairman or Chief Executive Officer of the Company provides each member of the Board with all of the documents and information necessary for the performance of their duties.

Therefore, all the necessary information relating to the subjects to be discussed by the Board of Directors is provided to its members prior to each Board meeting. Accordingly, each Board member receives a preparatory file containing information and documents, provided that such documents are available and depending on the progress status of the files, relating to the subjects on the agenda.

Pursuant to the provisions of the Board of Directors' internal regulations, the Executive Management regularly a report to the Board of Directors describing the development of the Company's and its main subsidiaries' business activities, as well as the position of the indebtedness and lines of credit available to the Company.

When Directors start their term of office, they receive all the information necessary for the performance of their duties, and they can request any document they deem necessary. Meetings with the senior managers of the Company and its subsidiaries are also organized.

The Executive Management, the Chief Financial Officer and the Company Secretary are available to Directors to provide them with any relevant information or explanations.

Between Board meetings, Directors receive all important information concerning the Company and the Group or when events affecting them significantly occur.

Once every six months, the Board of Directors also reviews the Group's off-balance-sheet commitments.

At least once a quarter, the Chief Executive Officer delivers to the Board of Directors a report of the business activities of the Company and its main subsidiaries, including particularly the revenue and changes in income, the schedule of borrowings, the position of the lines of credit available to the Company and the schedule of the Company's and its main subsidiaries' employees.

Authorizations and Duties of the Board of Directors

In accordance with the provisions of Article L. 225-35 of the French Commercial Code, the Board of Directors decides on the general directions to be followed by the Company's business and sees to it that they are implemented. Subject to the powers expressly reserved to Shareholders' Meetings and within the limits of the Company's corporate purpose, the Board of Directors deals with all questions of interest to the Company's operations and by its deliberations governs the matters that concern it. It also carries out all the checks and audits it deems necessary.

The Board of Directors also reviews and approves the individual company and consolidated annual and semi-annual financial statements. It presents reports on the business activities and performance of the Company and its subsidiaries, and approves the Company's management forecasts. It also reviews the Chairman's Report for approval. It determines the Executive Management's combined or separate way of conducting business and therefore appoints its Chairman, Chief Executive Officer and Deputy Managing Director, whose compensation it sets. It awards stock options and bonus shares. It is called upon to deliberate every year with regard to the Company's policy on equal job opportunities and equal pay for men and women.

Certain significant transactions are subject to the Board's prior authorization due to their nature and/or amount, to limit the powers of the Executive Management.

Activity of the Board of Directors during the past year

In 2015, the Board of Directors met six times. The rate of attendance of Directors at these meetings was 100%.

Approval of the financial statements – Business of the Company and its subsidiaries

The Board of Directors has examined the financial statements for the year ended December 31, 2014, the financial statements for the first half of 2015, and the Company's management forecasts.

It approved the reports and the text of the resolutions submitted to the Ordinary and Extraordinary Shareholders' Meeting held on May 19, 2015. It also took note of the Group's business activity for each quarter, its number of employees, as well as its level of debt and available sources of funds.

The Board of Directors approved various transactions subject to its authorization. This included, in particular, the provision of guarantees for commitments made by the Company's subsidiaries while arranging financial and real estate transactions. It also reviewed lines of credit set up by the Company and subsidiaries within the holding company's scope.

The Board of Directors examined the policy for professional gender equality within the Company.

The Board was also informed about the operation to consolidate the Casino Group's businesses in Latin America, as well as its asset disposal plan.

The Board has also been given a special presentation about the Company's long term and real estate investment portfolios, and it has been kept abreast of any developments relating to them.

In accordance with the provisions of Article L. 225-40-1 of the French Commercial Code, the Board of Directors has reviewed the regulated agreements concluded during past years that are still in effect.

Compensation

The Board of Directors determined the 2015 fixed compensation and 2014 variable compensation of Didier Carlier, the Chief Executive Officer and of Franck Hattab, the Deputy Managing Director. It also defined the terms and conditions for determining their variable compensation for 2015, it being noted that the Chairman of the Board of Directors does not receive fixed or variable compensation for these duties.

The Board of Directors also determined the manner and terms of awards of a deferred and conditional bonus to the Chief Executive Officer and to the Deputy Manager Director.

It also examined the terms for allocating directors' fees to Directors, non-voting observers and members of the Board's technical committees. It decided on the award of bonus shares to the executives and employees of the Group and its affiliates, subject to the conditions of continued employment and performance.

Corporate governance

The Board of Directors conducted the annual review of the Appointments and Compensation Committee's conclusions on the Company's situation with regard to applying corporate governance principles, and more specifically, concerning the composition and organization of the Board and its Special Committees, the independence of Directors and presence of women on the Board as part of the process of renewing the directorships that expired at the Shareholders' Meeting held on May 19, 2015.

In this respect, it recommended to the Ordinary Shareholders' Meeting the appointment of a new female Independent Director.

In connection with the renewal of terms of office of the Chief Executive Officer and the Deputy Managing Director, the Board of Directors maintained the limitation of the Executive Management's powers and renewed the specific annual authorizations for borrowings, lines of credit, other funding agreements and cash advance contracts, guarantees, endorsements and securities, transactions in equities, marketable securities and derivative products and bond issues.

The Board of Directors approved the Chairman's Report on the organization and operation of the Board of Directors and Executive Management, and on the internal audit and risk management procedures.

The Board of Directors was informed about all the work of its Committees, as described below.

Special Committees of the Board of Directors

The Board of Directors is assisted by two Special Committees: the Audit Committee and the Appointments and Compensation Committee.

The Committees are composed exclusively of Directors. Committee members are nominated by the Board of Directors, which also appoints the Chairman of each committee.

The Chairman of the Board of Directors, the Chief Executive Officer and the Deputy Managing Director are not members of any Committee.

The authorities and specific methods of operation of each Committee were defined by the Board of Directors when they were created, and incorporated into the internal regulations together with a specific charter for each of them.

Audit Committee

| Composition

The Audit Committee has three members, two of whom are independent (two-thirds): Philippe Charrier, Chairman and Christian Paillot, as well as Gabriel Naouri, who have been appointed for the duration of their terms as Directors.

All members of the Audit Committee hold or have held executive or management positions in the Company and as such have the financial or accounting expertise required under Article L. 823-19 of the French Commercial Code.

| Duties

The Audit Committee provides support for the Board of Directors in its task of reviewing and approving the annual and semi-annual financial statements. It also assists the Board whenever an event occurs that is likely to have a significant impact on the position of the Company or its subsidiaries in terms of commitments and/or risks.

In this regard, in accordance with Article L. 823-19 of the French Commercial Code and under the responsibility of the Board of Directors, it monitors questions relating to the preparation and auditing of accounting and financial information. For the audit of the Company's annual and semi-annual financial statements, the Audit Committee meets at least two days before the Board Meeting convened to approve the statements.

Thus, it is charged with monitoring the preparation of financial information, the efficacy of internal audit and risk management systems, the legally required audit of annual and consolidated financial statements by the Statutory Auditors and the independence of the Statutory Auditors.

The Audit Committee has an organization and operations charter which confirms its powers and authorities with regard, in particular, to the analysis of management risks and to the detection and prevention of management irregularities.

| Activities in 2015

The Audit Committee met twice in 2015, with all members in attendance at each meeting.

In connection with the approval of the semi-annual and annual financial statements, the Audit Committee verified the account closing process and took note of the Statutory Auditors' analysis that included, in particular, a review of all consolidation procedures and of the Company's financial statements. The Committee also reviewed off-balance-sheet commitments, risks and accounting options selected with regard to provisions, together with the applicable legal and accounting changes. It was informed about the audit plan and the fees paid in 2015 to the Statutory Auditors.

The Committee reviewed the Finance & Account Department's report on risks and off-balance sheet commitments, and Rallye's risk prevention documents, as well as the Chairman's Report on audit and risk management procedures.

The Audit Committee reviewed the regulated agreements concluded over the previous years that are still in effect, in accordance with the provisions of Articles L. 225-38 *et seq.* of the French Commercial Code.

The Committee was informed about the Statutory Auditors' findings on procedures relating to the processing and preparation of accounting and financial information.

The Chairman of the Audit Committee reported to the Board on the work done at each of these meetings.

The Appointments and Compensation Committee

| Composition

The Appointments and Compensation Committee has three members, two of whom are independent: Jean Chodron de Courcel, Chairman, Sophie Guieysse and Jacques Dumas, who have been appointed for the duration of their terms as Directors.

The Chairman of the Board of Directors may attend committee meetings to present proposals related, in particular, to the compensation of senior managers and the granting of options and bonus shares.

The Chairman of the Board of Directors takes part in the selection process for new Directors.

| Duties

The Appointments and Compensation Committee is charged, in particular, with helping the Board of Directors review candidates for senior management positions, select new Directors, define and monitor policies for senior management compensation and stock option and bonus share awards. If applicable, it also reviews the benefits and other forms of compensation of senior management. It also oversees the correct application of corporate governance rules and the absence of potential conflicts of interests.

The Appointments and Compensation Committee prepared an organization chart, confirming its powers and authorities with regard to the assessment the Board of Directors' performance and verifying that the corporate governance principles and code of ethics are being properly respected and applied, in particular those derived from the internal regulations of the Board of Directors.

| Activities in 2015

The Appointments and Compensation Committee met four times in 2015, with all members in attendance at each meeting.

The Committee performed its annual review of the organization and operations of the Board of Directors and its Special Committees as well as of the correct application of corporate governance principles in accordance with the AFEP/MEDEF Code and the provisions of the internal regulations.

It examined the position of each Director with regard to dealings with Group companies that might compromise their freedom of judgment or entail conflicts of interest.

The Appointments and Compensation Committee expressed its recommendations regarding the proposed renewal of the terms of office of the Chairman of the Board of Directors, the Chief Executive Officer, the Deputy Managing Director, the Directors and the non-voting observer, and on the composition of the Special Committees.

It implemented the selection procedure for a new female Director and recommended a candidate to the Board of Directors.

The Committee approved the conditions for determining the 2015 fixed and variable compensation of the Chief Executive Officer and of the Deputy Managing Director as well as the terms and conditions for a conditional and a deferred bonus.

The Committee also reviewed the award of stock options and bonus shares to managerial staff and employees of the Company and related companies, as well as the Director's fees to be awarded to Board members, the non-voting observer, and members of the Special Committees.

To comply with AFEP/MEDEF Code recommendations on advisory shareholder votes, the Committee reviewed the components of the compensation due or awarded to the Chairman, the Chief Executive Officer and the Deputy Managing Director. The Committee reviewed the gender equality policy and reported on it to the Board of Directors.

It examined the Chairman's Report on the organization of the work of the Board of Directors, as well as the corporate governance-related information mentioned in the management report.

When the terms of office of the Chief Executive Officer and the Deputy Managing Director were renewed, the Committee formulated recommendations on maintaining the limitation on the powers of Executive Management and on the specific annual authorizations granted to it.

The Chairman of the Committee reported to the Board of Directors on the work of the Appointments and Compensation Committee.

Assessment of the conditions under which the Board of Directors operates

Pursuant to the Code of Corporate Governance, the internal regulations provide for an annual discussion and regular assessment of the operations of the Board of Directors, to be performed by the Appointments and Compensation Committee, with the help, if desired, of an external consultant.

The latest assessment of the organization and operation of the Board of Directors was conducted during the last quarter of 2013, using the responses to a questionnaire sent to each Director.

The assessments and observations made by the members of the Board of Directors indicated that the organization and operations of the Board were entirely satisfactory with respect to proper corporate governance. The Directors had expressed a wish to increase the percentage of women on the Board of Directors and to be kept regularly informed on the sale of financial assets. The next Board of Directors assessment will be set up by the Appointments and Compensation Committee during the fourth quarter of 2016.

TERMS OF OFFICE AND POSITIONS HELD BY BOARD OF DIRECTORS MEMBERS

I. Directors Being Proposed for Reappointment at the Shareholders' Meeting

Jean-Charles Naouri

Date of birth: March 8, 1949, 67 years old

Business address: 83, rue du Faubourg-Saint-Honoré – 75008 Paris

Biography

A graduate of *École normale supérieure* (Sciences), Harvard University, and *École nationale d'administration*, Jean-Charles Naouri, *Inspecteur Général des Finances*, began his career with the Department of the Treasury. He was appointed Principal Private Secretary to the Minister of Social Affairs and National Solidarity in 1982, and later to the Minister of the Economy, Finance, and the Budget in 1984. In 1987, he founded Euris, which became the controlling shareholder of Rallye in 1991, then of Casino in 1998. Jean-Charles Naouri has been Chairman and Chief Executive Officer of Casino since March 2005.

Principal executive positions

Chairman and Chief Executive Officer of Casino Guichard-Perrachon (a listed company);

Chairman of Euris.

Offices and positions held at the Company

Office/Position	Date of first appointment	End of term of office
Director	October 25, 1993	Annual General Meeting of May 18, 2016
Chairman of the Board of Directors	April 2, 1998	Annual General Meeting of May 18, 2016

Other offices and positions held in 2015 and continuing as of March 8, 2016

Within the Rallye/Euris Group	Outside the Rallye/Euris Group
■ President and Director of the Board of Directors of Companhia Brasileira de Distribuição (a listed company in Brazil); ■ Chairman and Chief Executive Officer of Casino Finance; ■ Deputy Chairman of the Casino Corporate Foundation; ■ Chairman of the Euris Foundation.	■ Director of Fimalac (listed company); ■ Member of the Consultative Committee of the Banque de France; ■ Chairman of the *"Promotion des talents"* association; ■ Honorary Chairman and Director of *Institut de l'École normale supérieure.*

Other offices and positions held in the past five years (not including the offices and positions listed above)

Within the Rallye/Euris Group	Outside the Rallye/Euris Group
■ Chairman and Chief Executive Officer, then Chairman of the Board of Directors, then Chairman of the Supervisory Board and member of the Supervisory Board of Monoprix; ■ Chief Executive Officer of Rallye (listed company); ■ Chairman and Director of CNova N.V. (a listed company in the Netherlands); ■ President and Director of the Board of Directors of Wilkes Participaçoes (Brazil); ■ Manager of SCI Penthièvre Neuilly; ■ Chairman of the Board of Directors of the Casino Corporate Foundation.	None.

Number of Rallye shares held: 369.

Philippe Charrier

Date of birth: August 2, 1954, 61 years old.

Business address: 111, rue Henri Barbusse – 95100 Argenteuil

Biography

Philippe Charrier graduated from the *École des Hautes Études Commerciales* and has a diploma in accounting (DECS). He joined the Financial Department of the Procter & Gamble Group in 1978, where he spent the majority of his career as Financial Director for France, Marketing Director for France, CEO for Morocco, and went on to serve as Chairman and Chief Executive Officer for France until 2006. From 2006 to 2010, he was Vice-Chairman and Chief Executive Officer of Oenobiol. From January 2011 to March 2016, he was firstly Chairman of Labco SAS before being appointed Chief Executive Officer of Labco SA in January 2012, then Chairman of the Board of Directors of Synlab Limited from September 2015 to March 2016. Since April 1, 2016, he has been Chairman and Chief Executive Officer of Alphident.

Principal position

Chairman and Chief Executive Officer of Alphident.

Offices and positions held at the Company

Office/Position	Date of first appointment	End of term of office
Director	June 3, 2009	Annual General Meeting of May 18, 2016

Other offices and positions held in 2015 and continuing as of March 8, 2016

Outside the Rallye Group

- Director and Chairman of the Board of Directors of Labco;
- Director and Chairman of Synlab Limited (UK);
- Chairman of the Board of Directors of Dental Emco;
- Director of Lafarge (listed company);
- Founding member of the business club *"Entreprise et handicap"*;
- Director of UNAFAM National;
- Founder and Chairman of Clubhouse France.

Other offices and positions held in the past five years (not including the offices and positions listed above)

- Deputy Chairman, General Manager of Laboratoires Oenobiol;
- Director of the *Fondation Nestlé pour la Nutrition*;
- Chairman of UNAFAM National.

Number of Rallye shares held: 1,363.

Jean Chodron de Courcel

Date of birth: May 14, 1955, 61 years old.

Biography

Jean Chodron de Courcel is a graduate of HEC School of Management and an alumnus of the *École nationale d'administration* (the French public administration college). After holding various positions within the Government and on ministerial staffs, Jean Chodron de Courcel joined the Executive Management of the Schneider group in 1990, where he served as Chief Financial Officer from 1991 to 1995, then in 1997, he joined the executive management team of the Credit Agricole Indosuez group. From 1995 to 1997, he was Deputy Private Secretary to Prime Minister Alain Juppé. He was Deputy Managing Director of the Penauille Polyservices SA group. From 2008 to 2012, he held the positions of *Senior* Advisor, then that of *Vice Chairman -Europe* with Canaccord Genuity Hawkpoint. He has been the Manager of Semper Consulting since 2013.

Principal executive position

Manager of Semper Consulting.

Offices and positions held at the Company

Office/Position	Date of first appointment	End of term of office
Director	June 9, 2004	Annual General Meeting of May 18, 2016

Other offices and positions held in 2015 and continuing as of March 8, 2016

Outside the Rallye Group

- Manager of Semper Consulting.

Other offices and positions held in the past five years (not including the offices and positions listed above)

Outside the Rallye Group

- Senior Advisor of Canaccord Genuitey Hawkpoint;
- Deputy Chairman-Europe of Canaccord Genuity Hawkpoint.

Number of Rallye shares held: 376.

Jacques Dumas

Date of birth: May 15, 1952, 64 years old.

Business address: 83, rue du Faubourg-Saint-Honoré – 75008 Paris

Biography

Jacques Dumas, who has a Master's Degree in Law, and is an alumnus of the Institut d'études politiques de Lyon, began his career as a lawyer, and then became Administrative Manager at the Compagnie Française de l'Afrique Occidentale – CFAO (from 1978 to 1986). In 1987, he was appointed Deputy Company Secretary of the Rallye group, then Manager of Legal Affairs at the Euris group (1994). He is currently Deputy General Manager at Euris, and Advisor to the Chairman of Casino, Guichard-Perrachon.

Principal executive positions

Advisor to the Chairman of Casino, Guichard-Perrachon (listed company);

Deputy General Manager of Euris.

Offices and positions held at the Company

Office/Position	Date of first appointment	End of term of office
Director	July 19, 1990	Annual General Meeting of May 18, 2016

Other offices and positions held in 2015 and continuing as of March 8, 2016

Within the Rallye/Euris Group	Outside the Rallye/Euris Group
■ Member of the Supervisory Board of Monoprix; ■ Permanent representative of Euris, Director of Finatis (listed company); ■ Permanent representative of Cobivia on the Board of Directors of Casino, Guichard-Perrachon (listed company).	■ Manager of SCI Cognac-Parmentier and Longchamp-Thiers; ■ Director of Mercialys (listed company).

Other offices and positions held in the past five years (not including the offices and positions listed above)

Within the Rallye/Euris Group

- Chairman of GreenYellow;
- Chairman and member of the Supervisory Board of Leader Price Holding;
- Chairman and member of the Supervisory Board of Franprix Holding;
- Chairman and member of the Supervisory Board of Monoprix;
- Permanent representative of Casino, Guichard-Perrachon on the Board of Directors of Monoprix;
- Permanent representative of Casino, Guichard-Perrachon on the Supervisory Board of Monoprix;
- Permanent representative of Distribution Casino France on the Board of Directors of Distribution Franprix;
- Permanent representative of Matignon Diderot on the Board of Directors of Finatis (listed company);
- Permanent representative of Messidor SNC on the Board of Directors of Cdiscount;
- Permanent representative of Germinal SNC, President of Théïadis;
- Permanent representative of Retail Leader Price Investissement (R.L.P.I.) on the Board of Directors of Clignancourt Discount.

Number of Rallye shares held: 18,288.

Catherine Fulconis

Date of birth: September 1, 1961, 54 years old.

Business address: 12-16, rue Auger – 93500 Pantin

Biography

Catherine Fulconis is a graduate of the HEC School of Management. She started her career within the l'Oréal Group in 1985, in the Luxury Products division, and then successively held various international executive management positions over the years: Director of Marketing for Lancôme Care and Makeup from 1994 to 1998; Managing Director Parfums Lanvin and Paloma Picasso from 1998 to 2000; Managing Director Europe for Kiehl's and Shu Uemura from 2000 to 2003; Managing Director for the Strategic Development of the Luxury Products division from 2003 to 2005; Managing Director of Helena Rubinstein from 2005 to 2006.

Catherine Fulconis joined Hermès in 2006, as Managing Director and Chair of the Executive Board of Hermès Parfums. She was then Chair and CEO of Hermès Parfums from 2010 to 2014. Since March 2, 2015, she has been CEO of Hermès Maroquinerie-Sellerie and Chairman of the Executive Board of Hermès Parfums.

Principal executive position

Chief Executive Officer of Hermès Maroquinerie-Sellerie.

Offices and positions held at the Company

Office/Position	Date of first appointment	End of term of office
Director	May 13, 2014	Annual General Meeting of May 18, 2016

Other offices and positions held in 2015 and continuing as of March 8, 2016

Outside the Rallye Group

None.

Other offices and positions held in the past five years (not including the offices and positions listed above)

Outside the Rallye Group

- Director of the CEW association *(Cosmetic Executive Women)*.

Number of Rallye shares held: 450.

Sophie Guieysse

Date of birth: February 19, 1963, 53 years old.

Biography

Sophie Guieysse is a graduate of *École polytechnique*, the *École nationale des ponts et chaussées* and the *Collège des ingénieurs*. She began her career at the Ministry of Equipment where she held various operational positions. From 1993 to 1995, she worked as technical adviser in the office of Hervé de Charette, French Minister for Housing, then for Jean-Claude Gaudin, French Minister for Regional Development, Urban Planning and Integration (1995-1997). In 1997, she joined the LVMH Group as Head of Development and Organization, particularly in charge of human resources. In 2000, she became Human Resources Manager for the LVMH Watches and Jewelry division (France and Switzerland) and in 2001, Human Resources Manager for Sephora. She was appointed Human Resources Manager for the LVMH group in 2002. She was Human Resources Manager for the Canal+ group from 2005 to 2015.

Principal executive position

Independent Director.

Offices and positions held at the Company

Office/Position	Date of first appointment	End of term of office
Director	May 19, 2015	Annual General Meeting of May 18, 2016

Other offices and positions held in 2015 and continuing as of March 8, 2016

Within the Rallye/Euris Group	Outside the Rallye/Euris Group
None.	None.

Other offices and positions held in the past five years (not including the offices and positions listed above)

Within the Rallye/Euris Group	Outside the Rallye/Euris Group
■ Director of Groupe GO Sport.	■ Director of the TVN Group (Polish company).

Number of Rallye shares held: 300.

Christian Paillot, whose appointment as a non-voting observer was proposed at the Shareholders' Meeting on May 18, 2016

Date of birth: September 9, 1947, 68 years old.

Biography

Christian Paillot has spent most of his career in manufacturing and distributing photographic, video, and hi-fi equipment. He set up and developed the businesses of Akai, Konica and Samsung in France. Between 2010 and 2012, he was Deputy Chairman of the French Equestrian Federation, and until 2014, Member of the International Equestrian Federation and Deputy Chairman of the European Equestrian Federation. He is currently Chairman of Paillot Equine Consulting Inc., Martina LLC and Celina LLC.

Principal executive position

Chairman of Paillot Equine Consulting Inc. and Martina LLC and Celina LLC.

Offices and positions held at the Company

Office/Position	Date of first appointment	End of term of office
Director	April 15, 2004	Annual General Meeting of May 18, 2016

Other offices and positions held in 2015 and continuing as of March 8, 2016

Outside the Rallye Group

- Chairman of Paillot Equine Consulting Inc., Martina LLC and Celina LLC.

Other offices and positions held in the past five years (not including the offices and positions listed above)

Outside the Rallye Group

- Manager of Écurie du Haras de Plaisance;
- Manager of SCI Parim;
- Deputy Chairman of the French Federation for Equestrian Sports;
- Member of the International Equestrian Federation;
- Deputy Chairman of the European Equestrian Federation.

Number of Rallye shares held: 1,055.

Finatis

French joint stock company (SA) with share capital of €84,852,900

Registered office: 83, rue du Faubourg-Saint-Honoré – 75008 Paris

No. 712 039 163 in the Trade and Companies Register of Paris.

Offices and positions held at the Company

Office/Position	Date of first appointment	End of term of office
Director	June 2, 1998	Annual General Meeting of May 18, 2016

Other offices and positions held in 2015 and continuing as of March 8, 2016

Within the Rallye/Euris Group

- Director of Carpinienne de Participations, Foncière Euris and Casino, Guichard-Perrachon (listed companies).

Other offices and positions held in the past five years (not including the offices and positions listed above)

None.

Number of Rallye shares held: 295.

Permanent representative: Jean-Marie Grisard, whose appointment as non-voting observer was proposed at the Shareholders' Meeting on May 18, 2016

Date of birth: May 1, 1943, 73 years old.

Business address: 83, rue du Faubourg-Saint-Honoré – 75008 Paris

Biography

A graduate of HEC School of Management, Jean-Marie Grisard began his career with the mining group Peñarroya-Le-Nickel-Imétal, where he held various positions in Paris and London. In 1982, he was appointed Financial Director of Francarep, which became Paris-Orléans. In 1988, he joined Euris as Company Secretary until 2008.

Principal executive position

Advisor to the Chairman of Casino, Guichard-Perrachon (listed company).

Other offices and positions held in 2015 and continuing as of March 8, 2016

Within the Rallye/Euris Group	Outside the Rallye/Euris Group
■ Director of Carpinienne de Participations (listed company); ■ Director of the Euris Foundation.	■ Manager of Fregatinvest; ■ Member of the Executive Committee and Deputy Treasurer of the association *"Promotion des talents"*.

Other offices and positions held in the past five years (not including the offices and positions listed above)

Within the Rallye/Euris Group

- Advisor to the Chairman of Euris;
- Permanent representative of Matignon Diderot on the Board of Directors of Casino, Guichard-Perrachon (listed company);
- Director of Euris North America Corporation – (ENAC), Euris Real Estate Corporation – (EREC), Euristates Inc. and Euris Limited.

Number of Rallye shares held: 4,231.

Permanent representative of Finatis: Virginie Grin, as of May 18, 2016

Date of birth: September 21, 1967, 48 years

Business address: 83, rue du Faubourg-Saint-Honoré – 75008 Paris

Biography

Virgine Grin is a graduate of HEC School of Management and holds a *diplôme d'études comptables et financières* (equivalent to a bachelor's degree in accounting and finance). She was Vice President of Turbo France Tours in 1989 and 1990, then Senior Task-Force Manager at the Ernst & Young Entrepreneurs firm from 1990 to 1994. She joined the Euris group in 1994 as Executive Assistant and was appointed Deputy Company Secretary in 2008.

Principal executive position

Deputy Company Secretary of Euris SAS

Other offices and positions held in 2015 and continuing as of March 8, 2016

Within the Rallye/Euris Group

- Member of the Supervisory Board of Centrum Baltica SA, Centrum Poznan SA, Centrum Warta SA and Centrum Weiterstadt SA (Luxembourg);
- Director of Euris North America Corporation (ENAC), Euristates Inc., Euris Real Estate Corporation (EREC), Parande Brooklyn Corp. (United States) and Euris Limited (UK);
- Permanent representative of Saris SAS on the Board of Directors of Carpinienne de Participations SA (listed company);
- Permanent representative of Matignon Diderot (SAS) on the Board of Directors of Finatis SA (listed company);
- Treasurer and Secretary of Euris North America Corporation (ENAC), Euristates Inc., Euris Real Estate Corporation (EREC) and Parande Brooklyn Corp. (United States);
- Member of the Supervisory Board of Centrum Krakow SA (Luxembourg).

Other offices and positions held in the past five years (not including the offices and positions listed above)

Within the Rallye/Euris Group

- Member of the Supervisory Board of Centrum Development SA (February 23, 2011) and Centrum Leto SA (Luxembourg) (December 1, 2014);
- Permanent representative of Eurisma on the Board of Directors of Carpinienne de Participations (July 23, 2014).

Number of Rallye shares held: 31,116.

Foncière Euris		
French joint stock company (SA) with share capital of €149,578,110. Registered office: 83, rue du Faubourg-Saint-Honoré – 75008 Paris No. 702 023 508 in the Trade and Companies Register of Paris.		
Offices and positions held at the Company		
Office/Position	**Date of first appointment**	**End of term of office**
Director	October 25, 1993	GSM of March 18, 2016
Other offices and positions held in 2015 and continuing as of March 8, 2016		
Within the Rallye/Euris Group		
■ Chairman of Matignon Abbeville, Marigny Foncière and Mat-bel 2; ■ Director of Casino, Guichard-Perrachon (listed company).		
Other offices and positions held in the past five years (not including the offices and positions listed above)		
Within the Rallye/Euris Group		
■ Chairman of Marigny Élysées, Matignon Bail, Matigon Corbeil Centre and Matignon Belfort; ■ Manager of SCI Sofaret and SCI Les Herbiers.		
Number of Rallye shares held: 26,996,291.		

Permanent representative: Didier Lévêque, appointed on June 4, 2008

Date of birth: December 20, 1961, 54 years old.

Business address: 83, rue du Faubourg-Saint-Honoré – 75008 Paris

Biography

Didier Lévêque is a graduate of HEC School of Management. From 1985 to 1989, he served as Research Analyst in the Finance Department of the Roussel-UCLAF Group. He joined Euris in 1989 as Deputy Company Secretary. He was appointed Company Secretary in 2008.

Principal executive positions

Company Secretary of Euris;

Chairman and CEO of Finatis (listed company).

Other offices and positions held in 2015 and continuing as of March 8, 2016

Within the Rallye/Euris Group	Outside the Rallye/Euris Group
■ Chairman and CEO of Carpinienne de Participations (listed company), Euris North America Corporation (ENAC), Euristates Inc., Euris Real Estate Corporation (EREC), and Parande Brooklyn Corp. (United States); ■ Deputy Chairman of the Board of Directors and Director of Cnova N.V. (a listed company in the Netherlands); ■ Chairman of Par-Bel 2 and Matignon Diderot; ■ Director of Euris Limited (United Kingdom); ■ Member of the Supervisory Board of Centrum Baltica, Centrum Development, Centrum Krakow, Centrum Poznan, Centrum Warta and Centrum Weiterstadt (Luxembourg); ■ Permanent representative of Finatis, Director of Foncière Euris (listed company); ■ Permanent representative of Foncière Euris, Director of Casino, Guichard-Perrachon (listed company); ■ Representative of Matignon Diderot, Manager of SCI Penthièvre Neuilly; ■ Co-manager of Silberhorn (Luxembourg); ■ Director and Treasurer of the Euris Foundation.	None.

Other offices and positions held in the past five years (not including the offices and positions listed above)

Within the Rallye/Euris Group	Outside the Rallye/Euris Group
■ Chairman of the Board of Directors of Cnova N.V. (a listed company in the Netherlands); ■ Chairman of Matimmob 1; ■ Member of the Supervisory Board of Centrum Leto; ■ Permanent representative of Matignon Diderot, Director of Rallye (listed company). ■ Permanent representative of Matignon Corbeil Centre, Director of Rallye (listed company).	■ Manager of SARL EMC Avenir 2.

Number of Rallye shares held: 83,337.

Euris

French simplified joint stock company (SAS) with share capital of €164,806.

Registered office: 83, rue du Faubourg-Saint-Honoré – 75008 Paris

No. 348 847 062 in the Trade and Companies Register of Paris.

Offices and positions held at the Company

Office/Position	Date of first appointment	End of term of office
Director	June 8, 2005	Annual General Meeting of May 18, 2016

Other offices and positions held in 2015 and continuing as of March 8, 2016

Within the Rallye/Euris Group

- Director of Finatis, Foncière Euris and Casino, Guichard-Perrachon (listed companies).

Other offices and positions held in the past five years (not including the offices and positions listed above)

None.

Number of Rallye shares held: 355.

Permanent representative: Gabriel Naouri, appointed on March 10, 2011

Date of birth: July 6, 1981, 34 years old.

Business address: 148, rue de l'Université – 75007 Paris

Biography

Gabriel Naouri has a Master's in applied mathematics from the University of Paris Dauphine. In 2004, he joined the M&A Division of Rothschild & Cie in New York where he was involved in the sale of Swissport, world leader in airport services, then in 2006, he held a position at L'Oréal USA (New York) as Marketing Manager (in the Consumer Products Division). He joined the Group in early 2007, first at Rallye as a special assistant, then at Casino where he carried out various operating functions at stores, serving especially as hypermarket Manager. He served as Manager of Hypermarket Operations for the Île-de-France region, then Brand, Digital and Innovation Manager for Casino. In January 2014, he was appointed Deputy Manager of International Coordination for the Casino Group. He has also been an advisor at Euris since 2007.

Principal executive positions

Deputy Manager of International Coordination for the Casino Group;

Advisor at Euris.

Other offices and positions held in 2015 and continuing as of March 8, 2016

Within the Rallye/Euris Group	Outside the Rallye/Euris Group
■ Director of Big C Thailand (listed company), Espace Big C Thang Long, Espace Big C Dong Nai, and Espace Big C Am Lac (Vietnam).	■ Manager of Financière GN; ■ Director of TicTrac Limited (UK).

Other offices and positions held in the past five years (not including the offices and positions listed above)

Within the Rallye/Euris Group	Outside the Rallye/Euris Group
■ Director of Libertad (Argentina) ■ Permanent representative of Casino Guichard-Perrachon, Director of Banque du Groupe Casino;	■ Manager of SNC Georges Pompidou.

Number of Rallye shares held: 34,097.

Saris

French simplified joint stock company (SAS) with share capital of €2,100,000.

Registered office: 83, rue du Faubourg-Saint-Honoré – 75008 Paris

No. 344 212 063 in the Trade and Companies Register of Paris.

Offices and positions held at the Company

Office/Position	Date of first appointment	End of term of office
Director	July 29, 2014	Annual General Meeting of May 18, 2016

Other offices and positions held in 2015 and continuing as of March 8, 2016

Within the Rallye/Euris Group

- Director of Carpinienne de Participations (listed company).

Other offices and positions held in the past five years (not including the offices and positions listed above)

None.

Number of Rallye shares held: 333.

Permanent representative: Odile Muracciole, appointed on May 4, 2011

Date of birth: May 20, 1960, 55 years old

Business address: 83, rue du Faubourg-Saint-Honoré – 75008 Paris

Biography

After receiving her advanced studies diploma in employment law, Odile Muracciole began her career as head of the Legal Department at the Alty Group, an independent oil company. She joined Euris in 1990 as Manager of Legal Affairs.

Principal executive position

Legal Manager of Euris.

Other offices and positions held in 2015 and continuing as of March 8, 2016

Within the Rallye/Euris Group

- CEO of Matignon Abbeville, Parinvest, Pargest and Parande;
- Chair of Pargest Holding and Saris;
- Permanent representative of Finatis on the Board of Directors of Carpinienne de Participations (listed company);
- Permanent representative of Euris on the Board of Directors of Foncière Euris (listed company);
- Member of the Supervisory Board of Centrum Development (Luxembourg);
- Director of the Euris Foundation.

Other offices and positions held in the past five years (not including the offices and positions listed above)

Within the Rallye/Euris Group

- Chair of Eurisma;
- Permanent representative of Eurisma, Director of Rallye (listed company);
- Member of the Supervisory Board of Centrum Leto, Centrum Poznan and Centrum Weiterstadt Centrum Warta and Centrum Krakow (Luxembourg)

Number of Rallye shares held: 38,734.

II. Non-voting observer whose term of office ends at the Shareholders' Meeting on May 18, 2016

André Crestey		
Date of birth: February 22, 1939, 77 years old. Business address: 83, rue du Faubourg-Saint-Honoré – 75008 Paris		
Biography		
From 1977 to 1992, André Crestey was CEO of Euromarché. In 1992, he joined the Rallye Group where he successively held the positions of Chairman of the Executive Board, Chairman and CEO (1993), Deputy Chairman and CEO from 1998 to 2001 and Deputy Chairman from 2001 to 2013. Since 2013, he holds the position of non-voting observer for Rallye.		
Office/Position	**Date of first appointment**	**End of term of office**
Non-voting observer (advisor to the Board)	May 14, 2013	Annual General Meeting of May 18, 2016
Other offices and positions held in 2015 and continuing as of March 8, 2016		
Within the Rallye/Euris Group	**Outside the Rallye/Euris Group**	
■ Director of Miramont Finance et Distribution and Groupe GO Sport.	■ Director of the *Fédération du Commerce et de la Distribution* ("FCD"); ■ Director of Périfem.	
Other offices and positions held in the past five years (not including the offices and positions listed above)		
Within the Rallye/Euris Group	**Outside the Rallye/Euris Group**	
■ Director and Deputy Chairman of Rallye (listed company).	■ Chairman of Perifem; ■ Statutory Chairman of the FCD Association.	
Number of Rallye shares held: 27,511.		

Executive Management

CHIEF EXECUTIVE OFFICER

Didier Carlier

Date of birth: January 5, 1952, 64 years old.

Business address: 83, rue du Faubourg-Saint-Honoré – 75008 Paris

Biography

Didier Carlier is a graduate of the *École Supérieure de Commerce de Reims* (Reims Management School) and is a certified public accountant. He started his career in 1975 with Arthur Andersen (Audit Department), rising to the position of Manager. He subsequently served as Company Secretary at Équipements Mécaniques Spécialisés and as Chief Administrative and Financial Officer at Hippopotamus. He joined the Rallye group in 1994, as Chief Administrative and Financial Officer, and was appointed Deputy General Manager in 2002. Since February 28, 2013, he has been CEO of Rallye.

Principal executive position

CEO of Rallye (listed company).

Other offices and positions held in 2015 and continuing as of March 8, 2016

Within the Rallye/Euris Group	Outside the Rallye/Euris Group
■ Chairman and CEO of Miramont Finance et Distribution and La Bruyère; ■ Chairman of Alpétrol, Cobivia, L'Habitation Moderne de Boulogne, Les Magasins Jean, Matignon Sablons and Parande; ■ Chairman and Chief Executive of MFD Inc; USA; ■ Representative of Parande, Chairman of Pargest and Parinvest; ■ Permanent representative of Euris on the Board of Directors of Casino, Guichard-Perrachon (listed company); ■ Permanent representative of Matignon Sablons, Director of Groupe GO Sport; ■ Manager of SCI Kergorju, Les Sables and Perrières.	■ Manager of SC Dicaro.

Other offices and positions held in the past five years (not including the offices and positions listed above)

Within the Rallye/Euris Group

- Chairman and CEO of Colisée Finance VI;
- Chairman of Kerrous, Marigny Percier, Colisée Finance III, Omnium de Commerce et de Participations, Colisée Finance IV, Colisée Finance V and Genty Immobilier et Participations;
- Managing Director of Club Sport Diffusion (Belgium) and Limpart Investments BV (Netherlands);
- Representative of Parande, Chairman of Pargest Holding;
- Permanent representative of Foncière Euris, Director of Rallye (listed company);
- Chairman of the US companies Crapon LLC, King LLC, Lobo I LLC, Oregon LLC, Parker I LLC, Pointer I LLC, Sharper I LLC, and Summit I LLC.
- Permanent representative of Omnium de Commerce et de Participations, Director of Groupe GO Sport;
- Permanent representative of Matignon Diderot, Director of Rallye (listed company).

Number of Rallye shares held: 88,405.

DEPUTY MANAGING DIRECTOR

Franck Hattab
Date of birth: November 14, 1971, 44 years old. Business address: 83, rue du Faubourg-Saint-Honoré – 75008 Paris
Biography
Franck Hattab graduated from EDHEC and started his career in 1994 as a Credit Analyst at Société Générale. He later held the positions of Auditor at KPMG for three years before joining the Finance Department of Rallye in 1999 where he acts as the Chief Administrative and Financial officer. He has been Deputy General Manager of Rallye since February 28, 2013.
Principal executive position
Chief Financial Officer and Deputy General Manager of Rallye (listed company).
Other offices and positions held in 2015 and continuing as of March 8, 2016
Within the Rallye/Euris Group
■ Permanent representative of Rallye (listed company) on the Board of Directors of Miramont Finance and Distribution; ■ Permanent representative of Alpétrol, Director of Groupe GO Sport; ■ Permanent representative of Matignon Sablons on the Board of Directors of La Bruyère.
Other offices and positions held in the past five years (not including the offices and positions listed above)
Within the Rallye/Euris Group
■ Permanent representative of Soparin on the Board of Directors of Colisée Finance II; ■ Permanent representative of L'Habitation Moderne de Boulogne on the Board of Directors of Colisée Finance VI; ■ Permanent representative of Kerrous on the Board of Directors of La Bruyère; ■ Deputy Chairman of the US companies Crapon LLC, King LLC, Lobo I LLC, Oregon LLC, Parker I LLC, Pointer I LLC, Sharper I LLC, and Summit I LLC.
Number of Rallye shares held: 51,156.

OTHER INFORMATION ABOUT THE DIRECTORS

There are no family ties between the members of the Board of Directors, with the exception of those between Jean-Charles Naouri and Gabriel Naouri.

To the Company's knowledge, none of the members of the Board of Directors, neither the Chief Executive Officer, nor the Deputy Managing Director, has, in the past five years, been found guilty of fraud or has, as a senior executive, been associated with bankruptcy, receivership or liquidation (as understood under French insolvency laws). Furthermore, no judgment and/or official public penalty (understood as a conviction for economic and financial matters) has been pronounced against them by any statutory or regulatory authority, and no court of law has prevented them from acting as members of an administrative, management or supervisory body of a listed company, nor from taking part in the management or supervision of a listed company's affairs.

CONFLICTS OF INTEREST IN CORPORATE BODIES AND EXECUTIVE MANAGEMENT – REGULATED AGREEMENTS

As part of the day-to-day management of the Group, the Company is involved in normal business relationships with all its subsidiaries.

It also receives assistance from Euris, its ultimate controlling parent of which Jean-Charles Naouri is the main controlling shareholder and which provides ongoing strategic and development consulting services. The terms and conditions of these services are set forth in an agreement signed in 2003 and its two amendments dated June 16, 2008 and January 28, 2015, which were authorized by both Boards of Directors on October 15, 2003, June 4, 2008 and December 5, 2014 and were approved by their respective Shareholders' Meetings on June 9, 2004, June 3, 2009 and May 19, 2015 in accordance with the procedures for regulated agreements and commitments. The Company paid Euris total fees of €2.1 million excluding tax in 2015 following the amendment dated January 28, 2015 following the advice of an independent financial assessment.

Moreover, Euris provides strategic consulting services to Company subsidiaries, and particularly to the Casino Group. The Company and its subsidiaries also receive other technical and operational services concerning real estate matters, as well as seconded personnel and furnished offices from Euris and Foncière Euris (cf. Note 14 of the notes to the consolidated financial statements on page 166 of this Registration Document).

Jean-Charles Naouri, Jacques Dumas, Jean-Marie Grisard, Didier Lévêque, Gabriel Naouri and Odile Muracciole, Directors or permanent representatives of Group companies, as well as Didier Carlier, Chief Executive Officer, and Franck Hattab, Deputy Managing Director, have management functions and/or are members of the corporate bodies of companies within the Rallye and Euris groups and receive the corresponding compensation and/or directors' fees.

To the Company's knowledge, there are currently no other potential conflicts of interest between the duties owed to the Company by members of the Board of Directors and Executive Management and their private interests or other obligations. There are no arrangements or agreements signed with shareholders, customers, suppliers or others pursuant to which a member of the Board of Directors has been appointed in this capacity.

The tasks entrusted to the Audit Committee and the Appointments and Compensation Committee enable conflicts of interest to be prevented and ensure that control by the majority shareholder is not exercised in an abusive manner.

The Special Report of the Statutory Auditors concerning the agreements signed pursuant to the procedure for regulated agreements and commitments, between the Company and the Chairman, the Chief Executive Officer, the Deputy Managing Director, a Director or a shareholder holding more than 10% of the voting rights or the company controlling it, if said shareholder is a company, is set forth on page 198.

In accordance with Article L. 225-40-1 of the French Commercial Code, the Board of Directors reviewed the agreements signed and authorized in prior years which were still effective in the year just ended. These agreements were not noteworthy and remain in effect.

No agreements, other than those pertaining to ordinary business transactions and concluded on normal terms and conditions has been entered into, directly or through an intermediary, between a subsidiary of the Company and the Chief Executive Officer, a Director or a shareholder holding more than 10% of the Company's voting rights.

During 2015, the terms and conditions of Euris' compensation under the strategic consulting agreement signed in 2003 between Euris, the Group parent company, and Casino, Guichard-Perrachon, a Rallye Group subsidiary, was amended. This agreement is mentioned in the Statutory Auditors' report included in Casino Guichard-Perrachon's Registration Document.

No loans or guarantees have been set up or awarded by the Company to members of the Board of Directors, who are individuals.

OTHER INFORMATION IN THE CHAIRMAN'S REPORT

Methods for attending Shareholders' Meetings

Methods for attending Shareholders' Meetings are set forth in Articles 25, 27 and 28 of the by-laws (cf. Pages 215 and 216 of this Registration Document).

Factors which may have an impact in the event of a public offer

The Company's capital structure and the direct or indirect interests in the Company's capital of which it is aware by virtue of Articles L. 233-7 and L. 233-12 of the French Commercial Code are described on pages 25 *et seq.*

There are no statutory restrictions on the exercise of voting rights and share transfers, nor are there any agreements of which the Company is aware under Article L. 233-11 providing for preferential terms of sale or acquisition of shares, nor are there, to the Company's knowledge, any agreements between shareholders which might restrict share transfers or the exercise of voting rights.

The Company has not issued securities with special rights of control, and no mechanism for control is provided for in any employee stock ownership plan, when the rights of control are not exercised by the employees.

The rules which apply to appointing and replacing members of the Board of Directors, and to amending the Company's by-laws, are described in pages 213 *et seq.*

The powers of the Board of Directors are described on page 57.

With respect to the issuance of shares, the authorizations awarded to the Board of Directors are set forth on page 27 and, with regard to the repurchase of shares, the powers of the Board of Directors are described on page 25.

In addition, there are no agreements providing for compensation of the members of the Board of Directors, the executive officers or the employees should they resign or be dismissed without just cause or should their employment be terminated as a result of a public offer.

THE CHIEF EXECUTIVE OFFICER AND THE DEPUTY MANAGING DIRECTOR

The Chairmanship of the Board of Directors, assumed by Jean-Charles Naouri, is separate from Executive Management, which is entrusted to Didier Carlier, as Chief Executive Officer, assisted by Franck Hattab, as Deputy Managing Director.

Didier Carlier and Franck Hattab's respective terms of office were renewed on May 19, 2015 for one year and will terminate at the end of the Shareholders' Meeting on May 18, 2016.

Powers of Executive Management

The Chief Executive Officer and the Deputy Managing Director have the broadest powers to act on behalf of the Company in every circumstance, in accordance with Article L. 225-56 of the French Commercial Code. They exercise these powers within the limits of the Company's corporate purpose and subject to the powers expressly attributed by law to the Shareholders' Meetings and to the Board of Directors. They represent the Company in its dealings with third parties.

As part of the Company's good governance practices, certain transactions are subject to prior authorization by the Board of Directors due to their nature or their size. Limit thresholds have been set so that, pursuant to the law and the principles of corporate governance, decisions regarding the most significant transactions are taken by the Board of Directors.

Thus Executive Management may not, without the prior authorization of the Board of Directors, enter into:

- any transaction likely to impact the strategy of the Company or the companies that it controls, their financial structure or business scope, and in particular may not sign or terminate any agreement that may represent a significant commitment for the Group in future;
- any transaction if it exceeds one (1) million euros, and in particular:
  - any subscription or purchase of marketable securities, any immediate or deferred equity investment in any group or company, by action of law or *de facto*,
  - any contribution or exchange of assets, shares or securities, with or without payment of a compensating balance,
  - any acquisition of real estate assets or rights,
  - any contract signed with a view to granting or obtaining any loan, borrowing, credit or cash advance,
  - any derivatives transaction on equities, marketable securities, interest rate or currency hedges, such as Equity Swaps, Total Return Swaps (TRS) and options, including by the sale or purchase of call or put options,
  - any transaction or settlement relating to litigation,
  - any transfer of real property in kind or of rights in real estate,
  - any total or partial transfer of equity interests, marketable securities or any other asset or right,
  - any creation of sureties.

These limitations of powers concern Rallye, and the subsidiaries of the holding group, but not internal transactions between them and/or with their parent companies.

Furthermore, Executive Management has specific annual authorizations, as detailed below, particularly concerning: borrowings, credit lines and other funding and cash advance contracts; guarantees, endorsements and sureties; transactions on shares, marketable securities and derivative products and issues of bonds, which were renewed until the Shareholders' Meeting on May 18, 2016.

Borrowings, credit lines, funding and cash advance contracts

Executive Management is authorized to negotiate and set up – and to renew, extend or replace – borrowings, including in the form of bonds and/or any other debt instrument, confirmed credit lines and any funding agreements (syndicated or not), as well as cash advances, within an overall annual limit of €1 billion.

Guarantees, endorsements and sureties

Executive Management is authorized to provide guarantees, endorsements and sureties in the Company's name on behalf of its controlled subsidiaries in favor, particularly, of financial or banking institutions and of the Treasury Department, up to an overall annual limit of €100 million.

Executive Management is also authorized to grant pledges of securities relating to loans and credit lines, including those set up prior to February 28, 2013, up to a limit of 130% of the amount of the concerned loans, credit lines and of any other funding agreement.

Transactions in equities, marketable securities and interest and currency rate derivative products

Executive Management is authorized to carry out the following transactions:

- interest rate transactions, up to a monthly limit of €500 million and an overall annual limit of €1.5 billion;
- foreign exchange transactions, up to a monthly limit of €300 million and an overall annual limit of €1 billion;
- transactions – either directly or using Equity Swaps, Total Return Swaps (TRS) and options – in equities, marketable securities, and short or long term investments (except controlling interests), subject to a monthly limit of €25 million (including, if applicable, the value of the underlying), and to an annual limit of €100 million;
- transactions of any nature (acquisitions, disposals, exchanges, commitments and similar transactions), either directly or through derivative products such as Equity Swaps, Total Return Swaps (TRS) and options, subject to an annual limit (including, if applicable, the value of the underlying) of €100 million.

Bond issues

Executive Management is authorized to issue bonds, either as part of the EMTN program or any other debt instruments, with or without the right to be allocated marketable securities capable of giving access to the existing equity capital of the Company or to the existing securities of companies controlled by Rallye and, in this respect, to set their terms and conditions and to implement all related market transactions, up to a monthly limit of €500 million and an overall annual limit of €1 billion.

As part of this delegation of powers, Executive Management is authorized to buyback previously issued existing bonds. These buybacks may be carried out for cash, or for new bonds to be issued, up to the monthly and annual amounts of the limits set out above.

Independently, Executive Management is also authorized to issue commercial paper, up to a maximum outstanding amount of €750 million.

Note that short-term liquid investments, such as money-market funds, term deposits, and cash from borrowings, credit lines, funding contracts, cash advances or bond issues, are authorized up to the limit of the monthly and annual amounts set for the transactions with which they are associated.

Compensation of all contracts or offices held

Executive Management is authorized to pay the fees and/or commissions due under employment contracts or term of office mandates up to a monthly limit of €3 million and an overall annual limit of €5 million.

Every transaction, executed pursuant to these specific authorizations, the amount of which exceeds €25 million, is subject to the express joint agreement of the Chief Executive Officer and the Deputy Managing Director.

COMPENSATION RECEIVED BY EXECUTIVES AND OTHER CORPORATE OFFICERS

Methods for determining the compensation and benefits awarded to executives and other corporate officers

Executive Management

The compensation paid to the Chief Executive Officier, Didier Carlier and to Deputy Managing Director, Franck Hattab includes both a fixed and variable portion. The basis for their determination is decided each year by the Board of Directors, after consulting with the Appointments and Compensation Committee, and as applicable, based on studies carried out by external consultants.

- The fixed compensation for 2015 is set at €510,000 gross (+5.15% compared to 2014) for the Chief Executive Officer, and at €312,000 gross (+5.12% compared to 2014) for the Deputy Managing Director.
- The variable compensation for 2015 for the Chief Executive Officer, Didier Carlier is based on the achievement of quantitative Group objectives, on qualitative individual targets and on a general assessment of managerial attitudes and behavior. The maximum amount of variable compensation, unchanged since 2012, was increased from €150,000 to €200,000 in 2015 (39% of fixed compensation) if objectives are met, and from €300,000 to €400,000 (78% of fixed compensation) if objectives are exceeded.
- Franck Hattab's 2015 variable compensation for his duties as Chief Administrative and Financial Officer was based on the achievement of quantitative Group objectives identical to those of the Chief Executive Officer, of qualitative individual targets and on a general assessment of managerial attitudes and behavior. The maximum amount of variable compensation was increased from €90,000 to €100,000 (32% of fixed compensation) if objectives are met, and from €180,000 to €200,000 (64% of fixed compensation) if objectives are exceeded.

The Group quantitative objectives were established in advance and defined precisely and are assessed on the basis of criteria relating to Rallye Group's key performance indicators: reduction in the cost of debt and improvement in the EBITDA/Consolidated finance charges ratio. Figures are not published for confidentiality reasons.

In December 2015, the Chief Executive Officer and the Deputy Managing Director were awarded a deferred and conditional bonus for a gross target amount of €208,000 for each of them. These bonuses will be paid at the end of a set period that terminates on December 15, 2018, subject to attendance and performance conditions.

Other corporate officers

The Shareholders' Meeting on May 19, 2010 set the total amount of directors' fees allocated to members of the Board of Directors and Special Committees at a maximum of €300,000. Based on recommendations from the Appointments and Compensation Committee, on May 19, 2015, the Board of Directors kept the same rules for sharing out directors' fees as used for the previous term of office.

Individual allowances for Directors, members of Special Committees and non-voting observers, unchanged since 2002, are as follows:

- directors' fees include a lump sum portion (€4,000) and a variable portion set on the basis of the attendance of Directors and non-voting observers at Board meetings (€16,000). The amount of directors' fees allocated to Directors representing the majority shareholder has been reduced by 50% (€10,000). The variable portion of absent Directors will not be reallocated;
- a supplementary attendance fee of €10,000 is paid to Committee members, and doubled for each Committee Chairman.

The total amount of directors' fees and compensation paid in May 2015 to Directors, to the non-voting observer, and to members of the Special Committees for the year just ended, totaled €230,000, compared to €217,600 for the previous term of office.

The 2015 compensation of Jean-Charles Naouri as Chairman of the Board of Directors

1. Compensation and directors' fees due and paid by Rallye to the Chairman of the Board of Directors

The compensation, directors' fees and all types of benefits due and paid by Rallye to Jean-Charles Naouri, Chairman of the Board of Directors, for and during 2014 and 2015 are as follows:

(In €)	2014 fiscal year		2015 fiscal year	
	Amounts due (1)	Amounts paid (2)	Amounts due (1)	Amounts paid (2)
Fixed compensation	-	-	-	-
Annual variable compensation	-	-	-	-
Multi-annual variable compensation	-	-	-	-
Deferred variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Directors' fees	8,800	8,800	**10,000**	**10,000**
Benefits in kind	-	-	-	-
TOTAL	**8,800**	**8,800**	**10,000**	**10,000**

(1) Compensation and directors' fees awarded in respect of the fiscal year, irrespective of the payment date.
(2) Total amount of compensation and directors' fees paid by the Company during the year.

2. Stock options for new or existing shares and bonus shares awarded by the Company and/or companies that it controls, that control it or that are controlled by the latter: none

Jean-Charles Naouri has not been awarded any stock options or bonus shares in Rallye, or in companies controlled by Rallye, or in the companies that control Rallye, or the companies that they in turn control.

3. Employment contract, supplementary pension, severance pay and non-compete clause allowance: none

Employment contract		Supplementary pension plan		Allowances or benefits due or likely to be due as a result of termination or change of functions		Non-compete allowance	
Yes	No	Yes	No	Yes	No	Yes	No
	X		X		X		X

4. Summary table of compensation owed and paid by the Company and the companies that it controls or that control it or that are controlled by the latter

The table below shows the compensation, directors' fees and all types of benefits due and paid to the Chairman of the Board of Directors for and during 2014 and 2015, by Rallye, by the companies that it controls or that control it or are controlled by the latter:

(In €)	2014 fiscal year		2015 fiscal year	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Compensation due for the fiscal year	1,499,800	2,015,112 (1)	**1,328,508**	**1,337,639** (2)
Valuation of options awarded during the fiscal year	No grant		**No grant**	
Valuation of bonus shares awarded during the fiscal year	No grant		**No grant**	
TOTAL	**1,499,800**	**2,015,112**	**1,328,508**	**1,337,639**

(1) Compensation and/or directors' fees paid in 2014 by Casino, Guichard-Perrachon (€995,312 in compensation, including €515,312 for 2013 variable compensation and €12,500 for directors' fees); Rallye (€8,800 for directors' fees); and Euris (including €520,000 in fixed compensation and €478,500 in variable compensation for 2014).
(2) Compensation and/or directors' fees paid in 2015 by Casino, Guichard-Perrachon (€480,000 for fixed compensation and €12,500 for directors' fees); Rallye (€10,000 for directors' fees); Cnova (€15,139 in directors' fees for 2014 and 2015); and Euris (€520,000 of which for fixed compensation and €300,000 for 2015 variable compensation).

2015 Compensation of Didier Carlier, Chief Executive Officer

1. Compensation and directors' fees due and paid by Rallye to the Chief Executive Officer

The compensation, directors' fees and all types of benefits due and paid by Rallye to the Chief Executive Officer for and during 2014 and 2015, are as follows:

(In €)	2014 fiscal year		2015 fiscal year	
	Amounts due [3]	Amounts paid [4]	Amounts due [3]	Amounts paid [4]
Fixed compensation [1]	485,000	485,000	**510,000**	**510,000**
Annual variable compensation [2]	251,190	225,422	**269,682**	**251,190**
Multi-annual variable compensation	-	-	-	-
Non-recurring compensation	-	-	-	-
Directors' fees	8,800	8,800	-	-
Benefits in kind	-	-	-	-
TOTAL	**744,990**	**719,222**	**779,682**	**761,190**

(1) Gross compensation before taxes and charges.
(2) The basis for determining 2015 variable compensation is detailed on page 75 of this Registration Document.
(3) Compensation awarded for the year irrespective of the payment date.
(4) Total compensation paid by the Company during the year.

On December 15, 2015, Didier Carlier was awarded a deferred and conditional bonus in a target amount of €208,000, which will be paid to him at the end of a period that terminates on December 15, 2018, subject attendance and performance conditions.

2. Stock options for new or existing shares and bonus shares awarded by the Company and/or companies that it controls, that control it or that are controlled by the latter

In 2015, no stock options for new or existing shares or bonus shares were awarded to Didier Carlier by Rallye, or by the companies that it controls or companies controlling it or the companies that are controlled by the latter.

3. Employment contract, supplementary pensions, severance pay and non-compete clause

Employment contract		Supplementary pension plan		Allowances or benefits due or likely to be due as a result of termination or change of functions as a senior executive, corporate officer		Non-compete allowance	
Yes	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
X [1]		X [2]			X		X

(1) Didier Carlier's employment contract dated May 4, 1994 was suspended on February 28, 2013 when he was appointed as Chief Executive Officer.
(2) Didier Carlier is a member of the Group mandatory pension and supplementary pension plan set up inside the Group for all Group employees. He also benefits from the defined-benefits supplementary pension plan in force in the Company.

4. Summary table of compensation owed and paid by the Company and the companies that it controls or that control it or that are controlled by the latter

The table below shows the compensation, directors' fees and benefits in kind owed and paid to the Chief Executive Officer for and during 2014 and 2015, by Rallye, by the companies that it controls or that control it or are controlled by the latter:

(In €)	2014 fiscal year		2015 fiscal year	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Compensation due for the fiscal year	761,490	734,347 (1)	**779,682**	**777,690 (2)**
Valuation of options awarded during the fiscal year		No grant		**No grant**
Valuation of bonus shares awarded during the fiscal year		No grant		**No grant**
TOTAL	**761,490**	**734,347**	**779,682**	**777,690**

(1) Compensation and/or directors' fees and/or benefits of any kind paid by Casino, Guichard-Perrachon (€11,125 for directors' fees); Rallye (€719,222, €8,800 of which for directors' fees); and Groupe GO Sport (€4,000 for directors' fees).
(2) Compensation and/or directors' fees and/or benefits of any kind paid by Casino, Guichard-Perrachon (€12,500 for directors' fees); Rallye (€761,190); and Groupe GO Sport (€4,000 for directors' fees).

2015 Compensation of Franck Hattab as Deputy Managing Director and Chief Administrative and Financial Officer

1. Compensation and directors' fees due and paid by Rallye for his duties as Deputy Managing Director and for his salaried functions as Chief Administrative and Financial Officer

Compensation, directors' fees and benefits of any kind due and paid by Rallye to Franck Hattab, for and during 2014 and 2015, are as follows:

(In €)	2014 fiscal year		2015 fiscal year	
	Amounts owed (3)	Amounts paid (4)	Amounts due (3)	Amounts paid (4)
Fixed compensation (1)	296,800	296,800	**312,000**	**312,000**
Annual variable compensation (2)	118,989	72,804	**134,591**	**118,989**
Multi-annual variable compensation	-	-	-	-
Non-recurring compensation	-	-	-	-
Directors' fees	-	-	-	-
Benefits in kind	-	-	-	-
TOTAL	**415,789**	**369,604**	**446,591**	**430,989**

(1) Gross compensation before taxes and charges. For his salaried duties as Chief Administrative and Financial Officer, Franck Hattab received fixed compensation of €285,600 in 2014 and €300,800 in 2015, and fixed compensation for his duties as Deputy Managing Director since February 28, 2013 of €11,200 in 2014 and in 2015.
(2) The basis for determining 2015 variable compensation is detailed on page 75 of this Registration Document.
(3) Compensation awarded for the year irrespective of the payment date.
(4) Total compensation paid by the Company during the year.

On December 15, 2015, Franck Hattab was awarded a deferred and conditional bonus of a target amount of €208,000, which will be paid to him at the end of a period terminating on December 15, 2018, subject to attendance and performance conditions.

2. Stock options for new or existing shares and bonus shares awarded by the Company and/or companies that it controls, that control it or that are controlled by the latter

In 2015, no stock options for new or existing shares or bonus shares were allocated to Franck Hattab by Rallye, or by the companies that it controls or companies controlling it or the companies they in turn control.

3. Employment contract, supplementary pensions, severance pay and non-compete clause

Employment contract		Supplementary pension plan		Allowances or benefits due or likely to be due as a result of termination or change of functions as senior executive, corporate officer		Allowances relating to a non-compete clause	
Yes	No	Yes	No	Yes	No	Yes	No
X (1)		X (2)			X		X

(1) Since March 1, 1999 Franck Hattab has mainly exercised the salaried functions of Chief Administrative and Financial Officer. As the Deputy Managing Director, he assists the Chief Executive Officer.
(2) Franck Hattab is a member of the Group mandatory pension and supplementary pension plan set up within the Group for all Group employees. He also benefits from the defined benefits supplementary pension plan in force within the Group.

4. Summary table of compensation due and paid by the Company and the companies that it controls or that are controlled by the latter

The table below shows the compensation, directors' fees and benefits in kind due and paid to Franck Hattab for 2014 and 2015, by Rallye, by the companies that it controls or that control it or are controlled by the latter:

(In €)	2014 fiscal year		2015 fiscal year	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Compensation due for the fiscal year	419,789	373,604 (1)	**446,591**	**434,989** (2)
Valuation of options awarded during the fiscal year	No grant		**No grant**	
Valuation of bonus shares awarded during the fiscal year	No grant		**No grant**	
TOTAL	**419,789**	**373,604**	**446,591**	**434,989**

(1) Compensation and/or directors' fees and/or fringe benefits paid by Rallye (€369,604), and by Groupe GO Sport (€4,000 for directors' fees).
(2) Compensation and/or directors' fees and/or benefits of any kind paid by Rallye (€430,989), and by Groupe GO Sport (€4,000 for directors' fees).

Shareholders' Meeting advisory vote on senior executive corporate officer compensation

Pursuant to the AFEP/MEDEF recommendations, the Company's Shareholders' Meeting on May 18, 2016 will be required to vote on the items of compensation due or awarded in 2015 to the Chairman of the Board of Directors, the Chief Executive Officer and to the Deputy Managing Director. For this purpose, a specific document summarizing all of these items and any relevant information relating to them is presented on page 201.

Compensation received by other corporate officers

The total amount of compensation and directors' fees paid to Company officers other than Jean-Charles Naouri, Didier Carlier and Franck Hattab by the Company, the companies it controls, the companies that control it or the companies controlled by the latter, is as follows:

(In €)	Directors' fees and compensation paid			
	In 2014		In 2015	
	Directors' fees	Other compensation	Directors' fees	Other compensation [1]
Philippe CHARRIER	40,000	-	**40,000**	**-**
Jean CHODRON de COURCEL	40,000	-	**40,000**	**-**
André CRESTEY (non-voting observer)	20,000	79,000	**20,000**	**64,000**
Jacques DUMAS	20,000	866,833 [2]	**20,000**	**891,487** [2]
Catherine FULCONIS			**20,000**	
Jean-Marie GRISARD [3]	10,000		**10,000**	
Didier LÉVÊQUE	10,000	719,527 [4]	**10,000**	**796,198** [4]
Odile MURACCIOLE	10,000	398,000 [5]	**10,000**	**480,000** [5]
Gabriel NAOURI [6]	10,000	727,411	**20,000**	**755,618**
Christian PAILLOT	30,000	-	**30,000**	**-**

(1) Directors' fees and/or compensation and benefits of any kind paid by the companies that Rallye controls, companies that control it, or companies controlled by the latter.
(2) Excluding the non-recurring gross bonuses of €450,000 in 2014 and €1,100,000 in 2015.
(3) Jean-Marie Grisard is also a manager of Frégatinvest, which received €57,500 excluding taxes annually in consulting fees from Euris and Casino, in 2014; and €55,000 excluding taxes in 2015, from Casino.
(4) Excluding the non-recurring gross bonuses of €256,000 in 2014 and €219,000 in 2015.
(5) Excluding the non-recurring gross bonuses of €50,000 in 2014 and €75,000 in 2015.
(6) Representative of Euris, the Group parent company, which received a total of €5.9 million excluding taxes (of which €2.1 million excluding taxes were from Rallye) for providing ongoing strategy consulting services to the Rallye Group parent companies and their subsidiaries.

STOCK OPTIONS AND BONUS SHARES AWARDED TO CORPORATE OFFICERS AND OPTIONS EXERCISED

No stock options for new or existing shares were awarded in 2015 by Rallye to the Company's executives and employees of related companies who are also corporate officers, nor to the companies that it controls.

The bonus shares awarded in 2015 by the Company to executives and employees of the Company and related companies who are also corporate officers are as follows:

Officer	Date of award	Valuation of the shares according to the method used for the consolidated financial statements	Vesting date of the shares (1)	Date after which the shares may be sold	Number of bonus shares awarded
Jacques DUMAS	12/15/2015	€7.851	12/15/2018	12/15/2020	2,604
Didier LÉVÊQUE	12/15/2015	€7.851	12/15/2018	12/15/2020	9,847
Odile MURACCIOLE	12/15/2015	€7.851	12/15/2018	12/15/2020	9,300

(1) The vesting of the awarded bonus shares is subject to the condition of the beneficiary's employment in the Group on the date of vesting of the shares, and to two performance criteria: 50% depends on coverage of financial costs by EBITDA; and 50% depends on the level of the cost of debt.

In 2015, employees of the Company and of related companies, who are also corporate officers, exercised stock options on Rallye shares as follows:

Officer	Date of award	Number of remaining options awarded	Number of options exercised	Exercise price
Didier LÉVÊQUE	9/6/2010	10,694	9,000	€26.44

The bonus shares definitively awarded in 2015 by the Company to employees of the Company and of related companies who are also corporate officers are as follows:

Officer	Date of award	Vesting date of the shares (1)	Number of bonus shares originally awarded	Number of bonus shares vested (1)	Date after which the shares may be sold
Didier CARLIER	5/23/2012	5/23/2015	12,500	12,500	5/23/2017
Jacques DUMAS	5/23/2012	5/23/2015	3,750	3,750	5/23/2017
Franck HATTAB	5/23/2012	5/23/2015	9,375	9,375	5/23/2017
Didier LÉVÊQUE	5/23/2012	5/23/2015	14,180	14,180	5/23/2017
Odile MURACCIOLE	5/23/2012	5/23/2015	9,951	9,951	5/23/2017

(1) The vesting of the awarded bonus shares is subject to the condition of the beneficiary's employment in the Group on the date of vesting of the shares, and to two performance criteria: 50% depends on coverage of financial costs by EBITDA; and 50% depends on the level of the cost of debt.

Internal audit procedures implemented by Rallye

The information below, obtained during the various tasks performed by the departments responsible for Rallye's internal audit procedures and validated by Executive Management, have enabled the preparation of a factual description of the audit environment and implemented procedures.

1. DEFINITION AND OBJECTIVES OF INTERNAL AUDIT PROCEDURES

Reference guidelines used

For the development and preparation of this report and for the description of internal audit, Rallye chose to refer to the COSO [(1)] guidelines, recognized internationally and compatible with the AFEP/MEDEF recommendations [(2)].

Under the COSO guidelines, internal audit is defined as a process implemented by all levels of an organization's management and is intended to provide reasonable assurance regarding the achievement of the following objectives:

- compliance with applicable laws and regulations;
- application of instructions and guidelines set by Executive Management;
- the smooth operation of processes, especially those relating to the protection of assets and the value of capital;
- the reliability of financial and accounting information.

Objectives

Rallye's internal audit process is a system that helps provide reasonable assurance regarding the control of its operations, ensuring the effectiveness of its transactions, and the efficient use of its resources, in accordance with applicable laws and regulations, and internal standards and regulations applicable to the Company, and seeks particularly, although without being able to provide an absolute guarantee, to achieve the following objectives:

- the proper functioning of the Company's internal processes, particularly those that promote the protection of its assets in compliance with the guidelines and policies defined by Rallye's Executive Management;
- the reliability of accounting, financial and management information published internally and externally;
- the control of risks resulting from its status as a company the securities of which are traded in a regulated market.

The audit environment

The Company's audit environment consists mainly of the principles of corporate governance and Group organization, carefully designed and rigorously applied. The aim is for all risks to be managed as a whole and for a reasonable assessment to be made of the potential risks of any kind with which the Group may be faced.

2. DESCRIPTION OF THE AUDIT PROCEDURES IMPLEMENTED

The scope of internal audit of accounts and finance includes the parent company and the operational subsidiaries included in the Group's consolidated financial statements, the main ones being the Casino Group and Groupe GO Sport (the latter use an internal audit system and are responsible for implementing their own system).

General organization of internal audit

The internal audit procedures are part of the general policy framework set out by the Board of Directors and implemented under the direct responsibility of the Company's senior managers.

The main actors involved in managing the internal audit system are as follows:

Executive Management – Administration and finance department

Executive Management defines the general Internal Audit principles and ensures their proper implementation in order to achieve the required level of Internal Audit.

Rallye's Administration and finance department, which reports to Executive Management, supervises all the Company's staff departments. Its main responsibility is to assist and monitor line staff in their administrative, financial and legal activities. To do so, it sets the mandatory operating rules for all entities, defines and deploys tools, procedures and best practices, specifically in the following areas: management, accounting and consolidation, finance and cash management, tax, legal, financial communications, information systems and insurance.

Board of Directors – Audit Committee

The Board of Directors has always asserted that, together with Executive Management, it considers Internal Audit and its principal areas of application as very important.

Pursuant to the Company's by-laws and internal rules and regulations, the Board of Directors and its Audit Committee are responsible for internal audit through the opinions and recommendations that they express to Executive Management and through the analyses and investigations which they perform or commission.

(1) Committee Of Sponsoring Organizations of the Treadway Commission.
(2) Recommendations of AFEP (the French association of private companies) and MEDEF (the French movement of companies) dated December 17, 2003, known as "Application of the provisions of the financial security law regarding the Chairman's Report on internal audit procedures implemented by the Company".

Statutory Auditors – External consultants

The Statutory Auditors certify the individual and consolidated financial statements, in accordance with legal and regulatory requirements. They also examine the Company's semi-annual consolidated results and verify the information given in the semi-annual report. They are consulted regularly regarding the accounting treatment of ongoing operations. They are also informed of how internal audit procedures are organized and applied in practice and, if necessary, they may issue recommendations.

Disseminating information internally

The Group ensures that the relevant information is properly disseminated and provided to those concerned so that they can fulfill their responsibilities, in compliance with Group standards.

With the objective of providing reliable financial information and communication, Rallye strives to ensure that the entire organization respects certain guidelines when performing its duties: the consolidated and accounting procedure manual, the general accounting plan, the code of ethics described in the Board of Directors' internal rules and regulations, the Audit Committee charter and the Appointments and Compensation Committee charter.

Identifying and assessing risks

The Group identifies and assesses the main risks that might hinder the achievement of its objectives. It takes measures to limit the probability of occurrence and the effects of such risks, thereby promoting an environment of risk control.

The Group's exposure to risks inherent in its business activities and the provisions designed to control them are partially detailed in Note 11.6 "Financial risk management policies and objectives" to the 2015 consolidated financial statements.

The main risks related to the Group's financial instruments are discussed: interest and exchange rate risk, credit risk, liquidity risk and securities risk.

Risks specific to Rallye's holding activity, risks specific to the main controlled investments (Casino and Groupe GO Sport), legal risks as well as the description of the insurance policy are detailed in the "Risk factors and insurance" chapter of the Management Report.

Audit activities

In order to enhance its control over identified risks, the Group has put in place audit procedures both for operational processes and financial information.

Within the Company, internal audit procedures are centralized. Because Rallye is a holding company, the implemented procedures relate mainly to the preparation and processing of financial and accounting information designed to ensure that the consolidated financial statements are reliable and that its subsidiaries are monitored.

At operating subsidiary level

Each Rallye subsidiary has its own internal audit department charged with ensuring the effectiveness of the internal audit activities and procedures in order to obtain reasonable assurance that the subsidiary's own risks are under control.

The Chairman of Casino, Guichard-Perrachon prepared a report on internal audit which shareholders may consult.

Discrepancies were identified within the Brazilian subsidiary, Cnova N.V., with regard to inventory management, product returns and tracking damaged products in its distribution centers. Investigative work conducted by external consulting firms hired by Cnova N.V.'s Board of Directors in December 2015 confirmed an overvaluation of part of the inventory and receivables relating to damaged or returned products.

In addition, the Brazilian subsidiary's management also informed the investigative team of irregularities which were found primarily in accounts payable and were made for several years up to the end of 2014, resulting from incorrect entries made over the years by members of Cnova Brazil's Finance and Accounting Department. Furthermore, these irregularities were covered up by falsifying supporting documents submitted to the Statutory Auditors.

The Statutory Auditors consider that the amount of the required financial adjustments and the number of irregularities during previous years is significant enough to justify correcting previous financial statements, under SEC regulations.

During 2015, the Finance Department:

- put an end to the irregularities, primarily in accounts payable, by strengthening internal audit through rolling out an internal audit environment that complies with the American Sarbanes-Oxley regulations;
- identified the corrections needed; and
- strengthened controls.

Inventory management and product return procedures were also reviewed and strengthened, the persons involved in the misconduct were dismissed and a dedicated team was created to monitor replacement orders and second sales.

The investigation is still in progress and additional controls are also being analyzed and put in place.

The Group audits the quality of the information supplied by its subsidiaries, particularly by the joint exercise of tasks within the corporate bodies and also through meetings of the various audit and appointments and compensation Committees, which, together with senior management, receive the support of all the staff departments in the subsidiaries.

This audit is also ensured thanks to the familiarity of Rallye's central audit department with the various information systems, as well as by holding monthly meetings.

The Company's legal department performs any necessary specific investigations or examinations that it deems necessary to prevent and detect any legal irregularity or anomaly in Group management. Executive Management and the Administration and finance department regularly communicate regarding the status of the main disputes that may affect the subsidiaries, and also regarding the risks incurred.

At Rallye's central level

| Procedures for monitoring operating risks

Cash management, finance and expenditures

In the Administration and finance department, the cash management team is responsible for applying the Group's finance policy, which includes optimized balance sheet and financial debt management, the financing strategy, control of financial costs, the profitability of cash surpluses and investments, improvement of the financial structure, and a conservative policy for managing solvency, liquidity, market and counterparty risks.

Company cash must be invested in instruments with a maturity matched to the planned term of the investment and must never be invested in speculative or risky instruments.

Executive Management receives reports of weekly cash flows and the status of the credit lines, along with their respective terms and conditions.

To facilitate and strengthen control over the Company's expenditure, an authorization procedure for investments and overheads has been introduced. The procedure clearly identifies the persons with the authority to grant prior authorizations for any commitment or payment.

Tax

The Head of Tax, who works in the Administration and finance department, coordinates the preparation of tax returns by ensuring compliance with applicable tax regulations and legislation.

Financial control

Financial control, a unit of the Administration and finance department, is responsible for coordinating the budget process and its revised estimates established during the year, together with the three-year strategic plan. It helps prepare accounting and financial information by drafting monthly management reports, as well as all the analyses required by Executive Management. It also monitors investments and cash flows, as well as the management indicators specific to the business of the Company and its subsidiaries.

Market risk monitoring

Marketing risk monitoring is described in the management report of this Registration Document in the "Risk factors and insurance" chapter. In light of the priorities that emerge, those responsible regularly make adjustments to the control measures pertaining to them.

Investment portfolio

Investments and divestments require prior approval to ensure that they comply with the Group's strategy and profitability criteria. Weekly reports showing the changes in the investment portfolio are sent to Executive Management.

Payroll and compensation

The Administration and finance department is responsible for payroll organization and management.

The Group's legal department regularly monitors changes in legal and social information affecting payroll management.

The Appointments and Compensation Committee reviews compensation for senior managers, which is then submitted for approval to the Board of Directors. Compensation for all other employees is validated by Executive Management.

| Procedures for producing and processing financial and accounting data

The Internal Audit of accounts and finance covers the processes used to gather accounting data: the financial information production process, the accounts closing process and communication actions.

The Internal Audit system for accounts and finance is designed to ensure:

- compliance with accounting regulations and correct application of the principles on which the financial statements are prepared;
- application of the guidelines set forth by Executive Management with respect to financial information;
- the protection of assets;
- the quality of the feedback of information that contributes to the preparation of the published accounts and ensures the reliability of their centralized processing for the Group with a view to their dissemination and use for steering purposes;
- monitoring of the production of financial, accounting and management components, including the prevention of fraud.

Accounting and financial organization

The Administration and finance department

The heads of the Administration and finance department ensure that the accounting and finance functions are correctly directed, under the supervision of Executive Management, in the following areas: accounting, consolidation, management, financial services and cash management.

The processing and centralizing of cash flows and the hedging of currency and interest rate risks is the responsibility of the Finance Department, which identifies the commitments and facilitates their recognition in the accounts.

Accounting standards

The Group has compiled accounting rules and principles that must be applied by all consolidated subsidiaries to ensure the delivery of consistent and reliable financial reports.

These accounting rules are regularly updated to reflect changes in accounting regulations and reporting standards:

- accounting standards define the principles to be used to process operations consistently. They clarify, in particular, the terms for recording balance sheet items as well as identifying and measuring off-balance sheet commitments. They are compliant with IFRS, the reporting standards for consolidated financial statements. The Group's accounts department is constantly gathering intelligence on new accounting standards in the pipeline in order to inform Executive Management and anticipate their impacts on the Group's financial statements;
- the chart of accounts provides the definitions and procedures for preparing the reports required for the preparation of the financial statements.

Key performance indicators

A monthly system for reporting the various key performance indicators is used to continuously and consistently track changes in the performance of each subsidiary and to ensure that they are in line with the objectives set.

Audit Committee

The role and duties of the Audit Committee are described above on page 58. These duties are compliant with Article L. 823-19 of the French Commercial Code (order dated December 2008 on the methods for applying the 8th European Directive on statutory audits of financial statements).

Preparation of accounting and financial reporting

Accounts closing and consolidation

The Group's Administration and finance department is responsible for preparing the financial statements. These can be a source of financial risk, particularly as regards the accounting records, the consolidation process, and the recognition of off-balance sheet commitments.

The risks regarding the preparation of accounting and financial information are managed by monitoring regulatory texts, anticipating any problems, communicating with the Statutory Auditors and an appropriate timetable.

The account closing process is covered by specific instructions and an appropriate information feedback system that allows the processing of coherent, exhaustive and reliable information based on a consistent methodology and within the appropriate deadlines depending on the schedule defined by the Board of Directors and its Special Committees.

For drawing up the consolidated financial statements, validation procedures are applied to each stage of the feedback and processing of information. These procedures are designed to specifically check the correct adjustment and elimination of internal transactions; the verification of consolidation operations; the correctly application of accounting standards; the quality and consistency of consolidated and published accounting and financial data.

The consolidation of financial statements is conducted centrally every six months by the consolidation team on the basis of information provided by the subsidiaries. The team performs an overall review of the Group's financial statements, and prepares a file that includes all the restatements and eliminations made, and documents the checks performed, thereby ensuring traceability.

In addition, the consolidation team is also responsible for updating consolidation procedures, including subsidiaries within the scope of consolidation, processing information and maintaining the consolidation tools.

The Statutory Auditors

All the accounting and financial data prepared by the consolidated subsidiaries is subject, as a minimum, to a limited review for semi-annual reports and to a full audit for annual reports, by the external auditors. The Chief Executive Officer issues a letter of representation to personally vouch for the accuracy, reliability and completeness of the financial disclosures.

After jointly reviewing all the financial statements and the methods used to prepare them, the Statutory Auditors certify the Group's consolidated financial statements. They certify the accuracy, fairness and true presentation of the Company's consolidated and individual financial statements in a report to the shareholders of the Group. They are previously informed of the accounts preparation process and present a summary of their work to the heads of the Group's accounting and finance units and to the Audit Committee for the semi-annual position and the annual closing.

IT system security

Selected software programs are compatible with accounting and financial requirements. The information systems managers are working to enhance the task separation solutions and to improve the verification of access rights.

In order to ensure the effectiveness of internal audit procedures as well as the security and integrity of all data and data processing in the face of a possible major incident, whether accidental or due to acts of malfeasance, the entire system is secured by a system providing authorization and protected access to the network, data backup procedures and physical protection of the data center.

Financial communications

The Administration and finance department is responsible for coordinating the information distributed to the financial community and ensuring that this information accurately and transparently reflects the Group's position, activity and outlook.

Financial Communications managers draw up a precise schedule for the release of current information about the Group to financial markets. This schedule is consistent with the requirements of market authorities. The managers constantly gather intelligence and check, with the assistance of the legal department, that the communication is made within the required time scales, in accordance with rules and regulations and in compliance with the principle of equal access to information for all shareholders.

By working closely with Executive Management, the Board of Directors and Statutory Auditors, the Financial Communications managers draft and coordinate the distribution of this information through various means (annual and semi-annual reports, road shows, website, etc.).

When signing their employment contract, each employee signs an attachment relating to ethics, which, in particular, prescribes an obligation to observe a blackout period in order to avoid finding themselves, or placing the Company, in a situation which constitutes a stock market offense.

The internal audit system is not set in stone, and evolves in order to allow Executive Management to take into account significant risks to the Company in an appropriate manner. The Board of Directors is informed of any changes to this system and can monitor its functioning based on information provided to it by Executive Management.

Audit of the financial statements

STATUTORY AUDITORS

In compliance with legal requirements, Rallye appoints two regular and two alternate Statutory Auditors:

Regular Statutory Auditors

KPMG

Signing partner: Catherine Chassaing (since October 2013).

Date of first appointment: June 29, 1993.

Latest term of office expires: at the end of the 2019 Annual General Meeting of Shareholders.

Ernst & Young et Autres

Signing partner: Pierre Bourgeois (since May 2010).

Date of first appointment: June 1, 1999.

Latest term of office expires: at the end of the 2017 Annual General Meeting of Shareholders.

In accordance with Article L. 822-14 of the French Commercial Code, Ernst & Young et Autres' signing partner, Pierre Bourgeois, was replaced by Henri-Pierre Navas at the end of the Shareholders' Meeting convened to approve the financial statements for the year ended December 31, 2015.

Alternate Statutory Auditors

KPMG Audit ID

Alternate for KPMG.

Date of first appointment: May 19, 2010.

Latest term of office expires: at the end of the 2019 Annual General Meeting of Shareholders.

Auditex

Alternate for Ernst & Young et Autres.

Date of first appointment: May 4, 2011.

Latest term of office expires: at the end of the 2017 Annual General Meeting of Shareholders.

One or the other of these audit firms are Statutory Auditors of the Company's main subsidiaries.

FEES PAID TO STATUTORY AUDITORS AND MEMBERS OF THEIR NETWORKS BY THE GROUP IN 2014 AND 2015

(In € thousand)	Ernst & Young				KPMG			
	Amount		%		Amount		%	
	2015	2014	2015	2014	2015	2014	2015	2014
Audit								
Statutory auditing, Auditor's opinion, examination of Company and consolidated financial statements								
Issuer	247	212	4	4	236	201	28	19
Fully consolidated subsidiaries	5,884	5,570	91	92	347	371	42	35
Other assignments and services directly connected to the Statutory Auditors' assignment								
Issuer	-	-	-	-	-	-	-	-
Fully consolidated subsidiaries	305	157	4	2	28	364	3	35
Sub-total	6,436	5,940	99	98	611	936	73	89
Other services provided by the networks to fully consolidated subsidiaries								
Legal, tax, corporate	-	31	-	1	150	87	19	8
Other	60	58	1	1	70	33	8	3
Sub-total	60	89	1	2	220	120	27	11
TOTAL	6,496	6,029	100	100	831	1,056	100	100

Statutory Auditors' Report

prepared in accordance with Article L. 225-235 of the French Commercial Code, on the report by the Chairman of the Board of Directors of Rallye

Year ended December 31, 2015

To Whom It May Concern,

In our capacity as Rallye's Statutory Auditors, and in accordance with Article L. 225-235 of the French Commercial Code, we hereby present our report on the report prepared by the Chairman of your Company in accordance with Article L. 225-37 of the French Commercial Code for the year ended December 31, 2015.

The Chairman is responsible for preparing and submitting to the Board of Directors for approval a report on the internal audit and risk management procedures in place at the Company, and providing other information required by Article L. 225-37 of the French Commercial Code relating particularly to corporate governance measures.

Our responsibility is to:

- inform you of our observations concerning the information contained in the Chairman's Report with respect to the internal audit and risk management procedures relating to the preparation and processing of accounting and financial information; and
- certify that the report contains the other information required by Article L. 225-37 of the French Commercial Code, without however being required to verify the fairness of this other information.

We carried out our work in accordance with the professional standards applicable in France.

INFORMATION CONCERNING THE INTERNAL AUDIT AND RISK MANAGEMENT PROCEDURES RELATING TO PREPARING AND PROCESSING FINANCIAL AND ACCOUNTING INFORMATION

Professional standards require us to implement procedures designed to assess the fairness of the information contained in the Chairman's Report on the internal audit and risk management procedures relating to the preparation and processing of financial and accounting information. These procedures consist, in particular, of:

- obtaining an understanding of the internal audit and risk management procedures that relate to the preparation and processing of financial and accounting information supporting the information presented in the Chairman's Report, and of the existing documentation;
- obtaining an understanding of the work that enabled the preparation of this information and of the existing documentation;
- determining whether any major weaknesses in the internal audit procedures relating to the preparation and processing of financial and accounting information, which we might have found as part of our assignment, have been appropriately disclosed in the Chairman's Report.

Based on this work, we have no comment to make on the information concerning the Company's internal audit and risk management procedures relating to the preparation and processing of financial and accounting information contained in the Report of the Chairman of the Board, prepared in accordance with Article L. 225-37 of the French Commercial Code.

OTHER INFORMATION

We certify that the report of the Chairman of the Board of Directors includes the other information required by Article L. 225-37 of the French Commercial Code.

Paris-La Défense, March 15, 2016

The Statutory Auditors

KPMG Audit	**Ernst & Young et Autres**
Department of KPMG S.A.	
Catherine Chassaing	Pierre Bourgeois
Partner	Partner

RALLYE

FINANCIAL AND LEGAL INFORMATION 2015

3. Consolidated Financial Statements

Consolidated income statement

(in € millions)	Notes[1]	2015	2014
Continuing operations			
Net sales	5 and 6.1	**46,832**	49,155
Full cost of goods sold	6.2	**(35,383)**	(36,789)
Gross margin		**11,449**	**12,366**
Other income	6.1	**561**	611
Cost of goods sold	6.3	**(8,992)**	(9,113)
General and administrative expenses	6.3	**(1,573)**	(1,628)
Current operating income	**5.1**	**1,445**	**2,235**
Other operating income	6.5	**551**	254
Other operating expenses	6.5	**(1,030)**	(755)
Operating income		**967**	**1,734**
Income from cash and cash equivalents	11.4.1	**166**	205
Cost of gross financial debt	11.4.1	**(853)**	(1,016)
Cost of net financial debt		**(686)**	**(812)**
Other financial income	11.4.2	**295**	262
Other financial expenses	11.4.2	**(533)**	(244)
Profit before tax		**43**	**941**
Income tax expense	9.1	**(69)**	(321)
Share of net income of associates and joint ventures	3.3.3	**73**	76
NET INCOME FROM CONTINUING OPERATIONS		**46**	**697**
Owners of the Company		**(168)**	**(32)**
Non-controlling interests		**214**	729
Discontinued operations			
Net income from discontinued operations		**4**	**(2)**
Owners of the Company		**2**	**(1)**
Non-controlling interests		**2**	(1)
CONSOLIDATED NET INCOME		**50**	**696**
Owners of the Company		**(166)**	**(33)**
Non-controlling interests	12.8	**216**	728

(in €)	Notes	2015	2014
Net income attributable to company owners			
Net income from continuing operations	12.10		
■ Basic		**(3.50)**	(0.68)
■ Diluted[2]		**(3.91)**	(1.09)
Consolidated net income	12.10		
■ Basic		**(3.46)**	(0.66)
■ Diluted[2]		**(3.87)**	(1.08)

(1) In relation to the notes mentioned in the income statement, payroll expenses and lease expenses are reported in Notes 8 and 7 respectively.
(2) In accordance with IAS 33, the calculation of diluted net earnings per share (NEPS) takes into account the maximum dilutive effect linked to the Monoprix ORA bonds issued on December 27, 2013. Casino Group holds a call option on these bonds. This maximum dilution represented €0.45 per share at end 2015, and would fall to zero if this option were exercised.

Consolidated statement of comprehensive income

(in € millions)	2015	2014
Consolidated net income	**50**	**696**
Cash flow hedges	(1)	34
Net investment hedge on a foreign business	(2)	
Translation adjustments[1]	(2,842)	25
Change in the fair value of financial assets available for sale	(47)	(32)
Share of items arising from investments in associates and joint ventures to be reclassified	(30)	
Impact of income tax	5	(6)
Items to be reclassified later in profit or loss	**(2,917)**	**21**
Actuarial gains and losses	(34)	(2)
Impact of income tax	12	1
Items that will not be reclassified in profit or loss	**(22)**	**(1)**
Other elements of comprehensive income net of taxes	**(2,940)**	**20**
TOTAL COMPREHENSIVE INCOME	**(2,889)**	**716**
Owners of the Company	**(825)**	**(38)**
Non-controlling interests	(2,064)	754

(1) In 2015, the negative variance of -€2,842 million primarily results from depreciation of the Brazilian and Colombian currencies (-€2,381 million and -€414 million, respectively). The €25 million positive variance in fiscal year 2014 can primarily be explained by offsetting the depreciation of the Colombian currency (-€236 million) against the appreciation of the Thai (€144 million) and Brazilian (€69 million) currencies.

The changes for each fiscal year are presented in Note 12.7.2.

Consolidated statement of financial position

ASSETS

(in € millions)	Notes[1]	December 31, 2015	December 31, 2014
Goodwill	10.1	**11,365**	12,023
Intangible assets	10.2	**3,672**	4,330
Property, plant and equipment	10.3	**8,810**	9,678
Property investments	10.4	**777**	675
Investments in associates and joint ventures	3.3	**632**	913
Other non-current assets	6.9	**2,013**	2,443
Deferred tax assets	9.2	**491**	370
Total non-current assets		**27,759**	**30,432**
Inventories	6.6	**5,040**	5,471
Trade receivables	6.7	**1,306**	1,532
Other current assets	6.8	**1,630**	1,725
Other current financial assets	11.1	**401**	154
Current tax receivables		**189**	161
Cash and cash equivalents	11.1	**4,667**	7,680
Assets held for sale	3.5	**538**	67
Total current assets		**13,770**	**16,790**
TOTAL ASSETS		**41,530**	**47,222**

(1) In addition to the notes mentioned in the statement of financial position, the information below appears in the following notes:
- "Off-balance sheet commitments related to current operations", Notes 6.10 and 7.6;
- "Extraordinary off-balance sheet commitments", Note 3.4.2;
- "The fair value of financial instruments", Note 11.5;
- "Risk management" in Note 11.6.

SHAREHOLDERS' EQUITY AND LIABILITIES

(in € millions)	Notes[1]	December 31, 2015	December 31, 2014
Capital	12.2	**146**	146
Reserves and share of profit/(loss) attributable to owners of the Company		**283**	1,188
Shareholders' equity attributable to owners of the Company		**429**	**1,334**
Non-controlling interests	12.8	**10,145**	12,601
Shareholders' equity		**10,575**	**13,934**
Provisions for pensions and similar non-current commitments	8.2	**311**	295
Other non-current provisions	13	**542**	724
Non-current financial liabilities	11.2	**11,722**	11,573
Debt related to commitments to purchase non-controlling interests	3.4.1	**50**	38
Other non-current liabilities	11.3	**805**	817
Deferred tax liabilities	9.2	**1,225**	1,426
Total non-current liabilities		**14,656**	**14,873**
Provisions for pensions and similar non-current commitments	8.2	**9**	
Other current liabilities	13	**194**	172
Trade payables		**8,162**	8,412
Current financial liabilities	11.2	**3,308**	5,416
Debt related to commitments to purchase non-controlling interests	3.4.1	**102**	24
Tax liabilities payable		**93**	107
Other current liabilities	11.3	**4,247**	4,278
Liabilities related to assets held for sale	3.5	**184**	5
Total current liabilities		**16,299**	**18,414**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**41,530**	**47,222**

(1) In addition to the notes mentioned in the statement of financial position, the information below appears in the following notes:
- "Off-balance sheet commitments related to current operations", Notes 6.10 and 7.6;
- "Extraordinary off-balance sheet commitments", Note 3.4.2;
- "The fair value of financial instruments", Note 11.5;
- "Risk management" in Note 11.6.

Consolidated cash flow statement

(in € millions)	2015	2014
Net income attributable to owners of the Company	(166)	(33)
Non-controlling interests	216	728
Consolidated net income	**50**	**695**
Amortization, depreciation, and provisions	1,062	1,036
Unrealized losses/(gains) related to changes in fair value	217	(29)
Calculated expenses/(income) linked to stock options and the like (Note 8.3.1)	11	27
Other calculated expenses and income	36	57
Amortization, depreciation, provisions and other non-disbursable items	**1,326**	**1,091**
Income from the disposal of assets	(57)	49
Losses/(gains) related to changes to interests in subsidiaries with gain/loss of control, or to non-controlling interests	(263)	(6)
Share of net income of associates and joint ventures (Note 3.3.3)	(73)	(76)
Dividends received from associates and joint ventures (Notes 3.3.1 and 3.3.3)	128	128
Cash flow	**1,111**	**1,881**
Cost of net financial debt (excluding changes in fair value)	707	787
Tax liability (including deferred taxes) (Note 9.1)	71	320
Taxes paid	(233)	(431)
Change in Working Capital Requirement (Note 4.1)	1,184	342
Net cash flow from operating activities (A)	**2,840**	**2,899**
Acquisitions of property, plant and equipment, intangible assets and investment properties	(1,511)	(1,545)
Sale of property, plant and equipment, intangible assets and investment properties	167	72
Acquisition of financial assets	(64)	(16)
Sale of financial assets	39	158
Impact of changes in scope of consolidation with change of control (Note 4.2)	(161)	(101)
Impact of changes in scope of consolidation related to associates and joint ventures	42	(34)
Change in loans and advances granted	(2)	(2)
Net cash flow from investing activities (B)	**(1,490)**	**(1,468)**
Dividends paid to shareholders of the parent company (Note 12.9)	(89)	(87)
Dividends paid to minority shareholders of consolidated companies (Note 12.9	(354)	(306)
Dividends paid to holders of perpetual super-subordinated notes (Note 12.9)	(48)	(27)
Capital reductions/increases in cash	1	5
Transactions between the Group and minority shareholders (Note 4.3)	(86)	(266)
Purchases and sale of treasury stock	(82)	(24)
Bond issues (Note 4.4)	3,696	4,548
Bond redemptions (Note 4.4)	(5,471)	(2,391)
Net financial interest paid	(782)	(824)
Net cash flow from financing activities (C)	**(3,215)**	**628**
Impact of currency translation adjustments (D)	**(1,048)**	**(37)**
CHANGE IN CASH (A+B+C+D)	**(2,913)**	**2,022**
Opening net cash and cash equivalents (F)	7,512	5,490
Opening net cash on the balance sheet (Note 11.1)	7,512	5,490
Closing net cash	4,599	7,512
Net cash from activities held for sale (E) (Note 3.5)	(129)	
Closing net cash on the balance sheet (Note 11.1)	4,470	7,512
CHANGE IN CASH AND CASH EQUIVALENTS (G-E-F)	**(2,913)**	**2,022**

Statement of changes in consolidated shareholders' equity

(in € millions)	Capital[1]	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	Equity capital attributable to owners	Non-controlling interests[2]	Total shareholders' equity
As of January 1, 2014	**146**	**1,440**	**(9)**	**192**	**(1)**	**(15)**	**(382)**	**(15)**	**89**	**1,444**	**12,475**	**13,919**
Income and expenses recognized directly in equity[3]					12		5	(1)	(21)	**(5)**	26	**21**
Consolidated net income as at December 31, 2014				(33)						**(33)**	728	**695**
Total income and expenses recognized				**(33)**	**12**		**5**	**(1)**	**(21)**	**(38)**	**754**	**716**
Capital transactions											(13)	**(13)**
Transactions in treasury shares			(10)	(6)						**(16)**	17	**1**
Dividends paid[4]				(93)						**(93)**	(346)	**(439)**
Exercise of the call option on 3.4% of GPA[5]				(9)			(26)			**(35)**	(280)	**(315)**
Change in interests without gain or loss of control of subsidiaries				69			(13)			**56**	24	**80**
Other transfers				16						**16**	(30)	**(14)**
As at December 31, 2014	**146**	**1,440**	**(19)**	**136**	**11**	**(15)**	**(416)**	**(16)**	**68**	**1,334**	**12,601**	**13,935**
Income and expenses recognized directly in equity[3]						(1)	(604)	(12)	(43)	**(660)**	(2,280)	**(2,940)**
Consolidated net income at December 31, 2015				(165)						**(166)**	216	**50**
Total income and expenses recognized				**(165)**		**(1)**	**(604)**	**(12)**	**(43)**	**(825)**	**(2,064)**	**(2,889)**
Capital transactions											2	**2**
Transactions in treasury shares			5	25			(9)			**21**	(102)	**(81)**
Dividends paid[4]				(89)						**(89)**	(279)	**(368)**
Change in interests without gain or loss of control of subsidiaries[6]				(10)			(19)			**(29)**	(135)	**(164)**
Changes in interests relating to the gain or loss of control of subsidiaries[7]											157	**157**
Other transfers				17						**17**	(35)	**(18)**
AS AT DECEMBER 31, 2015	**146**	**1,440**	**(14)**	**(86)**	**11**	**(16)**	**(1,048)**	**(28)**	**25**	**429**	**10,145**	**10,574**

(1) Note 12.2 "Components of equity".
(2) Note 12.8 "Material non-controlling interests".
(3) Note 12.7 "Consolidated comprehensive income".
(4) Note 12.9 "Dividends".
(5) Note 3.2.1 "Change in the percentage held in GPA".
(6) The negative change of -€164 million corresponds mainly to (a) the impact of the put option on Disco shares (Note 3.1.1) for -€90 million; (b) the change in commitments to acquire non-controlling interests in Franprix-Leader Price for -€15 million; and (c) changes in Monoprix's percentage held in its subsidiary Simonop'1 for +€72 million (Note 3.1.6) and the change in Rallye's stake in Casino for -€126 million (Note 2.4).
(7) Note 3.1.1 "Takeover of Disco in Uruguay".
(8) A reclassification was made between translation adjustments (-€17 million) and assets available for sale (€15 million).

Notes to the consolidated financial statements

Rallye is a French "Société Anonyme" (joint stock company) registered in France and listed on Euronext Paris, in Eurolist Compartment B. The Company and its subsidiaries are hereinafter referred to as the "Group" or the "Rallye Group".

On March 8, 2016 the Board of Directors approved and authorized the publication of Rallye's consolidated financial statements for the 2015 fiscal year. They will be submitted for approval by the Shareholders' Meeting to be held on May 18, 2016.

NOTE 1 | GENERAL ACCOUNTING PRINCIPLES

1.1. | Reporting standards

Pursuant to European Regulation 1606/2002 of July 19, 2002, the consolidated financial statements of the Rallye Group have been prepared in accordance with the standards issued by the International Accounting Standards Board (IASB), as adopted by the European Union as of the date of approval of the financial statements by the Board of Directors, and mandatory as of December 31, 2015.

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.

The accounting methods described below were applied consistently to all periods presented in the consolidated financial statements, taking into account, or except for, the new standards and interpretations described below.

These amendments had no material impact on the Group's results or financial position.

As a reminder, the Group had opted for the early application of IFRIC 21 – Levies in its consolidated financial statements for the year ended December 31, 2014.

Standards, amendments to standards and interpretations applicable as of the fiscal year beginning January 1, 2015

Annual Improvements to IFRS 2011-2013 Cycle: These amendments are effective prospectively. The relevant standards are:

- IFRS 3 – Business Combinations:

  This amendment specifies that:
  - the creation of all forms of partnerships as defined by IFRS 11 – Joint Arrangements is excluded from the scope of IFRS 3;
  - this exclusion applies only to the financial statements of joint ventures or joint operations.

- IFRS 13 – Fair Value Measurement:

  The amendment of IFRS 13 – Fair Value Measurement specifies that the scope exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis applies to all contracts covered by IAS 39 – Financial Instruments: Recognition and Measurement, or by IFRS 9 – Financial Instruments, whether or not they meet the definition of financial assets or financial liabilities under IAS 32 – Financial Instruments.

- IAS 40 – Investment Property:

  This amendment specifies that:
  - the use of judgment is required to determine whether the purchase of an investment property qualifies as the acquisition of an asset or group of assets or a business combination within the scope of IFRS 3 – Business Combinations;
  - such judgment should be based on the provisions of IFRS 3 – Business Combinations.

1.2. | Basis for preparation and presentation of the consolidated financial statements

1.2.1. | Measurement bases

The consolidated financial statements were prepared in accordance with the historical cost method, except for:

- assets and liabilities revalued at fair value under a business combination in accordance with the principles outlined in IFRS 3;
- derivative financial instruments, financial assets available-for-sale and the securities portfolio, which were measured at fair value. The carrying value of the assets and liabilities that are components hedged by a fair value hedge and that would also be measured at cost is adjusted to take into account changes in fair value attributable to the risks being hedged.

The consolidated financial statements are presented in millions of euros. The amounts indicated in the consolidated financial statements are rounded to the closest million and include individually-rounded data. Calculations based on rounded figures may differ from reported aggregates and sub-totals.

1.2.2. | Use of estimates and judgments

The preparation of consolidated financial statements requires that management employ estimates and assumptions that may have an impact on the asset, liability, income and expense figures included in the financial statements, and on some of the information 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.

The judgments, estimates and assumptions prepared on the basis of information available on the cut-off date apply mainly to:

- impairment of non-current assets and goodwill (Note 10.5);
- available-for-sale financial assets (Note 6.9).

For operating subsidiaries, the judgments, estimates and assumptions employed concern in particular:

- the revaluation of the percentage interest previously held in Disco, and of non-controlling interests (Note 3.1.1);
- the recoverable values of deferred tax assets (Note 9);
- provisions for risks, especially tax and employee-related risks, as well as the recoverable value of tax credits or taxes (VAT or similar taxes) (Note 13);

- calculating the fair value of investment properties (Note 10.4);
- the change in the depreciation period of some plant, property and equipment items.

Pursuant to IAS 16, the Group has revised the depreciation period of certain categories of property, plant and equipment (including building structure and brickwork, refrigeration and electrical installations). Since this revision involves a change in estimates, it has been applied prospectively.

NOTE 2 | SIGNIFICANT EVENTS

The significant events during the fiscal year are as follows:

2.1. | New organization for Casino Group operations in Latin America

The Casino Group changed its organization by combining all of its business operations in Latin America under Éxito, its Colombian subsidiary. On August 20, 2015, the Casino Group sold to Éxito:

- a 50% stake in Ségisor (French holding company) which owns the voting shares in its Brazilian subsidiary GPA, representing around 18.8% of the share capital;
- a 100% stake in Libertad, the Casino Group's subsidiary in Argentina.

After this transaction all business operations owned by the Casino Group in Latin America (Brazil, Columbia, Argentina and Uruguay) are now fully consolidated by Éxito. The Casino Group, which owns 54.8% stake in Éxito, remains its controlling shareholder and will continue to fully consolidate the earnings of Éxito and its subsidiaries (which now include GPA and Libertad).

The transaction was valued at USD1,829 million (€1,629 million).

Because this reorganization was carried out between fully consolidated companies at the transaction date, its effects on the Casino Group's consolidated financial statements were eliminated. As of the transaction date, the Casino Group's share in the earnings of GPA, Via Varejo, Cnova and Libertad after the dilution related to non-controlling interests in Éxito, was, respectively, 32.8%, 14.2%, 55.1% and 54.8%, compared to 41.3%, 17.9%, 58.1% and 100%, respectively, before the transaction. Costs and tax effects related to the transaction (banks, consultants, lawyers) totaling €71 million were recognized in other operating expenses (Note 6.5).

2.2. | Debt reduction plan

On December 15, 2015, the Casino Group announced its decision to increase its financial flexibility in 2016 with a debt reduction plan of more than €2 billion, generated through real estate transactions and disposals of non-strategic assets, including the proposed sale of the Casino Group's operations in Vietnam (Note 3.5). On January 14, 2016, the plan was increased to €4 billion in connection with the proposed sale of its subsidiary Big C Thailand. The conclusion of the sale agreement was announced on February 7, 2016 (Note 15).

2.3. | Alliance with DIA

The Casino and DIA groups have formed an international strategic alliance for purchasing and services. This alliance, supported by the joint venture ICDC Services, is now in effect, except in Latin America where it is subject to approval by the relevant competition authorities. The Casino Group's interest in this new company had no material impact on the statement of financial position or on the consolidated income statement for 2015.

2.4. | Irregularities discovered at subsidiary Cnova Brazil

On December 18, 2015, the Board of Directors of Cnova announced that it had mandated external consultant to assist with an internal review in connection with alleged employee misconduct related to product returns inventory management at its Brazilian 's distribution centers. During the review, the Company also identified discrepancies in trade payables and receivables amounts related to goods in transit with carriers.

In the current state of the investigation, which is still ongoing, the main accounting impacts disclosed by Cnova are as follows:

- Revenue and receivables: the management of Cnova identified an overstatement of net sales by €30 million and additional trade receivables balances net of impairment allowances of €20 million due the absence of cancellation of a second sale when sending a replacement product to the customer for a damaged or defective item delivered.
- Inventory: Cnova's management hired external consultants who, assisted by Cnova Brazil employees, carried out a comprehensive physical count as of December 31, 2015, of all seven of its distribution centers in Brazil. The results indicated that no significant adjustment was necessary based on in stock expected quantity. They did, however, lead the management of Cnova to record an additional write-off linked to the valuation of damaged/returned items for €13 million in fiscal 2015.
- Trade payables and other: the management discovered that several Cnova Brazil accountants had deliberately falsified written reports and accounts payable balances at the request of former Cnova Brazil employees. As a result, trade payables and other liabilities were adjusted upward by €15 million.

Casino has estimated that the share of these adjustments related to errors in past years is not significant enough to justify a restatement of previously published financial statements The impacts described above were recognized in current operating income for the portion related to fiscal 2015 (€25 million) and other in operating expenses for the portion attributable to previous years (for €23 million).

2.5. | Other consolidation scope transactions in 2015

- In 2015, Rallye increased its stake in Casino by 1.74% through the direct acquisition of 1,125,000 Casino shares and *via* an equity swap agreement on 840,495 Casino shares.
- Acquisition of sole control of Uruguayan subsidiary Disco (Note 3.1.1).
- Acquisition of control of 29 additional Super Inter stores as a result of Éxito's exercise of the call option (Note 3.1.2).
- Changes in scope within the Franprix-Leader Price sub-group (Note 3.1.3).
- Asset exchange agreement between Éxito and Caja de Compensación Familiar – CAFAM (Cafam) (Note 3.1.4).
- Creation of SCI Simonop'1 and initial offering (Note 3.1.6).

NOTE 3 | CONSOLIDATION SCOPE

Scope and methods of consolidation

Subsidiaries, joint ventures and associates under the direct or indirect control of the parent company, or over which the latter exercises control, joint control or significant influence, are consolidated (see Note 16).

Subsidiaries

Subsidiaries are companies controlled by the Group. Control exists when the Group (i) holds power over an entity, (ii) is exposed or entitled to variable returns from its involvement with the entity and (iii) has the ability to exert power over the entity so as to affect the amount of returns received.

The financial statements of subsidiaries are included in the consolidated financial statements from the date of the effective transfer of control until the date that such control ceases to exist. Subsidiaries, regardless of percentage of interest held, are fully consolidated in the Group statement of financial position.

Potential voting rights

Control takes into account the potential voting rights if they are substantive, in other words, if the entity has the practical ability to exercise its rights and that these rights can be exercised at any time.

An entity may own share subscription warrants, stock options, debt or equity instruments convertible into common shares or other similar instruments which, if exercised or converted, have the ability to give the entity voting power or to restrict the voting power of others in the financial and operating policies of another entity. The existence and effect of potential exercisable or convertible voting rights are taken into consideration in the assessment of the control of another entity. Potential voting rights are not currently exercisable or convertible when, for example, they cannot be exercised or converted until a future date or on the outcome of a future event.

Joint ventures

A joint venture is a joint arrangement whereby the parties exercise joint control over the entity. They both have rights to the entity's net assets. Joint control exists insofar as the decisions concerning the relevant activities are taken unanimously by the parties sharing the control.

Joint ventures are consolidated under the equity method in the consolidated statement of financial position.

Associates

Associates are companies in which the Group exercises significant influence on the financial and operational policies, but for which it does not have control. Associates are consolidated under the equity method in the consolidated statement of financial position.

Consolidation under the equity method

Consolidation under the equity method requires that the investment in an associate or a joint venture should be initially recognized at acquisition cost, then subsequently adjusted to reflect the Group's share in the associate's or joint venture's earnings and other elements of comprehensive income. Goodwill related to these entities is included in the carrying value of the investment. Any loss of value and gain or loss on disposal related to shares consolidated under the equity method are recognized under "Other operating income and expenses".

The results of acquisitions or internal disposal transactions with associates are eliminated to the extent of the Group's percentage holding in these companies. The Group uses a transparent approach in consolidating associates by the equity method and, where appropriate, takes the final percentage held by the Group into account in determining the share of earnings to be eliminated.

In the absence of standards or interpretations applicable to the dilution of the Group's interest in associate's subsidiary, the impact of this dilution is recognized in share of net income from associates and joint ventures.

Business combinations

Pursuant to IFRS 3 revised, the consideration transferred (acquisition price) is measured at the fair value of the assets delivered, the equity issued, and the liabilities incurred on the date of the exchange. The identifiable assets and liabilities of the Company acquired are measured at fair value on the date of the purchase. Costs directly attributable to the takeover are recognized in "Other operating expenses", except those related to the issuance of equity instruments

Any surplus of the consideration transferred over the Group's share of the net fair value of the identifiable assets and liabilities of the Company acquired gives rise to the recognition of goodwill. On the at the date of the take over of control, and for each business combination, the Group may opt for consolidation with partial goodwill (limited to the percentage interest acquired by the Group) or with full goodwill. If the Group opts for the full goodwill method, minority interests are measured at fair value and the Group recognizes goodwill on all identifiable assets and liabilities.

Business combinations prior to January 1, 2010 had been treated using the partial goodwill method, the only method applicable prior to the introduction of IFRS 3 revised.

In the case of an acquisition in stages, the interest previously held is remeasured at fair value on the date control is assumed. The difference between the fair value and the net carrying value of this interest is recognized directly in profit or loss ("Other operating income" or "Other operating expenses").

The amounts recognized on the acquisition date may result in an adjustment provided that the items allowing adjustment of these amounts correspond to new information of which the buyer is made aware and originating in facts and circumstances prior to the date of acquisition. After the measurement period (with a maximum duration of 12 months after the date of the takeover of control of the entity acquired), goodwill may not be adjusted subsequently; the subsequent acquisition of minority interests does not result in the recognition of additional goodwill.

In addition, price supplements are included in the consideration transferred at fair value on the acquisition date, whatever the probability of occurrence. During the measurement period, subsequent adjustments are offset in goodwill when they relate to facts and circumstances existing at the time of the acquisition; after that, price supplement adjustments are recognized directly in income ("Other operating income" or "Other operating expenses"), unless the price supplements had an equity instrument as consideration. In this case, the price supplement is not remeasured subsequently.

Conversion of foreign currencies

The consolidated financial statements are presented in euros, the functional currency of the Group's parent company. Each entity within the Group determines its own functional currency and the financial items of each are measured in that currency.

The financial statements of companies in the Group that use a different functional currency from that of the parent company are translated using the closing rate method:

- assets and liabilities, including goodwill and adjustments made to determine fair value upon consolidation, are translated into euros at the exchange rate prevailing at year-end;
- items in the income and cash flow statements are translated into euros at the average exchange rate for the period, as long as this rate is not called into question by significant changes in the currency markets.

The resulting foreign exchange differences are directly recognized in equity, under a separate heading. When a foreign business is sold, the cumulative amount of the deferred exchange differences recognized under the separate equity heading relating to that foreign business is recognized in income.

Transactions denominated in foreign currencies are translated into euros at the exchange rate prevailing on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate prevailing at the close of the period, while the resulting foreign exchange differences are recognized in the income statement as foreign exchange gains or losses. Non-monetary assets and liabilities denominated in foreign currencies are recognized at the historical exchange rate in effect on the transaction date.

The exchange rates applied on the translation of a net investment of an entity in a foreign operation are accounted for in the consolidated financial statements as a separate component of equity and are reclassified to profit or loss when the net investment is disposed of.

Foreign exchange differences relating to foreign currency debts hedging foreign currency investments or long-term advances to subsidiaries are also accounted for in equity and recognized in profit and loss when the net investment is disposed of.

3.1. | Consolidation scope transactions carried out in 2015

3.1.1. | Acquisition of control of Disco in Uruguay

Éxito exercised joint control of the Disco sub-group, in which it held a 62.49% interest. This sub-group was therefore consolidated using the equity method until December 31, 2014.

With the signature of an agreement that granted it over 75% of the voting rights (and hence sole control over strategic decisions) Éxito took control of the Disco sub-group as of January 1, 2015.

In accordance with IFRS 3, the changeover from the equity method at 62.49% (Éxito's stake) to the full consolidation method resulted in the recognition of a gain on the revaluation of the previously-held interest amounting to €262 million. This gain was recorded in "Other operating income" (Note 6.5). Disco's valuation was performed by an independent expert on the basis of a multi-criteria analysis (discounted cash flow and multiple method).

Disco sub-group's balance sheet and the goodwill generated are as follows:

(in € millions)	**As of January 1, 2015**
Intangible assets	36
Property, plant and equipment	149
Property investments	24
Non-current financial assets	8
Deferred tax assets	10
Inventories	37
Trade receivables	21
Other assets	25
Cash and cash equivalents	49
Assets	**358**
Other non-current liabilities	4
Deferred tax liabilities	22
Current financial liabilities	1
Trade payables	75
Other current liabilities	36
Liabilities	**139**
Fair value of identifiable assets and liabilities at 100%, net (A)	**218**
Fair value of the 62.49% stake previously held (B)(1)	**368**
Fair value of non-controlling interests (full goodwill method) C(1)	**155**
GOODWILL (B+C-A)	**304**

(1) Non-controlling interests were measured at fair value, which was discounted for the absence of control and restrictions on the disposal of securities.

As at December 31, 2015, the main fair value adjustments concerned the recognition of trademarks (€36 million), real estate assets (€86 million) and the related net deferred tax liabilities (€20 million).

Measurement of the fair value of identifiable assets and liabilities resulted in the recognition of €304 million in goodwill allocated to the pooling of Uruguay CGU.

The contribution of the Disco sub-group's business activities to the Casino Group's revenue and consolidated net income/(loss) (excluding the gain on remeasurement of the previously-held interest) for the period from January 1, 2015 to December 31, 2015 was €436 million and €33 million, respectively. Costs associated with the acquisition of control were not significant.

In addition, family shareholders received a purchase commitment (put option) granted by the Casino Group on 29.8% of Disco. This option may be exercised until June 21, 2021. Its price is based on the company's consolidated operating performance with a minimum price of USD41 million, plus interest at the rate of 5% per annum. As at December 31, 2015, this put option was valued at €90 million (Note 3.4.1).

3.1.2. | Exercise of a call option on Super Inter stores

On April 15, 2015, Éxito exercised a call option to acquire 29 Super Inter stores operated by Éxito since October 2014 and the Super Inter brand. Although it was independent, this transaction completed Éxito's takeover of the Super Inter network. The purchase price was COP 343,920 million (€124 million), of which COP 284,173 million (€99 million) were paid on December 31, 2015.

As of the date of acquisition of control, the fair value assigned to the identifiable assets and liabilities of these stores was determined by an independent expert and can be summarized as follows:

(in € millions)	**At April 1, 2015**
Super Inter brands	23
Property, plant and equipment	7
Assets	**30**
Fair value of identifiable assets and liabilities at 100%, net (A)	**30**
Acquisition price (B)	**124**
GOODWILL (B-A)	**95**

Tax-deductible goodwill of €95 million was allocated to the Columbia CGU; it is attributable to the acquisition of a new customer base and economies of scale resulting from the business combination of Éxito and Super Inter. Costs associated with the acquisition were not significant.

3.1.3. | Franprix-Leader Price sub-group transactions

In 2015, Franprix-Leader Price took control of the following sub-groups:

- the Europrice sub-group for which Franprix-Leader Price had granted a put option on 99.99% of equity shares. The amount disbursed for this acquisition was €18 million, generating provisional goodwill of €11 million;
- the Leader Centre Gestion sub-group for which Franprix-Leader Price had granted a put option on 51% of equity shares. The amount disbursed for this acquisition was €14 million. As this sub-group was previously equity-accounted in the Casino Group's consolidated financial statements, the remeasurement under IFRS 3 of the previously-held interest generated a cost of €2 million. The transaction generated provisional goodwill of €18 million;
- the Parfidis sub-group for which Franprix-Leader Price had granted a put option on 64% of equity shares. The amount disbursed for this acquisition was €21 million. As this sub-group was previously equity-accounted in the Casino Group's consolidated financial statements, the remeasurement under IFRS 3 of the previously-held interest generated a gain of €4 million. The transaction generated provisional goodwill of €26 million.

The contribution of the Europrice et Leader Centre Gestion sub-groups' business activities to the Casino Group's revenue and net income/(loss) before tax for the period from June 1, 2015 to December 31, 2015 was €57 million and -€2 million, respectively. The contribution of the Parfidis sub-group's business activities to the Casino Group's revenue and net income/(loss) before tax for the period from July 1, 2015 to December 31, 2015, was €27 million and -€9 million, respectively. If these acquisitions had been completed on January 1, 2015, the additional contribution to revenue would have been €66 million and the contribution to net income/(loss) before tax would have been -€3 million.

Costs associated with these acquisitions were not significant.

In addition, as part of the Franprix-Leader Price franchise redeployment projects, in the second half of 2015 the subsidiary recognized the disposal by two master franchisees of a group of Franprix and Leader Price stores that were loss-making under the integrated management mode. The disposal of a 51% interest in these stores generated a net impact of -€58 million recognized in "Other operating expenses".

If these disposals had been completed on January 1, 2015, the impact on revenue would have been -€51 million and the impact on net income/(loss) before tax would have been nil.

At the same time, the same master franchisees acquired a 49% stake in a group of profitable Franprix and Leader Price stores. These disposals without loss of control generated an impact of -€26 million on Shareholders' equity, Group share and +€26 million on Non-controlling interests.

3.1.4. | Asset exchange agreement between Éxito and Cafam

In September 2010, Éxito and "La Caja de Compensación Familiar – Cafam" signed an agreement allowing Éxito to operate stores owned by Cafam, and allowing Cafam to operate drugstores owned by Éxito.

On February 23, 2015, the two parties signed an agreement that provides for the following:

- the acquisition by Éxito of stores that had been owned by Cafam but operated by Éxito since September 2010. The amount disbursed for this acquisition was €44 million, generating an equivalent amount of tax deductible goodwill;
- the sale to Cafam of drugstores owned by Éxito, some of which had been operated by Cafam since September 2010, for a total of €27 million recognized in "Other operating income";
- the termination of the operating agreement signed in September 2010;

Costs associated with the acquisition were not significant.

The conditions precedent including the approval of the competition authorities were lifted on May 27, 2015.

3.1.5. | Acquisition of non-controlling interests in Lanin

On February 26, 2015, following the exercise of put options, the Éxito group acquired all the non-controlling interests in Lanin (3.18%), a holding company and sole owner of Devoto, a store operator in Uruguay. The amount disbursed for this acquisition was €17 million (Note 4.3).

3.1.6. | Creation of SCI Simonop'1 and initial offering

In October 2015, Monoprix and two of its subsidiaries created SCI Simonop'1. Subsequently, on December 22, 2015, Monoprix and two of its subsidiaries transferred 11 real estate assets housing Monoprix supermarkets as contributions in kind valued at €138 million. On the same date, 49% of Simonop'1 shares were sold to three property development companies managed by Ciloger for a total price of €73 million (Note 4.3) generating an impact of €72 million on shareholders' equity (including Group share of €2 million).

3.2. | Consolidation scope transactions carried out in 2014

3.2.1. | Change in the percentage held in GPA

| Exercise of the call option

On April 4, 2014, Casino acquired 8,907,123 preferential shares from GPA after exercising a call option subscribed in July 2012. The amount disbursed for this acquisition totaled €330 million (Note 4.3), generating a negative impact of €34 million on the Shareholders' equity Group share.

| Exercise of stock options

The exercise of GPA stock options during the first half of 2014 had a negative impact of €3 million on the Shareholders' equity Group share.

These two transactions between shareholders were recognized directly in equity, raising Casino's interest in GPA to 41.32% at December 31, 2014.

3.2.2. | Franprix-Leader Price sub-group transactions

After obtaining the approval of the competition authority, the Franprix-Leader Price group took over 46 Le Mutant stores on March 8, 2014. The amount disbursed for this acquisition was €32 million and generated goodwill of €17 million.

During fiscal year 2014, Franprix-Leader Price also took over various companies that operate 26 stores under the Franprix and Leader Price banners. The amount disbursed for these acquisitions totaled €22 million and generated provisional goodwill of €25 million.

If these acquisitions had been completed on January 1, 2014, the additional contribution to revenue would have been €76 million, and the contribution to net income/(loss) before tax would have been -€5 million.

3.2.3. | Monshowroom (e-commerce segment)

Updating the fair value of identifiable assets and liabilities primarily resulted in the upward adjustment of the brand for €6 million and customer relations for €1 million. The final goodwill of Monshowroom (e-Trend) was thus €22 million.

Furthermore, Cdiscount Group acquired the entire share of the non-controlling interests linked to Monshowroom's business activity in May 2014 for €6 million, with an impact on shareholders' equity, Group share of €2 million.

In September 2015, Cdiscount Group transferred the control of Monshowroom to Monoprix. The impact of this internal Group transaction was offset in the consolidated financial statements.

3.2.4. | Super Inter

In September 2014, the Colombian competition authority authorized Éxito to acquire 19 Super Inter stores for a total amount of COP 200,000 million (€75 million, of which €24 million was paid in 2015).

Furthermore, Éxito entered into an initial agreement with Super Inter to (i) operate 31 additional stores over a period of five years starting from a date ranging between October 16 and December 18, 2014 depending on the store (ii) use the registered trademarks of Super Inter, and (iii) acquire in 2015 the additional 31 stores as well as the brands mentioned above, (call option granted by Super Inter to Éxito which was exercised on April 15, 2015 – see Note 3.1.2). An agreement was signed with Super Inter to organize the control of these 31 stores.

Considering net identifiable assets of COP 20,588 million (€8 million) acquired on October 16, 2014, the goodwill amounted to COP 179,412 million (€68 million) which is attributable to the acquisition of a new customer base and economies of scale resulting from the business combination of Éxito and Super Inter. This goodwill, allocated to the Colombia CGU, is tax deductible.

The contribution of Super Inter stores to the Group's revenue and consolidated net earnings totaled €16 million and €1 million, respectively, for the period from October 16 to December 31, 2014.

If this acquisition had been carried out on January 1, 2014, the contribution to the Group's revenue and consolidated net earnings would have been €111 million and €2 million, respectively.

3.3. | Investments in associates and joint ventures

3.3.1. | Most significant associates

The table below presents the 100% condensed financial statements of the top three associates recognized under the equity method. This information is prepared in accordance with IFRS as reported by the associates, and restated if necessary to reflect adjustments made by Casino Group such as fair value remeasurement adjustments at the date of acquisition or loss of control, adjustments for consistency with the Group's accounting principles and for eliminations of intra-Group acquisitions or disposals for the amount of the interest held in the associates.

(in € millions)	2015			2014		
	Mercialys[1]	Banque du Groupe Casino	FIC[2]	Mercialys[1]	Banque du Groupe Casino	FIC[2]
Country	**France**	**France**	**Brazil**	France	France	Brazil
Business	**Real estate**	**Banking**	**Banking**	Real estate	Banking	Banking
% interest and voting rights[3]	**40%**	**50%**	**50%**	40%	50%	50%
Net sales	**172**	**122**	**302**	155	105	329
Net income from continuing operations	**87**	**2**	**61**	85	(5)	70
Other elements of comprehensive income						
Total comprehensive income	**87**	**2**	**61**	**85**	**(5)**	**70**
Non-current assets	**2,797**	**25**	**9**	2,415	27	11
Current assets[4]	**117**	**826**	**903**	198	739	1,184
Non-current liabilities	**(1,243)**	**(2)**	**(4)**	(1,040)	(2)	(5)
Current liabilities	**(239)**	**(756)**	**(712)**	(182)	(670)	(920)
of which liabilities associated with lending activities		***(738)***			*(655)*	
Net asset	**1,432**	**94**	**197**	**1,391**	**94**	**271**
of which Net profit, Group share	***1,325***	***94***	***197***	*1,391*	*94*	*271*
Share of net assets	**533**	**47**	**98**	**560**	**47**	**135**
Goodwill	**20**	**33**		20	33	
Eliminations of share of internal margin	**(177)**			(122)		
Other adjustments[5]			**(14)**			(19)
Value of shares accounted for under the equity method	**376**	**80**	**84**	**457**	**80**	**116**
Dividends received from the associate	**61**		**41**	**44**		**4**

(1) As at December 31, 2015, the Group held 40.25% of Mercialys' capital. The Group considers that it exercises significant influence over the financial and operational policies of the Mercialys Group. This position is based on the analysis of the effective voting rights expressed during Mercialys' last Annual General Meetings (Casino and its related parties do not control the AGM), the absence of a majority on strategic decisions within the company's Board of Directors, which is mostly made up of independent directors, governance rules that provide that Casino representatives to Mercialys do not participate in decisions concerning transactions carried out with the Casino Group and operational contractual agreements concluded between the Casino Group and the company at market conditions.
(2) The main associates of the GPA group are FIC and BINV. These companies finance the purchases of GPA's customers and are the result of a joint arrangement between Banco Itaú Unibanco S.A ("Itaú Unibanco"), GPA, and Via Varejo. These companies are consolidated under the equity method; GPA only has notable influence on the orientation of operating and financial policies. The data presented above correspond to FIC, with BINV being less significant.
(3) The reported percentage of interest corresponds to the percentage held at the Casino Group level with the exception of FIC, which is consolidated under the equity method, which corresponds to the percentage of the GPA sub-group.
(4) For Banque du Groupe Casino and FIC, current assets mainly concern their credit operations.
(5) A reserve amount specifically allocated to the other partner, Itaú Unibanco must be deducted to determine the carrying value of the FIC shares accounted for under the equity method.

3.3.2. | Significant joint venture

The Grupo Disco de Uruguay sub-group was the only significant joint venture in the Group's 2014 consolidated financial statements. This sub-group was taken over in 2015 (Note 3.1.1) Dividends received from Disco for 2014 amounted to €7 million.

3.3.3. | Changes in investments in associates and joint ventures

(in € millions)	As at January 1	Impairment	Share of income for the fiscal year	Distributions	Other changes[2]	As at December 31
Associates:						
Associated companies of the GPA group (FIC & BINV)	94		36	(8)		122
Banque du Groupe Casino	83		(3)			80
Mercialys	563		34	(44)	(94)	457
Other	41	(1)	(7)	(8)	9	35
Joint ventures:						
Disco	122		14	(7)		129
Other	145		2	(64)	7	90
2014 fiscal year	**1,048**	**(1)**	**76**	**(131)**	**(78)**	**913**
Associates:						
Associated companies of the GPA group (FIC & BINV)	122		30	(34)	(30)	88
Banque du Groupe Casino	80		1		(1)	80
Mercialys	457		34	(61)	(55)	376
Other	35		(11)		(10)	14
Joint ventures:						
Disco[1]	129				(129)	
Other	90		19	(26)	(9)	74
2015 FISCAL YEAR	**913**		**73**	**(121)**	**(234)**	**632**

(1) The Disco subgroup has been fully consolidated since the date control was achieved, i.e. January 1, 2015 (Note 3.1.1)
(2) For Mercialys, the negative changes of €94 million in 2014 and €55 million in 2015 were the result of the neutralization of the gain on Casino's sale of real estate assets to Mercialys in the amount of the interest held in that entity.

3.3.4. | Other associates and joint ventures

As at December 31, 2015, the net carrying value of interests held in associates and joint ventures amounted to €14 million and €74 million respectively (see Note 3.3.3). The aggregate financial data of these associates and joint ventures is immaterial. Dividends received from these associates and joint ventures amounted to €26 million in 2015 (2014: €72 million).

3.3.5. | Losses related to the valuation of associates and joint ventures

With the exception of Mercialys, associates and joint ventures are not listed and so there is no market value to use to measure the fair value of these investments.

The fair value of the interest in Mercialys at the reporting date was €691 million, based on the stock market price as at December 31, 2015 (€682 million at December 31, 2014). This valuation did not indicate an impairment loss. At December 31, 2015, the EPRA adjusted triple net asset value of Mercialys was €1,788 million at 100%.

The impairment tests carried out as at December 31, 2015 did not result in any impairment loss (*versus* a €10 million impairment loss on the Franprix-Leader Price segment in 2014).

3.3.6. | Share of contingent liabilities in associates and joint ventures

As at December 31, 2015 and December 31, 2014, there were no material contingent liabilities.

3.3.7. | Transactions with related parties (associates and joint ventures)

The transactions with related parties summarized below mainly concern the operational transactions with companies over which the Group exercises notable influence (associates) or joint control (joint ventures) and consolidated under the equity method. The transactions are concluded at market price.

(in € millions)	2015				2014			
	Associates		Joint ventures		Associates		Joint ventures	
	Transactions	Balances	Transactions	Balances	Transactions	Balances	Transactions	Balances
Loans	**21**	**21**	**(27)**				18	27
Receivables	**32**	**60**	**(13)**	**5**	7	24	(7)	18
Debt	**(19)**	**11**	**(5)**	**7**	15	30	(55)	12
Expenses[1]	**73**		**56**		66		69	
Income[2]	**398**		**52**		317		40	

(1) Of which rental revenue excluding occupancy costs for the 105 leases signed with Mercialys for €42 million in 2015 (104 leases for €25 million in 2014). As at December 31, 2015, lease commitments to Mercialys for real estate assets amounted to €99 million, of which €43 million maturing in less than one year
(2) Of which €61 million of dividends received from Mercialys (€44 million in 2014) and income related to property development transactions with Mercialys presented under "Other Income" for €303 million (€243 million in 2014).

In connection with its relationship with Mercialys, Casino has entered into various agreements. In particular, Casino is a tenant in several shopping centers and handles the rental management of nearly all Mercialys sites and has entered into administrative and cash management agreements.

Under the partnership agreement between Casino and Mercialys and in line with its asset disposal transactions in 2014, in 2015 Casino sold real estate development projects to Mercialys (including six Distribution Casino France sites and five Monoprix sites) for a total of €355 million. These disposals, after elimination up to the stake held in Mercialys and considering the rate of progress of each project, generated the recognition of €200 million in other income and a positive contribution of €107 million to EBITDA.

In addition, on June 1, 2015, Mercialys created Hyperthetis Participations, combining six real estate assets resulting from development projects that Casino sold to Mercialys in 2014. This newly-established company is 51% owned by Mercialys and 49% owned by SPF2 (a regulated French real estate investment vehicle, or "OPCI"), whose majority shareholder is BNP Paribas. This transaction led to the recognition under "Other income" of €22 million as part of an additional 49% share of the real estate development profit that had been previously eliminated to the tune of 40%. Subsequently, on November 10, 2015, the Casino Group sold three real estate development projects to Hyperthetis Participations for a total amount of €64 million excluding transfer taxes, generating the recognition of €52 million in other income and a €25 million positive contribution to EBITDA. Furthermore, the Casino Group has a call option at a guaranteed price (the higher price of the fair value and IRR), on all the assets or all the securities of this new entity, which may be exercised from September 30, 2020 until March 31, 2022 (Note 3.4.2).

Finally, on October 22, 2015, Mercialys incorporated Immosiris, a company to which it transferred a shopping center. It then sold 49% of the shares of this new company to an OPCI majority-owned by BNP Paribas REIM France. Subsequently, on November 10, 2015, the Casino Group sold a real estate development project to Immosiris for a total amount of €36 million excluding transfer taxes, generating the recognition of €29 million in other income and a €15 million positive contribution to EBITDA. Furthermore, the Casino Group has a call option at a guaranteed price (the higher price of the fair value and IRR), on the previously-sold real estate assets, which may be exercised from March 31, 2021 until September 30, 2022 (Note 3.4.2).

The dilution of the Casino Group in Hyperthetis Participations and Immosiris, amounting to €5 million, was recognized in share of income from associates and joint ventures.

3.3.8. | Commitments to joint ventures

As at December 31, 2015 and December 31, 2014, there were no commitments to joint ventures.

3.4. | Commitments related to the consolidation scope

3.4.1. | Debt related to purchase commitments on non-controlling interests – "Minority puts"

The Group made commitments to the non-controlling shareholders of some of its subsidiaries to purchase their interests. The exercise price for these transactions may be fixed or established according to a pre-defined calculation formula. In accordance with IAS 32: put options granted to fully-consolidated subsidiaries are recognized in financial liabilities; fixed-price puts are recognized in financial liabilities at their discounted present value; and variable-price puts are recognized at fair value. In addition, these transactions may be carried out at any time or on a specific date. In 2015, the Group decided to report these "minority puts" on a separate line in the consolidated statement of financial position. This change was accounted for retrospectively.

IAS 27 revised, applied to the consolidated financial statements as of January 1, 2010, and subsequently IFRS 10, applied to the financial statements as of January 1, 2014, specify the accounting treatment for acquisitions of additional equity interests. The Group has decided to apply two different accounting methods for these put options, depending on whether the options were issued before or after the date of first application of the revised version of the standard in accordance with the recommendations of the French Financial Markets Authority:

- the former are treated using the current goodwill method: the difference between the debt owned for redemption commitments and the carrying value of non-controlling interests is recorded under goodwill. This liability is remeasured on subsequent reporting dates and the observed changes recorded under goodwill;
- the latter are treated as transactions between shareholders: the difference between the debt owed for redemption commitments and the carrying value of non-controlling interests is deducted from shareholders' equity. This liability is remeasured on subsequent reporting dates and the observed changes recorded under shareholders' equity.

Commitments to purchase equity securities granted to non-controlling interests were as follows at December 31, 2015:

(in € millions)	% Group interest	Commitment to non-controlling interests	Fixed or variable price	Non-current liabilities[3]	Current liabilities[3]
Franprix-Leader Price[1]	50.00% to 74.00%	26.00% to 50.00%	F/V	48	11
Disco[2]	62.49%	29.82%	V	-	90
Monoprix (Somitap)	55.42%	44.58%	F	1	1
TOTAL COMMITMENTS				**50**	**102**

(1) The value of these promises to purchase on subsidiaries of the Franprix-Leader Price sub-group is usually based on net income. The +/-10% change in the indicator has no material impact. The maturities of these options are spread between 2016 and 2031.
(2) This option may be exercised until June 21, 2021.
(3) As at December 31, 2014, "Minority puts" amounted to €62 million, of which €24 million recorded in current. The increase in fiscal 2015 was mainly due the acquisition of control in Disco (Note 3.1.1)

3.4.2. | Off-balance sheet commitments

The contractual valuation of commitments to sell or buy shares may be based on various company profitability indicators. In this instance, their valuation is calculated on the basis of the best information available: the latest figures available, if the option may be exercised at any time; or income expected for the coming years, if the option can only be exercised after a certain date. In many cases, the put option written by the Group is matched by a call option written by the other party. The value reported is the value of the promises to purchase granted.

The amount of put options on non-controlling interests stood at €19 million as at December 31, 2015 compared with €163 million at December 31, 2014, and concerns the Franprix-Leader Price subgroup exclusively. The decrease is primarily due to the acquisition of control of Disco (Note 3.1.1).

The Casino Group also has a call option at the higher of the fair value and a guaranteed minimum IRR of all assets or all shares of Hyperthetis Participations and a call option at the higher of the fair value and a guaranteed minimum IRR of a real estate asset previously sold to Immosiris (Note 3.3.7) valued at a total of €311 million as at December 31, 2015.

3.5. | Assets held for sale and discontinued operations

According to IFRS 5, these assets concern:

- assets associated with a discontinued operation;
- isolated assets held for sale.

A discontinued operation corresponds to a business line or a major, separate geographic region.

When assets are held for sale, the Group measures the non-current assets at the lower of their carrying value and their fair value, less costs of disposal. Depreciation of these assets is then discontinued.

This treatment is applied when management has embarked on a sale plan which has to be completed within one year from the date of this classification. Considering these characteristics, the Group's share in the net assets held for sale is reported as a reduction of net financial debt (Note 11).

If such assets are investments in joint ventures or associates, the Group will cease to recognize its share of profit or loss in the entities once the investment is reclassified under "Assets held for sale".

Assets held for sale and related liabilities stood at €538 million and €184 million, respectively, as at December 31, 2015 (compared with €67 million and €5 million, respectively, as at December 31, 2014). They are composed mainly of Retail and E-commerce assets of the sub-group in Vietnam.

Assets held for sale net of related liabilities at the sub-group level stood at €315 million as at December 31, 2015 (compared with €43 million in 2014), including €289 million for the Vietnam sub-group (€287 million and €2 million, respectively for the Retail and E-commerce segments).

As at December 31 2015, assets and liabilities held for sale relating to the Retail and E-commerce operations of the Vietnam subgroup were broken down as follows:

(in € millions)	Before intra-Group elimination	Intra-Group elimination	After intra-Group elimination
Goodwill, intangible assets, property, plant and equipment and investment property	184		184
Other non-current assets	107		107
Non-current assets	**291**		**291**
Other current assets	87		87
Cash and cash equivalents	129		129
Current assets	**216**		**216**
Total assets	**507**		**507**
Non-current financial liabilities	223	186	36
Other non-current assets			
Non-current liabilities	**223**	**186**	**36**
Current financial liabilities	30		30
Trade payables	94		94
Other current liabilities	24		24
Current liabilities	**148**		**148**
Total liabilities	**370**	**186**	**184**
Net asset	**137**		**323**
of which group Casino share[1]	*103*	*186*	*289*

(1) Of which €100 million and €3 million of net assets, Group share, before intra-group elimination relating respectively to the Vietnam Retail business reported in the Asia segment and the Cdiscount Vietnam business reported in the E-commerce segment.

In addition, to calculate the gain on disposal, amounts recognized under other comprehensive income such as foreign currency translation adjustments and net investment hedges totaling -€34 million as at December 31, 2015 should be taken into account.

NOTE 4 | ADDITIONAL INFORMATION REGARDING THE STATEMENT OF CASH FLOWS

The statement of cash flows is prepared using the indirect method based on the consolidated net income/(loss) and is broken down into three categories:

- cash flows from operating activities including taxes, acquisition costs in relation of acquisition of control and payments received as subsidies;
- cash flows from investing activities: in particular in case of acquisition of control (excluding acquisition costs), loss of control including transaction costs, acquisitions and disposals of non-consolidated investments and of associates and joint ventures (including transaction costs), contingent consideration paid for business combinations up to the liability determined in the measurement period as well as acquisitions and disposals of fixed assets (including costs and deferred payments) excluding financial leases;
- cash flows related to funding activities, in particular: issues and redemptions of bonds, issues of equity instruments, transactions between shareholders (including transaction costs and any deferred payments), net interest paid (cash flows related to the cost of the indebtedness), transactions related to treasury shares and dividends paid.

4.1. | Change in working capital requirement related to operations

(in € millions)	2015	2014
Merchandise inventories	(248)	(677)
Real estate development inventories	65	127
Trade payables	1,153	1,308
Trade receivables and related accounts	(64)	(13)
Receivables related to credit activities	111	4
Financing of credit activities	(108)	3
Other receivables/debt	275	(410)
Change in Working Capital Requirement (WCR)	**1,184**	**342**

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

(in € millions)	2015	2014
Amounts paid for takeovers	(241)	(130)
Cash and cash equivalents/(bank overdrafts) related to takeovers	37	1
Amount received for losses of control	41	28
(Cash and cash equivalents)/bank overdrafts related to losses of control	3	
Impact of changes in scope of consolidation with change of control	**(161)**	**(101)**

In 2015, the impact of these transactions on the Group's cash position mainly comprised:

- the takeover of Super Inter for -€124 million (Notes 3.1.2 and 3.2.4);
- the takeovers of Europrice for -€18 million, Leader Centre Gestion for -€14 million and Parfidis for -€21 million by the Franprix-Leader Price sub-group (Note 3.1.3);
- the cash acquired from Disco for +€49 million (Note 3.1.1);
- the asset swap under the agreement with Cafam for a net amount of -€17 million (Note 3.1.4).

In 2014, the impact of these transactions on the Group's cash position mainly comprised:

- the acquisition of 19 Super Inter stores for -€49 million (Note 3.2.4);
- the takeovers by the Franprix-Leader Price sub-group of 46 Le Mutant stores for -€32 million (Note 3.2.2) and of various other companies for -€27 million (the main companies are described in Note 3.2.2).

4.3. | Impact on cash of transactions with non-controlling interests without change of control

(in € millions)	2015	2014
Monoprix: Simonop'1 (Note 3.1.6)	**73**	
Lanin/Devoto (Note 3.1.5)	**(17)**	
Increase in number of Casino shares held by Rallye	**(89)**	
Exercise of the GPA call option (Note 3.2.1)		(330)
Capital increase of Cnova linked to the IPO		117
Buybacks of non-controlling interests in Franprix-Leader Price subsidiaries		(10)
Payment of the Sendas debt	**(21)**	(22)
Other	**(32)**	(21)
Impact on cash of transactions with non-controlling interests	**(86)**	**(266)**

4.4. | Reconciliation between change in cash and cash equivalents and change in net financial debt

(in € millions)	2015	2014
Change in cash and cash equivalents	**(2,914)**	**2,022**
Increases in borrowings and financial debt	**(3,696)**	(4,547)
Reductions in borrowings and financial debt	**5,471**	2,391
Non-cash changes in debt	**100**	(323)
Change of Group share in net assets held for sale	*214*	*(38)*
Change in other financial assets	*131*	*(223)*
Financial liabilities related to changes in scope of consolidation	*(12)*	*(17)*
Trade payables – structured program (Note 11.2)	*(285)*	
Changes in fair value and cash flow hedges	*70*	*(11)*
Other	*(18)*	*(34)*
Impact of changes in money market rates	**519**	(73)
Change in net financial debt (Note 11.2)	**(519)**	**(530)**
Net financial debt at beginning of the period	**8,660**	8,130
Net financial debt at end of the period (Note 11.2)	**9,180**	8,660

NOTE 5 | SEGMENT REPORTING

Segment reporting reflects management's view and is prepared on the basis of the internal reporting used to assess the performance of operating segments as required by IFRS 8. Segment reporting now includes two operating segments corresponding to:

- **the "Food and general retailing" division** which reflects the various activities of the Casino Group, namely:
  - France Retail for all retailing activities in France (primarily the Casino, Monoprix, Franprix-Leader Price and Vindémia banners),
  - Latam Retail for all food distribution activities in Latin America (mainly the Éxito, Disco, Devoto and Libertad banners and GPA food stores),
  - Latam Electronics for non-food retailing activities in Brazil (Via Varejo chain of stores: Casas Bahia and Ponto Frio),
  - Asia for retailing activities in Asia (Big C Thailand and Big C Vietnam stores),
  - E-commerce for the new Cnova business (Cdiscount, its vertical and international sites, and Cnova Brazil).

  The combined segments of France Retail, Latam Retail and Asia have similar businesses in terms of product type, assets and human resources required for operations, customer profile, distribution methods, a marketing offering and long-term financial performance;
- **the "Holdings and other activities" division** which combines the activities of the holding companies, the sale of sporting goods and financial investments. Taken individually, these activities are not material at the Group level.

The Management evaluates the performance of these segments on the basis of revenue as well as "Current operating income" (includes the allocation of holding company costs to all of the business units of the "Food and general retailing" division) and EBITDA. EBITDA (earnings before interest, taxes, depreciation and amortization) is defined as current operating income (EBIT) plus current depreciation and amortization expense.

Since assets and liabilities are not specifically reported to management, the only information presented in the notes in the context of IFRS 8 regards non-current assets.

Financial data by operating segment is prepared according to the same rules as those used for the consolidated financial statements.

5.1. | Key indicators by operating segment

(in € millions)	Food and general retailing					Holdings & other activities	Continuing operations in 2015
	France Retail	Latam Retail	Latam Electronics	Asia	E-commerce		
External revenue	18,890	14,714	5,187	3,973	3,381	687	**46,832**
EBITDA	726[1]	993	334	394	(104)	15	**2,358**
Current operating depreciation and amortization (Note 6.4)	(389)	(290)	(63)	(117)	(38)	(16)	**(913)**
Current operating income	337	703	271	277	(142)	(1)	**1,445**

(1) Including €167 million related to real estate development transactions in France.

(in € millions)	Food and general retailing					Holdings & other activities	Continuing operations in 2014
	France Retail	Latam Retail	Latam Electronics	Asia	E-commerce		
External revenue	18,848	15,422	7,245	3,513	3,465	662	49,155
EBITDA	836[1]	1,215	737	361	41	19	3,210
Current operating depreciation and amortization (Note 6.4)	(439)	(320)	(61)	(107)	(34)	(15)	(975)
Current operating income	397	895	677	255	7	4	2,235

(1) Including €162 million related to real estate development transactions in France.

5.2. | Key indicators by geographic area

Non-current assets include: goodwill; property, plant, and equipment and intangible assets; investment properties; interests in associates and joint ventures; and long-term prepaid expenses.

(in € millions)	Food and general retailing				Holdings & other activities		Total
	France	Latin America	Asia	Other international segments	France	Other international segments	
AS AT DECEMBER 31, 2015:							
External revenue	**20,578**	**21,569**	**3,997**	**2**	**631**	**56**	**46,832**
Non-current assets	**13,092**	**10,144**	**2,066**	**43**	**117**	**9**	**25,472**
As at December 31, 2014:							
External revenue	20,431	24,539	3,523	0	610	52	49,155
Non-current assets	13,238	12,231	2,264	55	111	15	27,913

NOTE 6 | OPERATING DATA

6.1. | Revenue

Revenue has two components: "Net sales" and "Other revenue".

"Net sales" includes sales by the Group's stores and websites, cafeterias and warehouses, financial revenues, rental income, bank operating income from lending activities, and various services performed by the business units.

"Other revenue" consists of income from real estate development and property trading, management of financial investments, other income from services, and other income generated secondarily or in the context of related activities, particularly commissions for the sale of travel packages, franchise payments and income from subleases.

Revenue is measured at the fair value of the consideration received or to be received, net of commercial discounts or rebates and sales taxes. It is recognized as follows:

- sales of goods are recognized when the risks and benefits inherent in the ownership of the goods have been transferred to the customer, usually when title has been transferred, income can be measured reliably and payment is reasonably certain;
- services – such as sales of warranty extensions, services related directly to the sale of goods, or the services rendered to suppliers – are recognized over the period in which the services are rendered. When a service includes various commitments, including volume commitments, Casino Group analyzes the legal and factual elements to determine the scheduling of the accounting recognition of the service. The result is that, depending on the type of service, recognition of the income may be immediate when the services are considered completed, or deferred over the period when the services are delivered or the commitment given is fulfilled.

In the case of payment deferred beyond usual credit terms not supported by a financing institution, the proceeds of the sale are equal to the discounted price; the difference, if significant, between this discounted price and cash payment is recorded in financial income deferred over the period of deferral.

Benefits granted to customers under loyalty programs are items separate from the initial sale. The income linked to the granting of these rights is deferred until the date when the benefits are used by the customers.

(in € millions)	2015	2014
External revenue	**46,832**	49,155
Other income	**561**	611
Revenue	**47,393**	**49,766**

6.2. | Full cost of goods sold

Gross margin is the difference between "Net sales" and "Full cost of goods sold".

The "Full cost of goods sold" includes the cost of purchases net of discounts and trade cooperation payments, changes in inventory associated with distribution activities and logistics costs.

Trade cooperation payments are measured on the basis of contracts with suppliers. They are billed in installments over the year. At fiscal year-end an assessment is made of the commercial services rendered to suppliers. Comparison between this assessment and the billed installments results in the preparation of invoices or credit notes to be issued.

Changes in inventory include positive and negative changes after taking depreciation into account.

Logistics costs are the costs of the Group's direct or subcontracted logistics, storage, handling and transportation activity incurred after the goods are first delivered to one of the Group's sites, stores or warehouses. Transportation costs billed by suppliers for goods purchases (*e.g.* "delivery duty paid" or DDP) are posted to purchasing cost. The costs of subcontracted transportation are recognized in logistics costs.

(in € millions)	2015	2014
Purchases and changes in inventories	**(33,569)**	(34,957)
Logistics costs	**(1,814)**	(1,832)
Full cost of goods sold	**(35,383)**	**(36,789)**

6.3. | Type of expense by function

"Cost of goods sold" consists of the costs borne by points of sale, together with the cost price and the change in inventory related to the real estate development business.

"General and administrative expenses" represent the costs of support services, particularly purchasing and supplies, sales and marketing, IT and finance.

Costs incurred prior to opening or after closure, whenever they cannot be defined as an asset, are recognized as operating expenses when they arise.

(in € millions)	Logistics[1]	Cost of goods sold	General and administrative expenses	2015
Payroll expenses	(599)	(3,899)	(926)	**(5,424)**
Other expenses	(1,150)	(4,401)	(491)	**(6,041)**
Amortization and depreciation	(66)	(692)	(156)	**(913)**
Total	**(1,814)**	**(8,992)**	**(1,573)**	**(12,379)**

(in € millions)	Logistics[1]	Cost of goods sold	General and administrative expenses	2014
Payroll expenses	(622)	(3,955)	(930)	(5,508)
Other expenses	(1,146)	(4,429)	(515)	(6,091)
Amortization and depreciation	(64)	(729)	(182)	(975)
Total	**(1,832)**	**(9,113)**	**(1,628)**	**(12,574)**

(1) Logistics costs are included under "Full cost of goods sold".

The 3rd Supplementary Budget Act for 2012 in France established a tax credit for competitiveness and employment ("CICE"), corresponding to a tax credit (reimbursable after three years) of 6% (7.5% for Vindémia) based on compensation less than or equal to 2.5x the guaranteed minimum wage (SMIC). The Group recognized this CICE income of €97 million in 2015 (€97 million in 2014) in deduction of payroll expenses and sold without recourse €92 million of receivables (€91 million in 2014).

6.4. | Depreciation and amortization

(in € millions)	2015	2014
Depreciation and amortization of fixed assets[1]	**(871)**	(926)
Depreciation and amortization of finance lease assets[1]	**(29)**	(37)
Rents related to use of land[2]	**(13)**	(12)
Total amortization, depreciation and impairment	**(913)**	**(975)**

(1) Notes 10.2.2, 10.3.2 and 10.4.2.
(2) Note 7.2.

6.5. | Other operating income and expenses

This heading records the effects of two types of items:

- major events that took place during the accounting period and which are such as to distort the interpretation of the performance of the Company's ongoing business. These are income and expenses that are limited in number, unusual, abnormal or infrequent, and significant amounts such as litigation or a major restructuring plan;
- items which by nature do not come within an assessment of the current operating performance of the business units, such as impairment of non-current assets, and the impacts of loss of control by application of IFRS 3 revised and IFRS 10 (Note 3).

(in € millions)	2015	2014
Total other operating income	**551**	254
Total other operating expenses	**(1,030)**	(755)
	(478)	(501)
Breakdown by type:		
Gains/(losses) on disposals of non-current assets	**31**	(7)
Restructuring provisions and expenses[(1)(5)]	**(309)**	(197)
Impairment losses[(5)]	**(40)**	(64)
Provisions and expenses for disputes and contingencies[(2)(5)]	**(130)**	(97)
Net income/(expense) related to consolidation scope transactions[(3)(5)]	**47**	(136)
Other operating income and expenses[(4)]	**(77)**	
Other operating income and expenses	**(478)**	**(501)**

(1) The restructuring expense for fiscal year 2015 primarily concerns the following segments: France Retail segment for €193 million (including €63 million for Distribution Casino France, €57 million for Franprix-Leader Price, and €24 million for Monoprix); Latam Electronics segment for €52 million; and Latam Retail segment for €40 million. In 2014, this mainly concerned the France Retail segment for €156 million (including Distribution Casino France for €51 million, Franprix-Leader Price for €41 million, and Monoprix for €19 million).

(2) Provisions and expenses for disputes and contingencies concern mainly the Latam Retail (primarily GPA) and France Retail segments for €95 million and €28 million, respectively, and mainly relate to the dispute with Morzan Empreendimentos (€113 million) described in Note 13.3. In 2014, provisions and expenses for disputes and contingencies primarily concerned the Latam Retail (mainly GPA) and Latam Electronics segments, for €76 million and €22 million, respectively.

(3) The €47 million of net income recognized in 2015 arose mainly from the revaluation of the stake previously held in Disco when it was taken over for €262 million (see Note 3.1.1) as well as the expenses and impacts related to consolidation scope transactions amounting to -€133 million (primarily France Retail for -€116 million and Latam Retail for -€17 million) mainly in connection with the recent business reorganization in Latin America described in Note 2 and the changes in scope at Franprix-Leader Price described in Note 3.1.3). The net expense of €136 million recognized in 2014 results mainly from the costs related to consolidation scope transactions (€40 million, mainly from France Retail and Latam Retail), to costs related to the liability guarantee granted by GPA during the creation of Via Varejo (€28 million), and to certain costs associated with the Cnova IPO (€26 million).

(4) Including an expense of €23 million recognized in 2015 for the irregularities uncovered at the Cnova Brazil subsidiary (Note 2.4).

(5) Reconciliation of the details of asset impairment losses with the tables of asset movements:

(in € millions)	2015	2014
Impairment of goodwill (Note 10.1.2)	**(3)**	
Net reversals/(impairment) of intangible assets (Note 10.2.2)	**(20)**	(24)
Net reversals/(impairment) of property, plant and equipment (Note 10.3.2)	**(95)**	(20)
Net reversals/(impairment) of financial assets available for sale	**(9)**	(11)
Net reversals/(impairment) of other assets	**(8)**	(7)
Total net impairment of assets	**(135)**	**(62)**
of which is presented under "Restructuring provisions and expenses"	*(48)*	
of which is presented under "Total net impairment of assets"	*(40)*	*(64)*
of which is presented in "Net income/(expense) related to consolidation scope transactions"	*(46)*	
of which is presented in "Gains/losses on disposal of non-current assets"	*4*	

6.6. | Inventories

Inventories are measured at the lower of cost and probable net realized value. The valuation method used by the Group is the first-in first-out (FIFO) method.

Inventories include all purchase costs, costs of conversion and other costs incurred in transporting inventory items to their place of sale and in their current condition. Accordingly, logistics expenses and all supplier discounts recognized in cost of goods sold are included in the valuation of inventories.

The cost of inventories includes the reclassifying of amounts initially recognized as shareholders' equity, corresponding to gains or losses on hedges of forward purchases of goods.

The probable net realized value is equal to the selling price estimated in the normal course of business, less expected costs for completion of the sale.

For its real estate development and trading business, the Group records assets under construction as inventories.

(in € millions)	December 31, 2015			December 31, 2014		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Consumer goods	**4,838**	**(79)**	**4,758**	5,304	(70)	5,234
Real estate	**319**	**(38)**	**281**	263	(26)	237
Inventories	**5,157**	**(117)**	**5,040**	**5,566**	**(95)**	**5,471**

6.7. | Trade receivables

Trade receivables are current financial assets (Note 11) initially recognized at fair value and subsequently at amortized cost less any impairment losses. The fair value of trade receivables usually corresponds to the amount on the invoice. An impairment loss is recognized for trade receivables as soon there is an indication of a probable loss. Trade receivables can be sold to banking institutions. They are posted to assets in the statement of financial position until all the risks and benefits related to them are transferred to a third party.

6.7.1. | Breakdown of trade receivables

(in € millions)	December 31, 2015	December 31, 2014
Trade receivables and related accounts	**1,025**	996
Impairment of trade receivables and related accounts	**(96)**	(96)
Receivables from lending activities (Via Varejo)	**435**	704
Impairments from lending activities (Via Varejo)	**(59)**	(73)
Trade receivables and related accounts, net value	**1,306**	**1,532**

6.7.2. | Impairment of trade receivables

(in € millions)	2015	2014
Impairment of trade receivables and related accounts:		
Position as at January 1	**(96)**	**(94)**
Allocation made	**(57)**	(29)
Reversal	**53**	27
Currency translation adjustments	**3**	
Position as at December 31	**(96)**	**(96)**
Impairment of receivables from lending activities:		
Position as at January 1	**(73)**	**(66)**
Allocation made	**(5)**	(6)
Currency translation adjustments	**19**	(1)
Position as at December 31	**(59)**	**(73)**

The conditions for recording provisions are detailed in Note 11.6.5 "Credit risks".

6.8. | Other current assets

6.8.1. | Composition of other current assets

(in € millions)	December 31, 2015	December 31, 2014
Other receivables	**1,205**	1,318
Brazilian tax and social security receivables (Note 6.9)	**208**	200
Current accounts of unconsolidated companies	**76**	73
Impairment of other receivables and current accounts	**(35)**	(74)
Non-hedging derivative assets and cash flow hedges (Note 11.6.1)	**29**	28
Prepaid expenses	**147**	180
Other current assets	**1,630**	**1,725**

Other receivables primarily comprise tax and social security receivables and income receivable from suppliers. Prepaid expenses comprise purchases, rent, rental charges, and insurance premiums.

6.8.2. | Impairment of other receivables and current accounts

(in € millions)	2015	2014
Position as at January 1	**(74)**	**(81)**
Allocation made	**(23)**	(13)
Reversal	**62**	20
Reclassifications and other entries	**(2)**	
Currency translation adjustment	**2**	
Position as at December 31	**(35)**	**(74)**

6.9. | Other non-current assets

(in € millions)	December 31, 2015	December 31, 2014
Securities in the investment portfolio	84	118
Other assets available for sale	63	121
Financial assets available for sale (AFS)	**147**	**237**
Non-current hedge derivative assets at fair value (Note 11.6.1)	438	**452**
Loans	99	88
Non-hedge derivatives – assets (Note 11.6.1)		4
Receivables associated with investments and other	99	97
Court-ordered deposits by GPA (Note 13.2)	229	262
Other non-current receivables	219	342
Other financial assets	**646**	**794**
Brazilian tax and social security receivables (see below)	567	**665**
Prepaid expenses	215	**295**
Other non-current assets	**2,013**	**2,443**

GPA holds tax receivables for a total amount of €775 million (of which €567 million for the non-current portion), primarily linked to the ICMS (VAT) for €635 million, PIS/COFINS (VAT) and INSS (employer contributions to the Brazilian social security program). Recoverability of the main tax receivable (ICMS) is estimated by the subsidiary as follows:

(in € millions)	December 31, 2015
Within 1 year	**118**
1-5 years	**451**
Over 5 years	**66**
Total GPA tax receivables (ICMS)	**635**

GPA recognizes the tax credits owed to it, in particular ICMS, whenever it is able to validate and gather the documentation proving its rights, as well as the estimate of the use of these rights within a reasonable time frame. These credits are recognized as a reduction of the cost of goods sold. In 2014, Via Varejo recognized, among other credits, a previously unused credit for an amount of 302 million Brazilian reals (€97 million). The data, especially legal data, which allowed its recognition and useit, were obtained during the fiscal year.

6.10. | Off-balance sheet commitments

As at December 31, 2015, management estimated, to the best of its current knowledge, that there were no commitments that could have a material impact on the present or future financial position of the Group other than those indicated in this note.

The exhaustive nature of this inventory is monitored by the finance, legal and tax departments, which are also involved in preparing the contracts that bind the Group.

Off-balance sheet commitments related to entities included in the scope of consolidation and commitments on operating leases are presented in Note 3.4.2 and Note 7, respectively.

6.10.1. | Commitments given

The amounts of the commitments indicated in the table below represent the potential maximum amounts (not discounted), which the Group would have to pay under guarantees given. These amounts are not reduced by the sums which the Group might possibly recover under legal actions for collection or by virtue of counter-guarantees received.

(in € millions)	December 31, 2015	December 31, 2014
Assets pledged as collateral[1]	**205**	271
Securities and bank guarantees given[2]	**1,969**	2,591
Guarantees given in connection with non-current assets disposals[3]	**257**	232
Other commitments	**136**	139
Total commitments given	**2,567**	**3,233**
Maturities:		
< 1 year	**439**	197
1 to 5 years	**2,073**	2,967
> 5 years	**56**	69

(1) Corresponds to non-current assets, which have been pledged or mortgaged, and to current assets encumbered with real sureties related to GPA for €202 million mainly for tax-related disputes (€268 million in 2014) described in Note 13.2.
(2) In 2015, this includes €1,826 million in securities and bank guarantees granted by GPA (including Cnova's Brazilian subsidiary) in connection with mainly tax-related disputes (€2,437 million in 2014) described in Note 13.2.
(3) Including €200 million in connection with the Monoprix mandatory convertible bonds (MCB) (Note 12.6).

6.10.2. | Commitments received

The amounts of the commitments indicated in the table below represent the potential maximum amounts (not discounted) under guarantees received.

(in € millions)	December 31, 2015	December 31, 2014
Securities and bank guarantees received	**85**	88
Financial assets accompanied by guarantees	**78**	70
Confirmed lines of credit not used (Note 11.6.7)	**5,972**	6,299
Other commitments	**40**	31
Total commitments received	**6,175**	**6,488**
Maturities:		
< 1 year	**858**	543
1 to 5 years	**4,387**	4,973
> 5 years	**930**	972

NOTE 7 | LEASES

Finance leases that transfer to the Group the majority of the risks and rewards inherent in the ownership of the leased assets are recognized in the balance sheet at the start of the lease period at the fair value of the leased asset or, if lower, at the present value of the minimum payments under the terms of the lease.

Non-current assets available to the Group through finance leases are recognized under non-current assets (based on type) and are offset by a loan recorded as a financial liability.

Assets acquired under a finance leases are depreciated over their expected useful life in the same way as other non-current assets of the same type, or over the term of the lease, if shorter, and if the Group is not reasonably certain that it will gain ownership of the asset at the end of the lease.

Future payments made under finance leases are discounted and posted in the Group statement of financial position under financial liabilities. Payments made under operating leases are recorded as an expense for the fiscal year in which they are incurred.

The other lease contracts are classified as **operating leases** and are not recognized in the Group's statement of financial position.

Payments made under operating leases are recognized as an expense in the income statement on a straight line basis over the term of the lease contract. Benefits received from the lessor are an integral part of the net total rental costs and are recorded as a deduction therefrom over the term of the lease.

Commitments under operating leases (Note 7.3) correspond to the future fixed minimum payments based on the non-cancelable term of the operating leases.

In certain countries, the Casino Group pays **lease payments in advance** related to the use of land. These advance lease payments are recognized as a prepaid expense and are spread out over the term of the contracts.

7.1. | Operating lease expenses

The amount of lease payments related to operating leases amounted to €1,173 million as at December 31, 2015 (including €1,093 million for real estate assets primarily divided between France Retail and Brazil for €557 million and €368 million, respectively) and €1,295 million as at December 31, 2014 (including €1,217 million for real estate assets).

The contribution of Vietnam and Thailand to lease payments was €3 million and €5 million, respectively at December 31, 2015.

The amounts of future lease payments for operating leases and the minimum future lease payments receivable for non-cancelable subleases are presented in Note 7.3.

7.2. | Prepaid rents

Prepaid non-current expenses include €135 million in prepaid lease payments (€229 million in 2014 of which €104 million related to Vietnam). They are for land-use rights in certain Asian countries, for an average period of 26 years, the cost of which is spread out over the period of use.

7.3. | Commitments on operating leases (off-balance sheet)

Lessee under operating leases on real estate assets

When the Group does not own the premises in which its businesses operate, it leases them under operating leases.

The minimum future lease payments payable for operating leases (corresponding to the minimum commitment period in the lease, after payment of an exit fee, if applicable) were as follows:

(in € millions)	December 31, 2015	December 31, 2014
Within 1 year	**813**	837
1-5 years	**1,140**	1,035
More than 5 years	**702**	724
Total	**2,656**	**2,596**
■ of which France	**1,294**	1,167
■ of which GPA food	**68**	89
■ of which Via Varejo	**241**	192
■ of which Éxito	**327**	344
■ of which Uruguay	**98**	73
■ of which Thailand	**259**	226
■ of which e-commerce	**49**	37

The total amount of minimum future lease payments receivable for non-cancelable subleases amounted to €88 million at end 2015 (of which €45 million for Thailand) against €59 million at year-end 2014.

Lessee under capital equipment leases

The Group has taken out operating leases for various types of equipment, in cases where it was not in the Group's interest to purchase these assets.

The minimum future lease payments due under operating leases were as follows:

(in € millions)	December 31, 2015	December 31, 2014
Within 1 year	**68**	34
1-5 years	**158**	45
More than 5 years	**43**	
Total[1]	**269**	**79**

(1) Mainly represents the France Retail segment.

Lessor under operating leases

The Group is also a lessor under operating leases through its real estate business. The minimum future lease payments receivable for non-cancelable operating leases are as follows:

(in € millions)	December 31, 2015	December 31, 2014
Within 1 year	**108**	117
1-5 years	**112**	106
More than 5 years	**73**	86
Total[1]	**294**	**309**

(1) Including Thailand with a total commitment received of €101 million at December 31, 2015

The amount of contingent lease payments received by the Group and included in the income statement for 2015 totaled €12 million compared to €13 million in 2014.

7.4. | Finance lease expenses

The amount of contingent rents related to finance leases included in the 2015 income statement came to €1 million (€1 million in 2014).

The amounts of future payments for finance leases and of future minimum lease payments receivable under non-cancelable subleases are presented in Note 7.6.

7.5. | Property, plant and equipment acquired under finance leases

Finance leases concern real estate and investment property and are presented as follows:

(in € millions)	December 31, 2015			December 31, 2014		
	Gross	Depr. & Amort.	Net	Gross	Depr. & Amort.	Net
Intangible assets	**87**	**(44)**	**43**	113	(47)	66
Land	**29**	**(2)**	**27**	31	(2)	29
Buildings	**201**	**(111)**	**91**	221	(119)	102
Equipment and other property, plant and equipment	**497**	**(460)**	**37**	538	(481)	57
Property, plant and equipment acquired under finance leases	**815**	**(617)**	**198**	**904**	**(649)**	**255**

7.6. | Commitments on finance leases (off-balance sheet)

Lessee under real estate finance leases

The Casino Group has entered into finance leases for real estate and investment property. At December 31, 2015, the finance lease liabilities of €81 million (Note 11.2) is related to real estate assets (€19 million), and capital equipment assets (€62 million).

The reconciliation between the minimum future lease payments for finance leases and the present value of the net minimum lease payments is as follows:

(in € millions)	December 31, 2015		December 31, 2014	
	Minimum payments	Present value of payments	Minimum payments	Present value of payments
Within 1 year	**5**	**3**	4	1
1-5 years	**17**	**9**	16	5
More than 5 years	**38**	**7**	50	12
Total minimum payments under lease	**60**	**19**	**70**	**18**
Amounts representing financing expenses	**(42)**		(52)	
Present value of minimum payments under lease	**19**		**18**	

Lessee under capital equipment finance leases

The Casino Group has entered into finance leases and hire purchase agreements for various types of equipment. The reconciliation between the minimum future lease payments for finance leases and the present value of the net minimum lease payments is as follows:

(in € millions)	December 31, 2015		December 31, 2014	
	Minimum payments	Present value of payments	Minimum payments	Present value of payments
Within 1 year	**17**	**13**	22	16
1-5 years	**50**	**40**	65	49
More than 5 years	**10**	**9**	25	22
Total minimum payments under lease	**78**	**62**	**113**	**87**
Amounts representing financing expenses	**(16)**		(26)	
Present value of minimum payments under lease	**62**		**87**	

NOTE 8 | PAYROLL EXPENSES

8.1. | Payroll expenses by destination

Payroll expenses by destination are presented in Note 6.3.

8.2. | Provision for retirement and other post-employment obligations

The companies of the Group grant various types of benefits to their employees, following the laws and practices in each country, as described below.

8.2.1. | Composition of provision for retirement and other post-employment obligations

(in € millions)	2015			2014		
	Non-current	Current	Total	Non-current	Current	Total
Pensions	**260**	**8**	**268**	252		252
Long-service awards	**37**	**1**	**38**	32		32
Bonuses for services rendered	**14**		**14**	11		11
Provisions for pensions and other post-employment obligations	**311**	**9**	**320**	**295**		**295**

8.2.2. | Defined contribution plan

Defined contribution plans are pension contracts under which an employer agrees to make regular payments to an asset management company. The employer limits its commitment to the payment of contributions and does not guarantee the pension amount that the employees receive. There is therefore no need for recognition of a provision, and the contributions are expensed in the income statement.

This type of plan mainly concerns the employees of the Casino Group's French subsidiaries. These plans fall within the general social security plan administered by the French Government.

The defined contribution plan expense for fiscal year 2015 was €354 million and concerned 85% of Casino Group's French subsidiaries (€329 million and 85%, respectively, for fiscal year 2014).

8.2.3. | Defined benefits plan

In compliance with IAS 19 Revised, the commitments are assessed using the projected credit unit method based on the contracts or bargaining agreements in force within each company. According to this method, each year of service gives employees the right to an additional unit of benefits and each unit is measured separately to obtain the final obligation. This obligation is then discounted to present value. These measurements are made by independent actuaries and take into account the future level of compensation, the employee's probable period of employment, life expectancy and personnel turnover.

Actuarial gains and losses stem from the difference between the actuarial estimates and the actual results. They are immediately recognized in shareholders' equity.

Past service cost is defined as the increase in an obligation due to the introduction of a new plan or a modification of an existing plan. It is immediately expensed.

The amount expensed on the income statement comprises:

- the costs of services provided during the year, which are recognized in "Current operating income";
- past service costs, as well as any effects of a reduction or liquidation of a plan, which are usually recognized in "Other operating income and expenses";
- the net interest expense on bonds and hedging assets is recognized in "Other financial income and expenses". It is calculated by applying the discount rate defined by IAS 19 to net liabilities (amount of commitments after deducting the amount of plan's assets) accounted for under the defined benefit plans, as determined at the start of the year.

The provision recognized in the balance sheet corresponds to the present value of the commitments less the fair value of the plans' assets.

Other long-term benefits during employment, such as long-service awards, are also provisioned on the basis of an actuarial estimate of the rights vested at the end of the period. With respect to these benefits, actuarial gains and losses are immediately recognized in income.

In certain countries, legislation or a collective bargaining agreement provides for the payment of benefits to employees at certain due dates either upon retirement (post-employment benefits), or at certain post-retirement due dates. These plans are essentially at Casino Group level.

| Main assumptions adopted

Defined benefit plans are exposed to risks related to interest rates, to the salary growth rate, and to the mortality rate.

The main actuarial assumptions used to determine the commitments are detailed in the table below:

(in € millions)	France		International	
	2015	**2014**	**2015**	**2014**
Discount rate	**2.20%**	2.00%	**2.0% – 7.5%**	2.2% – 6.9%
Expected salary growth rate	**1.5% – 2.0%**	1.8% – 3.0%	**1.31% – 10.0%**	0.82% – 10.0%
Retirement age	**62-64 years**	62-64 years	**55-65 years**	55-65 years

With respect to France, the discount rate is determined on the basis of the Bloomberg 15-year index on AA composites.

| Sensitivity analysis

The impact of a change of +/-100 basis points in the discount rate would generate a change of -8.3% and 15.9%, respectively, in the total amount of commitments.

A change of +/-100 basis points in the salary growth rate would impact the total amount of commitments by 15.5% and -8.2%, respectively.

| Changes in commitments and hedging assets

The following tables enable the measurement of the commitments of all the companies to be reconciled against the provisions recorded in the consolidated financial statements as at December 31, 2015 and 2014.

(in € millions)		France		International		Total	
		2015	2014	2015	2014	2015	2014
Actuarial debt at start of period		**255**	**253**	**31**	**29**	**284**	**280**
Elements included in the income statement		**10**	**18**	**4**	**4**	**14**	**22**
Cost of services rendered		**12**	12	**2**	2	**14**	14
Interest on defined benefit liabilities		**4**	7	**1**	2	**5**	8
Cost of past services				**1**		**1**	
Impact of plan reductions/liquidations		**(6)**				**(6)**	
Items included in Other items in comprehensive income		**32**	**2**		**1**	**32**	**3**
Actuarial gains or losses associated with:		**32**	2	**1**	1	**33**	3
■ changes in financial assumptions		**(8)**	15	**1**	1	**(7)**	16
■ changes in demographic assumptions[1]		**37**	(3)			**37**	(3)
■ the experience effect		**3**	(10)			**3**	(10)
Foreign currency variations				**(1)**		**(1)**	
Other		**(25)**	**(18)**	**(10)**	**(3)**	**(35)**	**(21)**
Benefits paid – Disbursements		**(11)**	(11)	**(1)**	(3)	**(12)**	(13)
Change in scope of consolidation		**(1)**				**(1)**	
Other transfers		**(12)**	(8)	**(9)**		**(21)**	(8)
Actuarial debt at end of period	**A**	**273**	**252**	**26**	**31**	**299**	**287**
Weighted average term of the plans						**19**	**15**
Fair value of hedging assets at start of period		**35**	**38**			**35**	**39**
Items included in the income statement							
Interest on defined benefit assets							
Items included in Other items in comprehensive income		**1**	**1**			**1**	**1**
Actuarial gains or losses related to the experience effect		**1**	1			**1**	1
Foreign currency variations							
Other		**(5)**	**(5)**			**(5)**	**(5)**
Benefits paid – Disbursements		**(5)**	(5)			**(5)**	(5)
Change in scope of consolidation							
Other transfers							
Fair value of hedging assets end of period	**B**	**31**	**34**			**31**	**35**
Net pension commitment	**A – B**	**242**	**221**	**26**	**31**	**264**	**249**
Financial hedging of funded commitments		**215**	**198**		**3**	**215**	**201**
Present value of hedged obligations		**246**	233		3	**246**	236
Fair value of plan assets		**(31)**	(35)			**(31)**	(35)
Present value of unhedged obligations		**27**	**23**	**26**	**28**	**53**	**51**

(1) In 2015, the impact was mainly due to the updating of the turn-over table.

The hedging asset is a euro fund composed mainly of fixed-rate bonds.

| Reconciliation of balance sheet provisions

(in € millions)	France		International		Total	
	2015	2014	2015	2014	2015	2014
Start of fiscal year	**221**	**215**	**31**	**29**	**252**	**244**
Expenses for the fiscal year	**10**	18	**4**	4	**14**	22
Actuarial gains and losses recognized in shareholders' equity	**31**	1	**1**	1	**32**	2
Foreign currency variations			**(1)**		**(1)**	
Benefits paid – Disbursements	**(6)**	(6)	**(1)**	(3)	**(7)**	(8)
Partial repayments of plan assets						
Changes in scope of consolidation	**(1)**				**(1)**	
Other transfers	**(12)**	(8)	**(9)**		**(21)**	(8)
End of fiscal year	**242**	**221**	**26**	**31**	**268**	**252**

| Expense components for the period

(in € millions)	France		International		Total	
	2015	2014	2015	2014	2015	2014
Cost of services rendered	**12**	11	**2**	2	**14**	13
Net interest on net defined benefits liabilities[1]	**4**	6	**1**	2	**5**	8
Cost of past services			**1**		**1**	
Impact of plan reductions/liquidations	**(6)**				**(6)**	
Expenses for the fiscal year	**10**	**18**	**4**	**4**	**14**	**22**

(1) Items of net financial income (loss).

| Schedule of undiscounted future cash flows

(in € millions)	Schedule of undiscounted cash flows						
	On the balance sheet	2016	2017	2018	2019	2020	> 2020
Post-employment benefits	264	9	5	9	12	17	571

8.3. | Share-based payment

The Group's executive officers and certain employees are granted stock options and bonus shares.

The benefit awarded under stock option plans, measured at fair value at the time of the option award, corresponds to additional compensation. It is recognized under payroll expenses over the period required to fully vest the rights corresponding to the granted benefit or under "Other operating expenses" where the benefit granted is linked to a transaction recognized in "Other operating income and expenses" (Note 6.5). The fair value of options include market data (current price of underlying equities, volatility, risk-free interest rate, etc.) at the time of the allocation, but also the assumption that the beneficiaries continue to be employed at the close of the vesting period.

The measurement of bonus shares follows the same method as the stock option plans. If a plan does not specify vesting conditions, then the full amount is expensed as soon as the plan is awarded; if not, the expense is recognized over the vesting period, depending on fulfillment of these conditions.

8.3.1. | Impact of share-based compensation on income and shareholders' equity

The impact on the income statement of share-based payments granted by Group companies amounted to €11 million in 2015. Casino and Rallye each contributed €2 million while GPA contributed €7 million. This net expense is offset by an identical increase in shareholders' equity.

8.3.2. | Characteristics of the payments in the parent company's shares

| Stock option plans

Since 2011, Rallye no longer grants options plans, and as at December 31, 2015, only one stock option plan remained, with the following characteristics:

Grant date	**09/06/2010**
Expiration date	**03/05/2016**
Initial number of beneficiaries	12
Number of options initially awarded	124,485
Number of options waived	13,736
Number of options exercised	40,030
Number of options remaining at end of period	70,719
Exercise price, in euros	26.44
Fair value in euros at time of grant	5.99
Volatility	40.72%
Maturity of the option	5.5 years
Risk-free interest rate	1.92%
Projected dividend (growth rate)	0%

The number of non-exercised stock options and the average weighted exercise price changed as follows in the fiscal years below:

	2015		2014	
	Weighted average exercise price *(in €)*	Number of options	Weighted average exercise price *(in €)*	Number of options
Outstanding at start of period	**26.44**	**87,795**	22.88	187,652
Options waived during the period			26.44	(12,000)
Exercised during the period	**26.44**	**(17,076)**	18.85	(87,857)
Expired during the period				
Outstanding at end of period	**26.44**	**70,719**	**26.44**	**87,795**
of which exercisable options		**70,719**		**87,795**

| Bonus share allotment plans

The final vesting of the shares for beneficiaries is subject to the condition of continued employment and to the achievement of the Company's annually assessed performance criteria, which results each year in the determination of the percentage of shares vested for the year in question. The total number of bonus shares definitively vested is equal to the average of the annual award. The performance criteria used for the 2013, 2014, and 2015 plans are for 50% the coverage of financial expenses by EBITDA and for 50% a cost of debt level.

The details of the bonus share plans as at Thursday, December 31, 2015 are provided in the table below:

Grant date	**12/17/2013**	**7/29/2014**	**12/15/2015**
Expiration date	**12/17/2016**	**7/29/2017**	**12/15/2018**
Initial number of beneficiaries	29	31	33
Number of shares initially awarded	69,963	57,487	133,701
Number of shares waived		1,042	
Number of shares outstanding at end of period	69,963	56,445	133,701
Measurement of shares:			
Fair value in euros at time of grant	20.88	28.47	7.85
Vesting period	3 years	3 years	3 years

8.3.3. | Characteristics of main payments in operating subsidiary shares

The tables below summarize the characteristics of share-based payments with a potentially diluting effect in the Group's financial statements.

| Stock option plans of Casino, Guichard-Perrachon

As at December 31, 2015, there were no more Casino, Guichard-Perrachon stock option plans The last two plans expired during the 2015 fiscal year. During the 2015 fiscal year, 22,485 stock options were exercised at the weighted average exercise price of €57.18.

| Bonus share allotment plans of Casino, Guichard-Perrachon

The details of bonus share plans awarded by Casino, Guichard-Perrachon that were still current as at December 31, 2015 are provided in the table below:

Year of launch	Vesting date[1]	Number of bonus shares authorized	of which, number of performance-related shares[2]	Number of shares to be reissued as at 12/31/2015	Share price *(in euros)*[3]	Fair value of the share in euros *(in euros)*[3]
May 11, 2015	May 11, 2017	**5,331**		**5,331**	79.71	65.08
May 6, 2014	May 6, 2019	**3,750**	**3,750**	**3,750**	90.11	69.28
May 6, 2014	May 6, 2017	**36,672**	**36,672**	**33,523**	90.11	67.34
May 6, 2014	May 6, 2017	**3,046**		**3,046**	90.11	71.12
May 6, 2014	May 6, 2016	**5,601**		**5,601**	90.11	73.35
May 6, 2014	May 6, 2018	**1,139**		**1,139**	90.11	76.79
October 18, 2013	October 18, 2017	**2,705**		**2,705**	83.43	70.09
October 18, 2013	October 18, 2018	**7,857**		**5,281**	83.43	66.27
October 18, 2013	October 18, 2016	**58,724**		**50,799**	83.43	65.42
April 15, 2011	April 15, 2014	**26,585**	**26,585**	**5,880**	70.8	56.34
Total				**117,055**		

(1) Shares are subject to a two-year lock-up period starting from the vesting date.
(2) The performance criteria used mainly relate to the level of organic growth in revenue and the level of current operating income and depend on which company employs the beneficiary.
(3) Weighted average.

The movements of these bonus share award plans over the year were as follows:

Bonus shares currently vesting	2015	2014
Shares outstanding at January 1	**166,864**	437,480
Shares granted	**5,331**	50,208
Shares canceled	**(33,144)**	(217,808)
Shares issued	**(21,996)**	(103,016)
Shares outstanding at December 31	**117,055**	**166,864**

| GPA's stock option plans

The exercise price of "Silver" options corresponds to the average closing price of the GPA share on the BOVESPA exchange during the previous 20 trading days, to which a 20% discount is applied. The number of shares issued following the exercise of "Silver" options is fixed, contrary to "Gold" options; the number of shares allocated when "Gold" options are exercised is variable because it depends on the Return on Invested Capital (ROIC) performance criteria for the Series A2 to Series A5 Gold plans. The performance criteria for the Series A6 and A7 – Gold options will be the Return on Capital Employed (ROCE) ratio. "Gold" options may not be exercised separately from "Silver" options.

Name of plan	Grant date	Stock option exercise start date	Expiration date	Number of options granted *(thousands)*	Stock option exercise price *(in Brazilian reals)*	Number of stock options outstanding at 12/31/2015 *(thousands)*
C2 series	May 29, 2015	June 1, 2018	Nov. 30, 2018	337	77.27	**314**
B2 series	May 29, 2015	June 1, 2018	Nov. 30, 2018	337	0.01	**316**
C1 series	May 30, 2014	May 30, 2017	Nov. 30, 2017	239	83.22	**164**
B1 series	May 30, 2014	May 30, 2017	Nov. 30, 2017	239	0.01	**169**
A7 series – Silver	March 15, 2013	March 31, 2016	March 31, 2017	358	80	**151**
A7 series – Gold	March 15, 2013	March 31, 2016	March 31, 2017	358	0.01	**151**
A6 series – Silver	March 15, 2012	March 31, 2015	March 31, 2016	526	64.13	**2**
A6 series – Gold	March 15, 2012	March 31, 2015	March 31, 2016	526	0.01	
					39.57	**1,267**

GPA has used the following assumptions in valuing these plans:

- dividend rate of return of 0.96% and 1.37%;
- expected volatility of 22.09% and 24.34%;
- risk-free interest rate of 11.7% and 12.72%.

The average fair value of outstanding stock options was 67.35 Brazilian reals as at December 31, 2015.

The number of non-exercised stock options and the average weighted exercise price changed as follows in the fiscal years listed below:

	2015		2014	
	Number of stock options outstanding *(thousands)*	Weighted average exercise price *(in Brazilian reals)*	Number of stock options outstanding *(thousands)*	Weighted average exercise price *(in Brazilian reals)*
Stock options remaining as at January 1	**1,128**	**38.16**	**1,580**	**34.39**
of which, exercisable options	**6**	**54.69**		
Allocations	**674**	**38.64**	477	41.61
Stock options exercised	**(418)**	**32.62**	(830)	32.76
Stock options canceled	**(117)**	**45.53**	(99)	39.92
Stock options remaining as at December 31	**1,267**	**39.57**	**1,128**	**38.16**
of which, exercisable options	**2**	**64.13**	6	54.69

| Characteristics of Cnova's equity instruments

On November 19, 2014, Casino granted stock appreciation rights (SARs) to some Cnova managers. These are instruments that give the right to a cash payment corresponding to the difference, on the vesting date (four years), between (i) the lower of 220% of the IPO price and the share price on the vesting date, and (ii) 120% of the IPO price. SARs are share-based transactions which are settled in cash. The expense for the period is not significant.

On the same date, Cnova granted 1.3 million deferred bonus shares, without any conditions, to some managers. These managers will obtain their shares on the fourth anniversary of the offer. The expense recognized in 2014 under "Other operating expense" (with the Cnova IPO costs) was €10 million and was based on Cnova's share price on the award date of the rights.

8.4. | Gross compensation to executives and members of Rallye's Board of Directors

(in € millions)	2015	2014
Short-term benefits excluding social security costs[1]	**7**	7
Short-term benefits: social security costs	**3**	3
Retirement bonuses due to the senior executives		
Share-based payment		
Total	**10**	**10**

(1) Gross salaries, bonuses, benefits in-kind and directors' fees.

NOTE 9 | TAXES

Income tax expense corresponds to the sum of the current tax due from the various Group companies, corrected for deferred tax.

The consolidated French subsidiaries that satisfy tax consolidation criteria are generally included at various tax consolidation levels.

The sum of current taxes payable represents the tax due from the parent companies of the tax groups and from all other companies that are not members of a tax group.

Deferred tax assets correspond to the tax calculated and deemed recoverable for certain assets on timing differences, tax loss carry forwards and certain consolidation adjustments.

Deferred tax liabilities are recognized for:

- taxable timing differences, except where the deferred tax liability results from recognition of a non-deductible impairment of goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and which, at the time of the transaction, affects neither accounting profit, nor taxable profit, nor tax loss;
- taxable timing differences on investments in subsidiaries, associates and joint ventures, except where the Group controls the timing of the repayment of the difference and where it is probable that the temporary difference will not be reversed in the foreseeable future.

Deferred taxes are recognized using the balance sheet approach and, in compliance with IAS 12, they are not discounted. The amount of tax thus determined may be affected by a change in the receivable or debt caused by a change in the corporate tax rate from one year to the next (variable carry-forward method).

The prospects of recovering deferred tax assets are periodically reviewed by tax entity and may, if applicable, result in no longer recognizing previously recognized tax assets. These recovery prospects are analyzed on the basis of a tax plan indicating the projected level of taxable income.

The taxable income taken into account is the income obtained over a period of five years. The assumptions included in the tax plan are consistent with those included in budgets and the medium term plan prepared by the Group's entities and approved by Executive Management.

The "businesses added value contribution" (*Cotisation sur la Valeur Ajoutée des Entreprises* or "CVAE"), based on the added value resulting from the corporate financial statements is presented on the income tax expense line.

Where payments made to bearers of equity instruments are tax deductible, the Group recognizes the tax effect in profit or loss.

9.1. | Tax charge

9.1.1. | Analysis of the income tax expense

(in € millions)	2015			2014		
	France	International	Total	France	International	Total
Tax due	(16)	(165)	(181)	(33)	(278)	(311)
Other taxes (CVAE)	(67)		(67)	(66)		(66)
Deferred taxes	180	(2)	178	133	(77)	56
Total tax expenses on the income statement[1]	**98**	**(167)**	**(69)**	**34**	**(355)**	**(321)**
Taxes on items recognized in "Other items of comprehensive income" (Note 12.7.2)	**14**	**3**	**17**	**(5)**		**(5)**
Taxes on items recognized in shareholders' equity	**2**	**2**	**4**	**7**	**(5)**	**2**

(1) Of which a -€71 million tax expense relating to continuing operations and a €2 million tax income relating to discontinued operations in 2015.

9.1.2. | Theoretical tax liability and recognized tax liability

(in € millions)	2015	2014
Earnings before tax and associates	**43**	**941**
Theoretical tax rate[1]	***34.43%***	*34.43%*
Theoretical tax liability	**(15)**	**(324)**
Impact of tax on foreign subsidiaries	**85**	77
Income from revaluations of interests previously held in takeover or loss of control transactions and sales of shares	**64**	
Recognition of tax revenues from tax losses and other deductible temporary differences not previously recognized	**46**	45
Non-recognition of deferred tax assets on reportable deficits or other deductible temporary differences[2]	**(210)**	(67)
CVAE net of taxes	**(44)**	(41)
Non-deductible financing expenses[3]	**(36)**	(31)
CICE tax credit[4]	**33**	33
Additional contribution of 3% on distribution of dividends	**(14)**	(14)
Temporary difference on the value of Mercialys shares held	**(10)**	(18)
Taxation of the neutralized profit (loss) from the disposal of property assets to Mercialys	**(22)**	(30)
Deductibility of coupons on TSSDIs (Perpetual Deeply Subordinated Notes)	**29**	8
Tax on Éxito equity	**(22)**	(14)
Tax depreciation of goodwill (Éxito)	**18**	17
Other	**26**	37
Income tax expense	**(69)**	**(321)**

(1) For fiscal years 2015 and 2014, reconciliation of the Group's effective tax rate was based on an unchanged tax rate of 34.43%. The rate thus adopted by the Group does not take account of the transitional additional contribution of 10.7% in 2014 and 2015 for French corporate taxpayers with revenues above €250 million.
(2) Of which €85 million relating to the e-commerce segment and €59 million relating to Segisor in relation to the Casino Group reorganization in Latin America (Note 2).
(3) Concerns the general restriction on deductibility of financial charges in France of €33 million in 2015 (€31 million in 2014).
(4) Note 6.3.

9.2. | Deferred taxes

9.2.1. | Changes in deferred tax assets

(in € millions)	2015	2014
As at January 1	**370**	**401**
(Expenses)/income for the fiscal year	**155**	51
Impact of changes in scope of consolidation	**7**	(3)
Impact of changes in foreign exchange, scope and reclassifications	**(56)**	(84)
Changes recognized directly in shareholders' equity	**16**	5
As at December 31	**491**	**370**

9.2.2. | Changes in deferred tax liabilities

(in € millions)	2015	2014
As at January 1	**1,426**	**1,407**
(Income)/expense for the year	**(24)**	(3)
Impact of changes in scope of consolidation	**20**	1
Impact of changes in foreign exchange, scope and reclassifications	**(194)**	14
Changes recognized directly in shareholders' equity	**(3)**	7
As at December 31	**1,225**	**1,426**

9.2.3. | Origin of deferred tax assets and liabilities

(in € millions)	Net	
	December 31, 2015	December 31, 2014
Intangible assets	**(970)**	(1,115)
Property, plant and equipment	**(543)**	(758)
o/w, finance lease contract	*(48)*	*(194)*
Inventories	**65**	46
Financial instruments	**92**	72
Other assets	**(28)**	(24)
Provisions	**162**	292
Regulated provisions	**(182)**	(184)
Other liabilities	**76**	122
o/w loan taken on finance leases	*10*	*14*
Tax loss carry forwards	**593**	493
Deferred tax assets (liabilities)	**(734)**	**(1,056)**
Deferred tax assets	**491**	370
Deferred tax liabilities	**1,225**	1,426
Net balance	**(734)**	**(1,056)**

The tax consolidation related to Rallye and Casino, Guichard-Perrachon generated tax savings of €1 million and €323 million respectively in 2015.

The tax loss carry forwards were principally at the level of GPA and in Casino, Guichard-Perrachon; the future earnings prospects of these companies and the tax options selected by them justify the deferral of taxes related to these tax loss carry forwards. As at December 31, 2015, these deferred taxes were €419 million for Casino, Guichard-Perrachon and €41 million for GPA. Recovery plans are spread out until 2021 for Casino, Guichard-Perrachon and 2023 for GPA.

9.2.4. | Unrecognized deferred taxes

As at December 31, 2015, the tax loss carry forwards not recognized in the balance sheet amounted to €2,979 million (impact of unrecognized deferred tax assets of €1,017 million) against €2,543 million in 2014 (impact of unrecognized deferred tax assets of €877 million). These losses are primarily localized within the Rallye tax consolidation group.

The maturities of unrecognized tax loss carry forwards are as follows:

(in € millions)	December 31, 2015	December 31, 2014
Less than 1 year	**3**	
Between 1 and 2 years	**6**	1
Between 2 and 3 years	**14**	2
More than 3 years	**995**	874
Total unrecognized deferred tax assets	**1,017**	**877**

NOTE 10 | INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY

Acquisition costs of non-current assets are included in the acquisition cost of these assets at the gross amount including taxes. For property, plant and equipment, intangible assets and investment property, these costs increase the value of the assets, and are accounted for in the same manner.

Assets acquired separately by the Group are measured at cost, and those acquired through a business combination at fair value.

10.1. | Goodwill

On the acquisition date, goodwill is measured according to the accounting principle for "Business combinations" (Note 3).

Goodwill is not amortized but is tested annually for impairment or at any sign of impairment in the CGU or CGU group to which it is allocated. The methods used by the Group to test for impairment are described in "Impairment of non-current assets" in Note 10.5.

Negative goodwill is recognized directly in profit or loss for the year of acquisition, after valuation of any identifiable acquired assets, liabilities and contingent liabilities.

10.1.1. | Analysis by activity and geographic segment

(in € millions)	Net	
	December 31, 2015	December 31, 2014
France Retail[1]	**6,602**	**6,515**
E-commerce	**368**	**496**
France	**57**	79
Brazil	**312**	417
Latam Retail	**3,206**	**3,695**
Argentina	**13**	18
Brazil (GPA food)	**2,333**	3,123
Colombia	**525**	490
Uruguay	**335**	64
Latam Electronics (Via Varejo)	**406**	**544**
Asia	**764**	**754**
Thailand	**764**	751
Vietnam		3
Food and general retailing	**11,346**	**12,004**
Other activities	**19**	**19**
Goodwill	**11,365**	**12,023**

(1) Of which €1,011 million corresponding to goodwill recognized for Rallye on the Casino Group (Note 10.5.1).

10.1.2. | Change in net carrying value

(in € millions)	2015	2014
As at January 1, net accumulated value	**12,023**	**11,744**
Goodwill recorded during the year[1]	**528**	173
Impairment losses for the year	**(3)**	
Exits from scope	**(13)**	(1)
Impact of foreign exchange	**(1,167)**	94
Reclassifications and other entries	**(4)**	13
As at December 31, net accumulated value	**11,365**	**12,023**

(1) As at December 31, 2015, the €528 million increase stemmed mainly from the takeover of Disco for €304 million (Note 3.1.1), the exercise of the call option on additional Super Inter stores for €95 million (Note 3.1.2), the takeovers of Europrice, Leader Centre Gestion and Parfidis for €11 million, €18 million and €26 million respectively (Note 3.1.3) and the €44 million asset swap agreement between Éxito and Cafam. In 2014, the €173 million increase stemmed mainly from the takeovers of Super Inter for €68 million (Note 3.2.4), Le Mutant for €18 million (Note 3.2.2), various stores within the Franprix-Leader Price scope for €32 million (primarily explained in Note 3.2.2) and Distribution Casino France for €30 million.

10.2. | Other intangible assets

Intangible assets acquired separately by the Group are measured at cost, and those acquired through a business combination at fair value. They consist mainly of purchased software, the cost of software developed for internal use, trademarks, patents, and initial lease payments made upon the signing of a lease. Trademarks that are created and developed internally are not recognized on the balance sheet. Intangible assets are depreciated on a straight-line basis over the expected useful lives determined for each type of asset: Development costs are amortized over a term of three years and software over three to ten years. Intangible assets with indefinite useful lives (in particular, lease premiums and acquired trademarks) are not amortized; they are tested annually for impairment or when an indication of impairment exists.

An intangible asset is de-recognized when it is disposed of or when no future economic benefit is expected from its use. Any gain or loss resulting from the derecognition of an asset (calculated on the difference between the net gain on disposal and the carrying value of this asset) is recognized in income ("Other operating income and expenses"), during the year of the derecognition.

The residual values, useful life and depreciation methods of the assets are reviewed at each year-end and modified if necessary on a prospective basis.

10.2.1. | Composition

(in € millions)	December 31, 2015			Position at December 31, 2014		
	Gross	Amort. and impairment	Net	Gross	Amort. and impairment	Net
Concessions, trademarks, licenses, banners	**2,116**	**(32)**	**2,085**	2,536	(35)	2,501
Lease rights	**988**	**(40)**	**948**	1,140	(44)	1,095
Software	**1,120**	**(648)**	**472**	1,138	(611)	527
Other intangible assets	**358**	**(191)**	**167**	412	(206)	207
Intangible assets	**4,582**	**(910)**	**3,672**	**5,226**	**(896)**	**4,330**

10.2.2. | Changes in intangible assets

(in € millions)	Intangible assets				
	Concessions, trademarks, licenses, brands	Rights to leases	Software	Other non- current assets	Total
As at January 1, 2014	**2,498**	**1,067**	**506**	**175**	**4,246**
Changes in scope of consolidation		7		2	9
Increases and other acquisitions	2	15	135	45	197
Assets disposed of during the year		(4)	(2)	(3)	(9)
Amortization and depreciation	(4)	(2)	(116)	(27)	(149)
Net reversals/(impairment)		1	(23)	(2)	(24)
Impact of foreign exchange gains and losses	4	7	1	(3)	9
Reclassifications and other entries	1	4	26	20	51
As at December 31, 2014	**2,501**	**1,095**	**527**	**207**	**4,330**
Changes in scope of consolidation	59	8		(2)	**65**
Increases and other acquisitions	4	22	102	81	**209**
Assets disposed of during the year		(7)		(8)	**(15)**
Amortization and depreciation	(3)	(2)	(113)	(26)	**(144)**
Net reversals/(impairment)		(9)	(11)		**(20)**
Impact of foreign exchange gains and losses	(477)	(151)	(81)	(27)	**(736)**
Reclassifications and other entries	1	(8)	47	(57)	**(17)**
As at December 31, 2015	**2,085**	**948**	**472**	**167**	**3,672**

The internally generated assets (mainly IT developments) represented €34 million in 2015 *versus* €19 million in 2014.

As at December 31, 2015, intangible assets included trademarks for €2,075 million and lease premiums with an indefinite useful life for €948 million. They are allocated to the following CGU groups:

(in € millions)	December 31, 2015	December 31, 2014
Latam Retail	**1,247**	1,581
of which, Brazil (GPA food)	*1,045*	*1,399*
of which, Colombia	*170*	*182*
of which, Uruguay	*32*	
Latam Electronics (Via Varejo)	**698**	936
France Retail	**1,027**	1,024
of which, Casino France	*78*	*77*
of which, Franprix-Leader Price	*74*	*80*
of which, Monoprix	*875*	*867*
GO Sport Group	**41**	33
Other	**9**	15
Trademarks and lease premiums with an indefinite useful life	**3,023**	**3,589**

Intangible assets were tested for impairment on December 31, 2015 using the methodology described in Note 10.5 "Depreciation of non-current assets". The impact is presented in that same note.

10.3. | Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and any impairment losses.

Subsequent costs are capitalized if they meet IAS 16 recognition criteria. These criteria are assessed before the expenditure is committed.

Property, plant and equipment, excluding land (which is not amortized) are amortized over the estimated useful lives of each type of asset, with a residual value of zero. The residual values, useful life and depreciation methods of the assets are reviewed at each year-end and modified if necessary on a prospective basis.

The amortization periods applied by the Group are as follows:

Type of assets	Amortization period
Land	-
Buildings (building structure and brickwork)	50 years
Roof waterproofing	15 years
Shell fire protection	25 years
Land fittings and improvements	10 to 40 years
Building fittings and improvements	5 to 20 years
Technical installations, machinery and equipment	5 to 20 years
Computer equipment	3 to 5 years

"Roof waterproofing" and "Shell fire protection systems" components are only identified as separate property, plant and equipment items in the case of major renovations. In other cases, they are included in the "Building structure and brickwork" component.

Property, plant and equipment are de-recognized when it is disposed of or when no future economic benefit is expected from its use or on its disposal. Any gain or loss resulting from the derecognition of an asset (calculated on the difference between the net gain on disposal and the carrying value of this asset) is recognized in income ("Other operating income and expenses"), during the year of the derecognition.

The residual values, useful life and depreciation methods of the assets are reviewed at each year-end and modified if necessary on a prospective basis.

10.3.1. | Composition

(in € millions)	December 31, 2015			December 31, 2014		
	Gross	Depr. & amort. and impairment	Net	Gross	Depr. & amort. and impairment	Net
Land and improvements	**2,198**	**(94)**	**2,104**	2,388	(87)	2,301
Buildings and improvements	**5,660**	**(2,114)**	**3,545**	6,314	(2,322)	3,992
Other property, plant and equipment	**8,377**	**(5,217)**	**3,160**	8,796	(5,411)	3,385
Property, plant and equipment	**16,235**	**(7,425)**	**8,810**	**17,498**	**(7,820)**	**9,678**

10.3.2. | Changes in property, plant and equipment

(in € millions)	Property, plant and equipment			
	Land and improvements	Buildings and improvements	Other property, plant and equipment	Total
As at January 1, 2014	**2,193**	**3,824**	**3,315**	**9,332**
Changes in scope of consolidation	2	27	35	64
Increases and other acquisitions	192	303	880	1,375
Assets disposed of during the year	(80)	(102)	(60)	(242)
Amortization provisions for the period	(5)	(222)	(565)	(792)
Net reversals/(impairment)	3	22	(45)	(20)
Impact of foreign exchange gains and losses	1	14	9	24
Reclassifications and other entries	(5)	125	(183)	(63)
As at December 31, 2014	**2,301**	**3,992**	**3,385**	**9,678**
Changes in scope of consolidation	79	59	38	**176**
Increases and other acquisitions	23	144	1,137	**1,304**
Assets disposed of during the year	(75)	(73)	(135)	**(283)**
Amortization provisions for the period	(1)	(192)	(530)	**(723)**
Net reversals/(impairment)	(1)	(1)	(93)	**(95)**
Impact of foreign exchange gains and losses	(177)	(529)	(291)	**(997)**
Reclassifications and other entries[(1)]	(45)	145	(351)	**(250)**
As at December 31, 2015	**2,104**	**3,545**	**3,160**	**8,810**

(1) Of which primarily -€139 million relating to the Vietnam sub-group classified as "Assets held for sale" (Note 3.5) and -€54 million linked to the property development business.

Property, plant and equipment were tested for impairment on December 31, 2015 using the methodology described in Note 10.5 "Impairment of non-current assets". The impact is presented in that same note.

10.3.3. | Capitalization of Borrowing Costs

Borrowing costs which are directly attributable to the acquisition, construction or production of an asset, the preparation of which, prior to planned use or sale, requires a substantial period (generally greater than six months), are included in the cost of this asset. All other borrowing costs are expensed in the fiscal year in which they are incurred. Borrowing costs are the interest and other costs borne by a company to borrow funds.

Capitalized interest was €5 million at December 31, 2015, the same as at December 31, 2014, with an average interest rate of 13.06% in 2015 compared to 11.4% in 2014.

10.4. | Investment property

Investment property corresponds to real estate assets held to generate lease payments or appreciate the capital or both. The shopping malls owned by the Group are recognized as investment property.

After initial recognition, investment property is measured at cost less accumulated depreciation and any impairment losses. The depreciation methods and periods applied to investment property are identical to those used for property, plant and equipment.

10.4.1. | Composition

(in € millions)	December 31, 2015			December 31, 2014		
	Gross	Depr. & Amort. and impairment	Net	Gross	Depr. & Amort. and impairment	Net
Investment property	**1,042**	**(265)**	**777**	921	(246)	675

10.4.2. | Changes in investment properties

(in € millions)	2015	2014
As at January 1, net accumulated value	**675**	**563**
Changes in scope of consolidation	**32**	(9)
Increases and other acquisitions	**79**	34
Assets de-recognized in the year		(1)
Amortization and depreciation	**(35)**	(28)
Net reversals/(impairment)	**(1)**	
Impact of foreign exchange gains and losses	**(32)**	36
Reclassifications and other entries	**60**	80
As at December 31, net accumulated value	**777**	**675**

Investment property amounted to €777 million as at December 31, 2015, of which 54% (*i.e.* €423 million) concerned Big C Thailand and 23% (*i.e.* €182 million) concerned Éxito. At year end 2014, they amounted to €675 million (of which 62% and 23% relating to Big C Thailand and Éxito respectively).

The amounts recognized in profit or loss for rental income and operating expenses for investment properties can be summarized as follows:

(in € millions)	2015	2014
Rental income from investment properties[1]	**269**	254
Direct operating expenses related to investment properties:		
■ which generated rental income during the fiscal year	**(25)**	(26)
■ which did not generate rental income during the fiscal year	**(14)**	(12)

(1) Of which €214 million concerning Big C Thailand (€181 million in 2014).

| Method for determining the fair value of investment property

The main investment properties can be found in the Big C Thailand subsidiary.

As at December 31, 2015, the fair value of investment property amounted to €2,006 million (€1,737 million as of December 31, 2014). For the majority of the investment properties, this fair value was determined based on measurements carried out by independent external experts. The fair value was assessed on the basis of an open market value, supported by market indicators, in conformity with international measurement standards and is considered to be a Level 3 fair value.

| Fair value of investment property of the Big C Thailand subsidiary

The fair value of Big C Thailand's investment property acquired during previous fiscal years was updated on the basis of an initial measurement prepared by an independent expert. The fair value of the assets acquired during fiscal 2015 was assessed by an independent expert. The measurement method used was to discount the cash flows to be generated by each investment property. The main assumptions regard the growth rate of rental income (between 0% and 3.2%) and the discount rate (between 10% and 13.5%).

10.5. | Impairment of non-current assets

IAS 36 defines the procedures a company must apply to ensure that the net carrying value of a company's assets does not exceed their recoverable value, which is the amount that would be recovered from use or sale of such assets.

Except for goodwill and intangible assets with an indefinite useful life, which are systematically tested for impairment once a year, the recoverable value of an asset is assessed whenever there is an indication that the asset may have lost value.

These tests are conducted within each Cash Generating Unit (CGU) or group of CGUs.

Cash Generating Units (CGUs) and goodwill

Cash generating units are the smallest identifiable groups of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The goodwill recognized upon business combinations is allocated to Cash Generating Units (CGUs) or groups of CGUs. These CGUs or groups of CGUs is the level at which goodwill is monitored.

Impairment tests

Impairment tests consist in comparing the recoverable value of assets or CGUs to their net carrying value.

Recoverable value of an asset

The recoverable value of an asset is the higher of its fair value less costs of disposal, and its value in use.

- Fair value less costs of disposal is the amount obtainable from the sale of an asset on normal market conditions in an arm's length transaction between knowledgeable, willing parties, reduced by the costs of disposal. In general and food retailing, this value is usually measured as a function of a multiple of revenue or EBITDA (current operating income + current operating depreciation and amortization).
- Value in use is the present value of estimated future cash flows expected to be derived from the continuous use of an asset plus a terminal value. Future cash flows are estimated on the basis of budgets or forecasts for a maximum five-year period; beyond this period, they are extrapolated by applying a constant or declining growth rate and discounted to present value. The discount rate used is the average cost of capital employed for each CGU. The terminal value is generally calculated based on capitalization to perpetuity of a normative annual cash flow based on the cash flow from the last year of forecasts.

To monitor the value of goodwill, the determination of the recoverable values of the CGUs or associated groups of CGUs is made each year at year-end.

An impairment loss is immediately recognized whenever the carrying value of the asset, or of the CGU to which it belongs, exceeds its recoverable value. Impairment losses are recognized in "Other Operating Expenses".

Impairment losses recognized in a prior year are reversed if, and only if, there has been a change in the assessments used to determine the asset's recoverable value since the last impairment loss was recognized. However, the carrying value of an asset increased by a reversal of an impairment loss may not exceed the net carrying value that would have been determined had no impairment loss been recognized for the asset in prior years.

Impairment losses on goodwill can never be reversed.

10.5.1. | Impairment losses on the goodwill of Rallye's operating subsidiaries

The Cash Generating Units (CGUs) used are the Group's operating subsidiaries. The goodwill of the Casino Group CGU amounted to €1,011 million.

The value in use of this CGU is calculated on the basis of a rate of growth to infinity of 3% (compared to 2% in 2014) and a discount rate of 9.5% (in line with the rate used in 2014).

The value in use of the Group's operating subsidiaries has been assessed and did not lead to the recognition of an impairment loss.

Based on reasonably foreseeable events as at December 31, 2015, Rallye Group considers that for Casino Group, an increase of 100 basis points in the discount rate or a decline of 50 basis points in the EBITDA margin rate for the cash flow for the last year of forecasts used in the terminal value calculation would not have led to the recognition of an impairment loss.

10.5.2. | Impairment tests conducted in operating subsidiaries

The Casino Group has defined its Cash Generating Units as follows:

- for hypermarkets, supermarkets and Discount, the CGU is the store;
- for other outlets, the CGU is the network.

Indications of impairment losses used in the Casino Group depend on the nature of the assets:

- for real-estate assets (land and buildings): loss of rental income or termination of the lease;
- for operating assets related to on-going businesses (assets belonging to a CGU): the ratio of the net carrying value of the store's non-current assets to gross revenue exceeding a threshold set by type of store;
- for assets related to support activities (headquarters and warehouses): termination of operations at the site or obsolescence of the production equipment used at the site.

The Casino Group also uses external sources of information (economic environment, market value of assets, etc.).

Impairment losses recognized in 2015 on intangible assets and property, plant and equipment stood at €122 million (of which, €46 million related to transactions within Franprix-Leader Price's consolidation scope described in Note 3.1.3; €42 million related to store closures or redevelopments in France; and €10 million to IT development in France).

Based on the impairment tests carried out in 2014, the Casino Group reported an impairment loss on intangible assets and property, plant and equipment of €46 million (of which €27 million on IT developments in France, and €5 million of impairments on Via Varejo stores resulting from the obligation to sell, which was a condition of approval of the takeover by the local competition authority, the CADE).

| Impairments of Casino's goodwill

Parameters used to make internal calculations of values in use in 2015:

Region	Growth rate to infinity 2015[1]	2015 discount rate after taxes[2]	Growth rate to infinity 2014[1]	2014 discount rate after taxes[2]
France (food and general retailing)[3]	**1.5%**	**5.5%**	1.4%	5.5%
France (other business segments)[3]	**1.5% and 2%**	**5.5% – 7.3%**	1.4% and 1.9%	5.5% – 7.3%
Argentina	**10.2%**	**17.7%**	10.2%	17.1%
Brazil[4]	**5.5%**	**11.3% and 13.6%**	6.5%	12.0% and 14.9%
Colombia[4]	**3.5%**	**8.5%**	4.1%	9.4%
Uruguay	**8.5%**	**15.8%**	9.5%	16.2%
Thailand[4]	**1.2%**	**6.3%**	1.4%	7.5%
Vietnam	**4.1%**	**12.0%**	7.0%	14.0%
Indian Ocean[5]	**1.5% – 5.2%**	**5.5% – 13.0%**	1.4% – 8.0%	5.5% – 15.0%

(1) The growth rate to infinity net of inflation ranges between 0% and +0.5% according to the nature of the CGU's business segment/brand.
(2) The discount rate used is the weighted average cost of capital in each country. It is calculated at least once a year during the annual test, taking into consideration the segment's debt beta, a market risk premium, and the Group's cost of debt.
(3) With regard to business segments in France, the discount rate also takes into consideration the nature of the CGU's business segment/brand and the associated operating risks.
(4) The market capitalization of the listed subsidiaries GPA, Big C, Éxito and Cnova were respectively €2,580, €4,246, €1,748, and €977 million as at December 31, 2015. Apart from Cnova, they were lower than the net carrying value of the four entities.
(5) The Indian Ocean region includes Réunion, Mayotte, Madagascar, and Mauritius. The discount rates used reflect the risks intrinsic to each of these geographical areas.

The annual goodwill impairment test, performed at the end of the fiscal year, did not lead to the recognition of impairment as at December 31, 2015. An independent measurement confirmed the absence of impairment at the Franprix-Leader Price CGU that resulted from the test conducted by the Casino Group.

With the exception of Franprix-Leader Price and regarding the surplus between the value in use and the carrying value, the Casino Group considers, on the basis of reasonably foreseeable events at this point, that any changes affecting the key assumptions mentioned above will not lead to the recognition of an impairment loss. For the Casino Group, reasonable changes in the key assumptions correspond to an increase of 100 points in the discount rate or a reduction of 25 points in the growth rate to infinity used in the terminal value calculation, or to a reduction of 50 points in the EBITDA margin rate of normative annual cash flow used to calculate the terminal value. These sensitivity tests relating to the Disco/Devoto, Vindemia and Codim CGUs bring their recoverable value close to their carrying value.

Concerning Franprix-Leader Price, the recoverable value of this cash generating unit is established according to the calculation of the value in use, which is made from cash flow projections based on financial budgets approved by Executive Management over a period of three years and a discount rate of 5.5% (the same as in 2014).

Cash flow projects for the budget period are based on the following assumptions:

- the continued increase in footfall that began in the second quarter of 2015, thanks in particular, to the commercial success of the Mandarine concept at Franprix and the change in the price strategy at Leader Price, which resulted in an increase in footfall and volumes.
- The redeployment of a brand strategy based on a balance between integrated and franchised stores;
- the two brands will become more profitable, in particular by continuing to expand the product offering and by optimizing store costs and upstream functions. Thus, the subsidiary considers that its EBITDA margin will, by end 2018, return to its recognized historical profitability level.

Management considers that an adjustment of a key assumption could lead to a carrying value greater than the recoverable value. Thus the table below presents the amount of the individual changes in key assumptions that would be necessary for the estimated recoverable value of the Franprix-Leader Price cash-generating unit to be equal to its carrying value (which includes €2,563 million of goodwill).

Change required for the carrying value of Franprix-Leader Price to be equal to its recoverable value	December 31, 2015[1]	December 31, 2014
Discount rate after taxes (5.5%)	**+100 bps**	+90 bps
Growth rate to infinity (0.0%)	**-110 bps**	-90 bps
EBITDA margin rate of normative cash flow	**-130 bps**	-90 bps

(1) With a reasonable change of an increase of 100 discount rate points and/or a 50 bps drop in the EBITDA margin rate of normative cash flow, the carrying value of the Franprix-Leader Price cash-generating unit would exceed its recoverable value by between 0 and €300 million.

10.5.3. | Impairments of Casino Group brands

A test to analyze the recoverable value of the brands using the relief-from-royalty method was performed at the end of the reporting period. The main brands concern the subsidiaries GPA and Via Varejo. Given the less favorable Brazilian economic context, the brands related to the Extra, Casas Bahia and Ponto Frio banners representing a total carrying value of €927 million appear more sensitive to the risk of impairment loss. These tests did not lead to the recognition of an impairment loss.

The main assumptions and sources of sensitivity of the recoverable values of these brands used for the tests regard the growth rate of revenues, the discount rate (12.5%) and the royalty rates (between 0.6% and 0.9%).

The table below presents the sensitivity tests:

Impairment loss as at December 31, 2015 *(in € millions)*	Extra	Casas Bahia	Ponto Frio
25 bps drop in revenue growth rate compared with projections	**(15)**		
100 bps increase in discount rate after tax	**(57)**	**(29)**	**(5)**
10 bps drop in royalty rate	**(67)**	**(15)**	**(3)**

NOTE 11 | FINANCIAL STRUCTURE AND FINANCIAL COSTS

Financial assets

| Definitions

Financial assets are classified in four categories according to their type and intended holding period:

- assets held to maturity;
- financial assets measured at fair value through profit or loss;
- loans and receivables;
- available-for-sale assets.

Financial assets are classified as current or non-current, based on their maturity as of the closing date: less than or greater than one year.

| Measurement and recognition of financial assets

With the exception of assets measured at fair value through profit or loss, all financial assets are initially recognized at cost which corresponds to the fair value of the price paid plus acquisition costs.

Assets held to maturity

These are exclusively fixed income securities acquired with the intention and ability to hold them until maturity. They are measured at amortized cost using the effective interest method. Amortized cost is calculated for the period from the acquisition of an investment to its maturity date, taking into account any premium or discount upon acquisition. Gains and losses are recognized in income when the assets are de-recognized or impaired and also through the amortization process.

Financial assets measured at fair value through profit or loss

These are financial assets held for trading, *i.e.*, they have been acquired for the purpose of being sold in the short term. They are measured at fair value and gains and losses arising from changes in fair value are recognized in income. Some assets may be voluntarily classified in this category.

Loans and receivables

These are financial assets issued or acquired by the Group in exchange for cash, goods or services to a debtor. They are measured at amortized cost using the effective interest method. Long-term loans and receivables that are non-interest-bearing or that bear interest at below the market rate are discounted when the amounts involved are material. Any impairment losses are recognized in income.

This category primarily includes trade receivables, cash as well as other loans and receivables.

Available-for-sale assets

They correspond to all other financial assets. They are measured at fair value. Changes in fair value are recognized in other elements of comprehensive income until the asset is sold, collected, or otherwise removed, or until there is evidence that there has been a sustained or significant loss in the value of the asset. In such an event, the profit or loss that had been recognized until then in other elements of comprehensive income is transferred to profit or loss.

If the asset available for sale is an equity instrument, an impairment loss is final. Subsequent increases in fair value are recognized directly in other elements of comprehensive income.

For the financial investment portfolio made up of units in private equity funds, the Group used the following as indicators of impairment loss:

- a sudden drop of about 50% in the value of a share;
- a drop than continues for more than 24 months;
- a significant drop in the value of a financial asset combined with information of an alarming nature.

If the available-for-sale financial asset is a debt instrument, any subsequent increases in value are recognized on the income statement, up to a maximum of the amount of the impairment previously recognized in profit or loss.

This category mainly includes unconsolidated investment securities. Available-for-sale assets are presented in non-current financial assets.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term investments.

To qualify as cash and cash equivalents in accordance with IAS 7, investments must fulfill four conditions. They must be:

- short-term;
- highly liquid;
- readily convertible into a known amount of cash;
- subject to an insignificant risk of changes in value.

| De-recognition of financial assets

A financial asset is de-recognized in the following two cases:

- contractual rights to the cash flows from the asset have expired; or
- such contractual rights have been transferred to a third party, under certain conditions:
  - if the transferor has transferred substantially all of the risks and rewards, the asset is fully de-recognized,
  - if the transferor has retained virtually all of the risks and rewards, then the asset remains fully recognized.

The Group assigns receivables to financial institutions. In general, these disposals meet the de-recognition of financial assets criteria set out in IAS 39. 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-significant. In practice, these are mainly 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 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.

Financial liabilities

| Definitions

Financial liabilities are classified in two categories and comprise:

- financial liabilities at amortized cost;
- financial liabilities recognized at fair value through profit or loss.

Financial liabilities are classified as current or non-current, based on their maturity as of the closing date: less than or greater than one year.

| Measurement and recognition of financial liabilities

The measurement of financial liabilities depends on their classification under IAS 39.

Financial liabilities recognized at amortized cost

Borrowings and other financial liabilities are generally recognized at amortized cost calculated using the effective interest rate. They are subject, where applicable, to hedge accounting.

Arrangement fees, issue premiums, redemption premiums and the initial values of embedded derivatives are part of the amortized cost of borrowings and financial debts. They are stated as decreases or increases in the corresponding borrowings and, depending on the case, are amortized on an actuarial basis.

Several subsidiaries have reverse factoring agreements with financial institutions to enable their suppliers to anticipate the payment of their receivables within the normal course of purchases made.

The accounting policy relating to these transactions depends on whether or not the characteristics of the debts concerned have been modified. Thus, when trade payables are not substantially modified (term and maturity, consideration, face value) they are maintained as trade payables. Otherwise, they correspond to a financing transaction and are presented in the "Contracted trade payables" component of financial liabilities.

Financial liabilities measured at fair value through profit or loss

These are financial liabilities that are held for trading, that is, with a view to be realized on in the short term. They are measured at fair value and gains and losses arising from changes in fair value are recognized through profit or loss. The recognition of minority put options is presented in Note 3.4.1.

Hybrid financial liabilities

These are financial instruments made up of a host contract (a debt, for example) and an embedded derivative. After the issue of the financial instrument, the derivative is split from the host contract (split accounting), it is measured at fair value at each close of period and the changes are recognized in income. The initial value of the derivative is integrated into the amortized cost of the loan.

| Measurement and recognition of derivatives

All derivatives are stated in the balance sheet at fair value.

Derivatives classified as hedging instruments: recognition and presentation

In accordance with IAS 39, the Group uses hedge accounting for:

- fair value hedges (*e.g.*, swaps to convert fixed rate debt to floating rate). In this case, the debt is measured at fair value, up to the amount of the risk covered, with gains and losses arising from subsequent measurement at fair value recognized in profit or loss. The change in fair value of the derivative is also recognized in profit or loss. If the hedge is entirely effective, the loss or gain on the hedged debt is offset by the gain or loss on the derivative;
- for cash flow hedges (for example variable-interest loan swapped for fixed rate, hedging of a foreign currency purchasing budget), the change in the fair value of the derivative is recognized in profit or loss for the ineffective portion, and as other elements of comprehensive income for the effective portion, with recognition as income symmetrically with the recognition of the hedged flows and in the same item as the hedged element (current operating income for operating cash flow hedges and financial income for other hedges);
- when net investment hedges are made in a foreign entity, the effective portion of the change in fair value attributable to the exchange rate risk covered is recognized net of taxes in other elements of comprehensive income and the ineffective portion is recognized in income. The gains or losses accumulated in other elements of comprehensive income are transferred to profit or loss at the date of the liquidation or sale of the net investment.

Hedge accounting applies if:

- the hedging relation is clearly defined and documented on the date it is set up; and
- the effectiveness of the hedge can be demonstrated from origination and for as long as it lasts.

Derivatives not classified as hedging instruments: recognition and presentation

When a derivative financial instrument has not (or is no longer) classified as a hedge, its successive changes in fair value are recognized directly in profit or loss for the period under "Other financial income and expenses".

| Definition of net financial debt

Net financial debt consists of loans, financial liabilities including derivative hedging liabilities and contracted trade payables, less (a) cash and cash equivalents, (b) cash management financial assets and financial investments, (c) derivative hedging liabilities, (d) financial assets resulting from the significant disposal of non-current assets and (e) group share of net assets held for sale by sub-groups.

In 2015, the Group revised the definition of net financial debt primarily with respect to net assets held for sale under its debt reduction plan and debts related to commitments to acquire non-controlling interests.

11.1. | Other current financial assets and net cash

11.1.1. | Other current financial assets

(in € millions)	December 31, 2015	December 31, 2014
Cash management financial assets and financial investments (Note 11.2)	**112**	14
Financial assets resulting from the significant disposal of non-current assets (Note 11.2)	**55**	
Non-hedging derivative assets (Note 11.6.1)	**4**	4
Derivative assets to hedge fair value and debt derivatives (Note 11.6.1)	**231**	136
Other current financial assets	**401**	**154**

11.1.2. | Net cash position

(in € millions)	December 31, 2015	December 31, 2014
Cash equivalents	3,009	4,527
Cash	1,658	3,152
Gross cash and cash equivalents	**4,667**	**7,680**
Current bank facilities	(197)	(167)
Net cash and cash equivalents	**4,470**	**7,512**

As at December 31, 2015, cash and cash equivalents were not subject to any significant restrictions. Securities and bank guarantees are mentioned in Note 6.10.1.

The main currencies in 2015 were the Brazilian real and the euro, corresponding to €2,893 million (62%) and €1,212 million (26%) respectively.

11.2. | Borrowings and financial debts

11.2.1. | Net financial debt

(in € millions)	December 31, 2015			December 31, 2014		
	Non-current	Current	Total	Non-current	Current	Total
Bond issues	8,915	759	9,674	9,797	1,974	11,770
Other financial debt	2,735	2,285	5,020	1,687	3,412	5,100
Contracted trade payables[2]		245	245			
Finance lease contracts (Note 7.6)	65	15	80	87	18	105
Financial derivative liabilities (Note 11.6.1)	7	4	12	2	12	14
Total financial liabilities	**11,722**	**3,308**	**15,031**	**11,573**	**5,416**	**16,989**
Fair value and cash flow hedge derivative assets (Note 11.6.1)	(438)	(260)	(698)	(452)	(136)	(589)
Net assets held for sale in subgroups[3]		(315)	(315)		(43)	(43)
Other financial assets (Note 11.1.1)		(170)	(170)		(18)	(18)
Cash and cash equivalents		(4,667)	(4,667)		(7,680)	(7,680)
Total financial assets	**(438)**	**(5,412)**	**(5,851)**	**(452)**	**(7,877)**	**(8,329)**
Net financial debt[1]	**11,284**	**(2,104)**	**9,180**	**11,121**	**(2,460)**	**8,660**

(1) As defined by the Group in Note 11, net financial debt for 2014 was reduced by €62 million of minority put options and by €43 million of Group share of assets held for sale net of related liabilities.
(2) Corresponds to the contracted trade payables defined in the accounting principle of Note 11 and that concern Via Varejo.
(3) Note 3.5.

| Breakdown of net financial debt

(in € millions)	December 31, 2015				December 31, 2014			
	Financial debt[4]	Cash and cash equivalents	Group share of net assets classified according to IFRS 5	Net financial debt	Financial debt[4]	Cash and cash equivalents	Group share of net assets classified according to IFRS 5	Net financial debt
Rallye scope[5]	**3,189**	**(81)**		**3,107**	**3,263**	**(319)**	**(15)**	**2,928**
Casino	**11,042**	**(4,718)**	**(252)**	**6,073**	**13,120**	**(7,359)**	**(27)**	**5,732**
France Retail	**7,787**	**(1,681)**	**(24)**	**6,081**	**10,099**	**(2,474)**	**(26)**	**7,598**
Latam Retail	**2,231**	**(1,236)**	**(2)**	**993**	**1,881**	**(2,530)**	**(1)**	**(650)**
of which, GPA food	1,091	(864)		227	1,908	(1,562)	(1)	345
of which, Éxito[1]	1,140	(372)	(2)	766	(27)	(968)		(995)
Latam Electronics	**427**	**(1,294)**		**(867)**	**258**	**(1,381)**		**(1,124)**
Asia	**559**	**(188)**	**(225)**	**146**	**856**	**(404)**		**452**
of which, Thailand	306	(60)		246	623	(286)		337
of which, Vietnam[2][3]	253	(128)	(225)	(100)	233	(118)		115
E-Commerce[2]	**39**	**(318)**	**(1)**	**(280)**	**26**	**(570)**		**(544)**
Total	**14,229**	**(4,797)**	**(252)**	**9,180**	**16,383**	**(7,680)**	**(43)**	**8,660**
Net cash after inter-company elimination of Retail and E commerce businesses in Vietnam classified according to IFRS 5[2]	**(66)**	**129**	**(63)**					
Net financial debt	**14,163**	**(4,668)**	**(314)**	**9,180**	**16,383**	**(7,680)**	**(43)**	**8,660**

(1) Éxito excluding GPA, including Argentina and Uruguay.
(2) Given the disposal process for Big C Vietnam (announced to the market on December 15, 2015), Casino Group has applied IFRS 5 to its Vietnamese operations (including Cdiscount Vietnam). The net cash position of the two businesses (€63 million as at December 31, 2015) has been reclassified as "Assets held for sale" pursuant to IFRS 5.
(3) In accordance with the definition of "net financial debt" described in the accounting principles in Note 11, net financial debt includes the share of net assets held for sale in the subgroup (€287 million after intercompany elimination, representing a total impact of €225 million if the reclassification of net cash explained in (2) above is taken into account). Consequently, the Vietnamese Retail business made a positive contribution of €100 million to consolidated financial debt. This amount corresponds to the net asset value before the elimination of a €186 million inter-company debt owed by Big C Vietnam to Casino (Note 3.5).
(4) Corresponds to financial borrowings and debts net of hedge derivative assets at fair value and cash flow and other financial assets.
(5) Go Sport Group accounted for €150 million of net financial debt in 2015 and €145 million in 2014.

11.2.2. | Change in financial debt

(in € millions)	2015	2014
Financial debt at start of period (including hedging instruments)	**16,400**	**14,133**
New borrowings[1]	**3,786**	4,553
Bond redemptions[2]	**(5,501)**	(2,404)
Changes in fair value (through profit or loss)	**(48)**	11
Translation adjustments	**(500)**	101
Changes in scope of consolidation	**26**	16
Financial liabilities held for sale	**(66)**	
Other reclassifications[3]	**236**	(10)
Financial debt at end of period (including hedging instruments)	**14,333**	**16,400**
Financial liabilities	**15,031**	16,989
Financial derivatives recognized as assets	**(698)**	(589)

(1) In 2015, new borrowings mainly comprised the following transactions described below: (a) the use of credit lines by Casino, Guichard-Perrachon and Rallye amounting to €625 million and €338 million, (b) the taking out of new loans on Brazilian subsidiaries for an amount of €743 million, and (c) the taking out of €1,785 million of new loans by Éxito as part of the reorganization of activities in Latin America. In 2014, new borrowings mainly included; (a) the issuance by Casino, Guichard-Perrachon and Rallye of bonds for a total of €2,050 million, (b) €1,281 of million net change in the Group's commercial paper, (c) €610 million of new loans contracted by Brazilian subsidiaries (d) liability management transactions which raised the debt by €668 million.

(2) In 2015, loan repayments mainly concerned Rallye for €500 million (comprising €378 million in bond redemption and €122 million in commercial paper repayment); Casino, Guichard-Perrachon for €2,327 million (comprising €750 million in bond redemption, €869 million in net change in short-term commercial paper, and €707 million in loan and credit facility repayments); GPA for €1,144 million; Big C Thailand for €333 million; and Éxito for €633 million. In 2014, loan repayments mainly concerned Rallye for €1,044 million; Casino, Guichard-Perrachon for €551 million; GPA for €552 million; Franprix-Leader Price for €102 million; and Big C Thailand for €108 million.

(3) Of which €285 million of contracted trade payables in 2015.

11.2.3. | Bond breakdown

(in € millions)	Currency	Par value[1]	Rate[2]	Issuance date	Maturity date	2015[3]	2014[3]
Rallye							
2015 bond	EUR	389	8.375%	October 2009	January 2015		378
2016 bond	EUR	389	7.625%	November 2009	November 2016	**389**	388
2018 EMTN	EUR	300	5.000%	October 2012	October 2018	**304**	305
2019 EMTN	EUR	300	4.250%	March 2013	March 2019	**299**	298
2020 exchangeable bond	EUR	375	1.000%	October 2013	October 2020	**351**	340
2021 EMTN	EUR	500	4.000%	April 2014	April 2021	**503**	503
Casino							
2015 bond	EUR	750	5.500%	July 2009	January 2015		752
2016 bond	EUR	386	4.470%	October 2011	April 2016	**387**	388
2017 bond	EUR	552	4.380%	February 2010	February 2017	**552**	551
2018 bond	EUR	508	4.480%	May 2010	November 2018	**538**	543
2019 bond	EUR	1,000	3.160%	August 2012; April 2013	August 2019	**1,050**	1,054
2020 bond	EUR	600	3.990%	March 2012	March 2020	**638**	642
2021 bond	EUR	850	4.730%	May 2011	May 2021	**906**	912
2023 bond	EUR	1,000	3.310%	January 2013; April 2013	January 2023	**1,084**	1,097
2024 bond	EUR	900	3.250%	March 2014	March 2024	**903**	908
2025 bond	EUR	650	2.330%	December 2014	February 2025	**649**	647
2026 bond	EUR	900	2.800%	August 2014	August 2026	**914**	928
Éxito/Carulla							
Bond	COP	52	IPC + 7.50	May 2005	May 2015		52
GPA							
Bond	BRL	248	108.5% CDI	December 2011	June 2015		248
Bond	BRL	124	100% CDI + 1%	January 2012	July 2015		124
Bond	BRL	372	CDI + 1%	May 2012	November 2015		372
Bond	BRL	62	CDI + 0.72%	June 2012	January 2015		62
Bond	BRL	209	107.7% CDI	September 2014	September 2019	**208**	278
Total bonds						**9,674**	**11,770**

(1) Corresponds to the par value of outstanding bonds at the end of the period.
(2) IPC (Index Price Consumer) – CDI (*Certificado de Depósito Interbancário*).
(3) The amounts above include any impact on fair value hedges that have been converted by interest rate swaps. The amounts are presented without accrued interest.

11.2.4. | Breakdown of other borrowings and financial debt

(in € millions)	Par value	Rate	Issuance date	Maturity date	2015	2014
Rallye scope						
Bank borrowings	570	Fixed[1]/ floating	January 2013 to January 2015	February 2018 to February 2022	**566**	469
Syndicated loans – credit facilities[2]	458	floating			**458**	120
Other borrowings	101	floating			**101**	36
Commercial paper	268	Fixed	[3]	[3]	**268**	390
Accrued interest[4]					**46**	71
Bank facilities[9]					**14**	5
Casino						
Casino France						
Alaméa	300	floating	April 2010	April 2015		300
Commercial paper (Casino, Guichard-Perrachon)	424	floating	[3]	[3]	**424**	1,294
Other Casino France borrowings	100	floating	May 2014 to October 2014	December 2015		100
Other Franprix-Leader Price bonds	139	floating[5]/fixed	2009 to 2015	2017 to 2021	**74**	164
Monoprix	21	floating[6]	December 2013	December 2016	**21**	53
Other					**26**	25
Casino International						
GPA	848	floating[7]/fixed[8]	February 2008 to December 2014	January 2015 to November 2026	**902**	860
Via Varejo	154				**182**	29
BIG C Thailand	866	floating	July 2015 to December 2015	December 2016 to July 2019	**305**	618
Éxito	1,188	floating[7]	July 2015 to December 2015	December 2015 to December 2025	**1,182**	
Other					**2**	75
Bank facilities[9]					**183**	162
Accrued interest[4]					**269**	330
Total bank borrowings					**5,020**	**5,100**

(1) Of which fixed-rate loans amounting to €159 million in 2015 and 2014.
(2) Go Sport Group accounted for €120 million in 2015 and 2014 (Note 11.6.7).
(3) Commercial paper is a short-term financing that usually matures in less than three months.
(4) The accrued interest relates to the total financial debt, including bond borrowings. At December 31, 2015, this accrued interest primarily concerned Rallye (€46 million), Casino, Guichard-Perrachon (€174 million) and GPA (€88 million).
(5) Of which, fixed-rate loans of €10 million in 2015 and €11 million in 2014.
(6) Corresponds to the debt component of the Monoprix mandatory convertible bonds (ORA).
(7) Floating rate loans are mostly indexed to the CDI for GPA and to the IBR for Éxito.
(8) Of which fixed-rate loans of €4 million in 2015 and €28 million in 2014.
(9) Bank facilities of the Rallye consolidation scope come from the Go Sport Group. For the Casino Group, they are mainly located in France.

11.3. | Other liabilities

(in € millions)	December 31, 2015			December 31, 2014		
	Non-current	Current	Total	Non-current	Current	Total
Financial derivative liabilities[1] (Note 11.6.1)	**269**	**281**	**551**	262	7	269
Tax and social security liabilities	**142**	**1,634**	**1,776**	205	1,765	1,970
Other liabilities	**39**	**1,177**	**1,216**	22	1,158	1,179
Debts on non-current assets	**20**	**310**	**331**	22	260	281
Current accounts		**39**	**39**		56	56
Financing of lending activities	**39**	**535**	**575**	42	851	893
Prepaid income[2]	**295**	**269**	**564**	265	182	446
Other debt	**805**	**4,247**	**5,052**	**817**	**4,278**	**5,095**

(1) Primarily comprises the fair value of TRS and forward instruments (see Note 11.4.2).
(2) Includes deferred income recognized in the Via Varejo subsidiary following collection of an advance payment of 850 million Brazilian reais (€264 million) in 2014, related to an agreement for the exclusive sale of extended warranties with Zurich Minas Brazil Seguros S.A.
As at December 31, 2015, the amount of the prepaid income was 777 million Brazilian reais (€180 million). Via Varejo had previously terminated the contract with the prior provider of extended warranties in advance, (a) paying it compensation of 186 million Brazilian reais (€57 million) recognized in intangible assets and (b) reimbursing it for an advance payment of 398 million Brazilian reais (€123 million).
Furthermore, in connection with the renegotiation with Bradesco of the credit card issuance agreement in Casas Bahia stores, Via Varejo received an advance payment of 704 million Brazilian reais recognized as prepaid income (699 million Brazilian reais or €162 million as at December 31, 2015).

11.4. | Net financial income

Net finance costs correspond to all income and expenses generated by cash and cash equivalents and financing during the period, including gains and losses on disposals of cash equivalents, gains and losses on interest rate and currency hedges, as well as interest expense related to finance leases.

Other financial income and expenses include: the dividends received from unconsolidated companies, the changes in fair value of the non-cash financial assets and in derivatives not affected by hedge accounting, gains and losses on the sale of financial assets other than cash and cash-equivalents, gains and losses from discounting (including discounting of pension provisions), and foreign exchange translation gains and losses on items other than the components of net financial debt.

Cash discounts are recognized in financial income for the portion corresponding to the normal market interest rate and as a deduction from the cost of goods sold for the remaining balance.

11.4.1. | Cost of net financial debt

(in € millions)	2015	2014
Income from sale of cash equivalents		1
Income from cash and cash equivalents	**166**	204
Income from cash and cash equivalents	**166**	**205**
Interest expense on financing transactions after hedging[1]	**(844)**	(1,004)
Interest expense on finance lease liabilities	**(8)**	(12)
Gross cost of financial debt	**(853)**	**(1,016)**
Cost of net financial debt	**(686)**	**(812)**

(1) In 2015, an amendment relating to bonds redeemable in Monoprix preference shares reduced the interest rate (6-month Euribor + 4.1%), generating €11 million of income.

11.4.2. | Other financial income and expenses

(in € millions)	2015	2014
Financial income from investments		1
Foreign exchange gains (excluding financing activities)	**98**	25
Income from discounting and undiscounting calculations	**2**	3
Positive change in the fair value of non-hedging derivatives[1]	**52**	134
Positive change in the fair value of financial assets measured at fair value	**3**	2
Other financial income	**140**	97
Total other financial income	**295**	**262**
Foreign exchange losses (excluding financing activities)	**(41)**	(20)
Expenses from discounting and undiscounting calculations	**(15)**	(17)
Negative change in the fair value of non-hedging derivatives[1]	**(339)**	(75)
Negative change in the fair value of financial assets measured at fair value	**(1)**	(2)
Other financial expenses	**(136)**	(129)
Total other financial expenses	**(533)**	**(244)**
Total other financial income and expenses	**(238)**	**19**

(1) The net expense of €288 million in 2015 primarily reflects the change in value of the Big C Thailand (-€17 million) and GPA (-€162 million) TRS, the GPA forward (-€154 million, the Mercialys TRS on 2% of the capital (+€3 million) and other derivative instruments (+€42 million). Net income of €59 million in 2014 primarily reflected the change in value of the Big C Thailand TRS (+€37 million), GPA derivatives (-€42 million), Mercialys TRS for 1.37% of the capital (+€4 million) and other derivatives (+€40 million).

The Casino Group contracted with a financial institution in December 2011 a Total Return Swap (TRS) with a maturity of 2.5 years on 7.9 million GPA ADR (American Depository Receipts). The contract will be settled in cash. Following a modification in 2014, this instrument carries a 3-month Euribor coupon of +2.61% and matures in July 2017. The TRS is a derivative measured at fair value and changes to the TRS are recognized through profit and loss. As at December 31, 2015, the instrument concerned 7.8 million shares (*i.e.* 2.9% of GPA's capital) and a notional amount of €332 million and a fair value of -€247 million (compared to 7.8 million shares, a notional amount of €332 million, and a fair value of -€96 million as at December 31, 2014).

The Casino Group contracted with a financial institution at the end of December 2012 a forward contract concerning 5.8 million GPA shares with a maturity of two years. The contract will be settled in cash. After the forward contract entry price was modified in 2014, Casino realized €7 million of income. Furthermore, the instrument now carries an interest rate of Libor + 2.50% and matures in December 2016. This forward is a derivative measured at fair value and any changes to the value are recognized through profit and loss. As at December 31, 2015, the instrument concerned 5.8 million shares (*i.e.* 2.2% of GPA's capital) and a notional amount of US$338 million (€310 million) and a fair value of -€248 million (compared to 5.8 million shares, a notional amount of €333 million, and a fair value of -€97 million as at December 31, 2014).

In 2012, the Casino Group contracted with a financial institution a TRS concerning 20.6 million Big C Thailand shares. The contract will be settled in cash. After the TRS entry price was modified in 2014, Casino realized €17 million of income. Furthermore, the instrument now carries a coupon of 3-month Euribor + 2.23% and matures in July 2016. The TRS is a derivative measured at fair value and changes to the TRS are recognized through profit or loss. As at December 31, 2015, the instrument had a notional amount of €127 million and a fair value of -€21 million (compared with a notional value of €127 million and a fair value of -€5 million as at December 31, 2014).

The fair value of these instruments stood at -€516 million as at December 31, 2015 compared with -€198 million in 2014 (Note 11.6.1).

11.5. | Fair value of financial instruments

The methods used to measure fair value are classified into three categories that reflect the complexity of the techniques used.

Financial assets and liabilities recorded in the financial statements at fair value are classified on the basis of their measurement method. This hierarchy consists of three levels:

- the instrument is listed on an active market (level 1);
- the measurement uses measurement techniques based on directly observable data (price) or indirectly observable data (price derivatives) (level 2);
- at least one significant fair value component is based on non-observable data (level 3).

The fair value of financial instruments traded on active markets is based on stockmarket prices on the balance sheet date. A market is considered active if stockmarket prices are readily and regularly available from an exchange, dealer, broker, appraiser or a regulatory agency, and those prices are based on regular transactions. These instruments are classified in level 1.

The fair value of financial instruments not traded on an active market (in particular investments in private equity funds as well as OTC derivatives) is determined using measurement techniques. These different methods maximize the use of observable market data, if any, and do not rely on the Group's own estimates. The instrument is classified in level 2 if all the inputs required to calculate such an instrument's fair value are observable.

The instrument is classified in level 3 if one or several of the key calculation inputs are not based on observable market data.

11.5.1. | Financial assets and liabilities by instrument category

| Financial assets

(in € millions)		Breakdown by instrument category					
	Value of financial assets	Assets held for trading	Assets designated at fair value through profit or loss	Hedge accounting instruments	Loans and receivables	AFS – Measured at fair value	AFS – Measured at cost
DECEMBER 31, 2015							
Other non-current assets[1]	**1,230**			438	645	142	4
Trade receivables	**1,306**				1,306		
Other current assets[1]	**988**			29	959		
Other current financial assets	**401**		9	231	159	2	
Cash and cash equivalents	**4,667**	181			4,486		
December 31, 2014							
Other non-current assets[1]	1,481			457	787	186	51
Trade receivables	1,532				1,532		
Other current assets[1]	1,086			28	1,058		
Other current financial assets	154		9	137	5	3	
Cash and cash equivalents	7,680	422			7,258		

(1) Excluding non-financial assets.

| Financial liabilities

(in € millions)		Breakdown by instrument category		
	Value of financial liabilities	Liabilities valued at amortized cost	Liabilities related to minority put options	Derivative financial instruments
AS AT DECEMBER 31, 2015				
Bond issues	**9,674**	9,674		
Other financial liabilities	**5,277**	5,265		12
Debts related to purchase commitments on non-controlling interests	**151**		151	
Finance leases	**80**	80		
Trade payables	**8,162**	8,162		
Other debt[1]	**3,382**	2,831		551
As at December 31, 2014				
Bond issues	11,770	11,770		
Other financial liabilities	5,114	5,100		14
Debts related to purchase commitments on non-controlling interests	62		62	
Finance leases	105	105		
Trade payables	8,412	8,412		
Other debt[1]	3,170	2,901		269

(1) Excluding non-financial liabilities

11.5.2. | Hierarchy of the fair value of financial assets and liabilities

The tables below compare the carrying value and the fair value of consolidated assets and liabilities whose carrying values are not based on reasonable estimates of fair values such as trade receivables, trade payables, cash and cash equivalents, and bank loans. The fair value of investment property is presented in Note 10.4.

As at December 31, 2015 *(in € millions)*	Carrying value	Fair value	Level 1	Level 2	Level 3
Assets recognized at fair value:					
Available-for-sale financial assets[1]	**145**	145	22		123
Derivative assets at fair value[2]	**669**	669		669	
Other derivative assets	**33**	33		33	
Other financial assets	**5**	5	5		
Liabilities recognized at fair value:					
Bonds[3]	**9,674**	9,792	9,626	166	
Other borrowings and finance leases[4]	**5,345**	5,328		5,328	
Fair value hedge derivatives – liabilities[2]	**12**	12		12	
Other derivatives – liabilities[2]	**551**	551		551	
Debts related to purchase commitments on non-controlling interests[5]	**151**	151			151

As at December 31, 2014 *(in € millions)*	Carrying value	Fair value	Level 1	Level 2	Level 3
Assets recognized at fair value:					
Available-for-sale financial assets[1]	189	189	35	20	134
Derivative assets at fair value[2]	589	589		589	
Other derivative assets	36	36		36	
Other financial assets	4	4	2		2
Liabilities recognized at fair value:					
Bonds[3]	11,770	12,733	12,521	212	
Other borrowings and finance leases[4]	5,205	5,210	161	5,049	
Fair value hedge derivatives – liabilities[2]	14	14		14	
Other derivative liabilities[2]	269	269		269	
Debts related to purchase commitments on non-controlling interests[5]	62	62			62

(1) The fair value of financial assets available for sale is generally based on standard measurement techniques. If their fair value cannot be determined reliably, they are not included in this note.
(2) The derivatives are subject to an internal or external measurement based on standard measurement techniques for such instruments. The measurement models incorporate observable market parameters (in particular the rates curve) and counterparty quality.
(3) The market value of listed bonds issued was based on the market price as at the balance sheet date.
(4) The fair value of other borrowings was measured on the basis of other measurement methods such as the discounted cash flow method and taking into account interest rate terms as at the balance sheet closing date.
(5) The fair value of commitments to acquire non-controlling interests is determined based on the contract calculation formulas and, if necessary discounted. The formulas are considered to be representative of fair value, and include among others the use of EBITDA multiples.

11.6. | Financial risk management objectives and policies

The main risks inherent to the financial instruments used by the Group are market risks (interest rate, foreign exchange, and equity risks), counterparty risks, and liquidity risks.

The Group uses derivative financial instruments such as interest rate swaps and forward currency transactions to manage its exposure to interest rate risks and currency risks. These mainly involve over-the-counter instruments traded with first-tier counterparties. Most of these derivative instruments qualify for hedge accounting. However, in order to implement a more dynamic and more flexible management of its interest rate position, in 2011, the Group introduced a minor and strictly contained portion of speculation into the management of its hedges, in line in this area with the policy of other major corporations. This leads to enhanced flexibility on the trading portion for fixed/variable rates policy, duration, as well as counterparty risk management for the portfolio.

11.6.1. | Breakdown of derivatives

All the derivatives recognized are broken down as follows:

(in € millions)	Interest rate risk	Foreign exchange risk	Other market risks	2015	2014
Assets					
Derivatives – at fair value through profit or loss (Note 11.1.1)			4	**4**	7
Derivatives – cash flow hedges (Note 6.8)		29		**29**	28
Derivatives – fair value hedges (Notes 6.9 and 11.1.1)	477	192		**669**	590
Total derivatives – assets	**477**	**221**	**4**	**702**	**625**
of which non-current	*375*	*62*		***438***	*457*
of which current	*101*	*159*	*4*	***264***	*168*
Liabilities					
Derivatives – at fair value through profit or loss (Note 11.3)	12	1	538	**551**	268
Derivatives – cash flow hedges					
Derivatives – fair value hedges (Note 11.2.1)	6	6		**12**	14
Total derivatives – liabilities	**18**	**7**	**538**	**563**	**283**
of which non-current	*2*	*5*	*270*	***277***	*264*
of which current	*16*	*2*	*268*	***286***	*19*

As at December 31, 2015, fair value hedge derivatives presented a net balance of €657 million (including €477 million in France and €168 million in Brazil). The ineffective portion measured on the fair value hedges is immaterial.

As at December 31, 2015, the IFRS cash flow hedge reserve had a credit balance of €30 million (a debit balance of €28 million as at December 31, 2014).

The ineffective portion of these cash flow hedges is not material.

The fair value of derivative instruments that do not qualify for hedge accounting under IAS 39 amounted to -€534 million as at December 31, 2015 compared with -€262 million as at December 31, 2014. These fair values correspond to TRS and forward instruments for -€516 million in 2015 compared with -€198 million in 2014 (Note 11.4.2).

The valuation of derivatives as at December 31, 2015 took into consideration the Credit Value Adjustment (CVA) and the Debt Value Adjustment (DVA) required under IFRS 13. The impact of these adjustments is not material.

11.6.2. | Interest rate risk

The Group's strategy is based on a dynamic debt management, which consists in keeping certain lines of credit variable in order to take advantage of lower rates and to hedge against possible rate increases.

As part of the management of its exposure to interest rate risk, the Group uses various interest-rate derivative instruments.

The main derivative instruments are interest rate swaps. Although they are not all eligible for hedge accounting, all interest-rate instruments are subscribed in the framework of the above mentioned interest- and exchange-rate risk management policy.

Group financial policy consists of managing finance costs by combining variable and fixed rate derivative instruments.

| Analysis of sensitivity to interest-rate risk

(in € millions)	2015	2014
Casino, Guichard-Perrachon variable-interest bonds[1]	**6,396**	7,146
Brazilian variable-interest bonds (Note 11.2.2)[2]	**209**	1,084
Colombian variable-interest bonds (Note 11.2.2)[2]		52
Rallye variable-interest bonds[1]	**400**	400
Other variable-interest bonds and financial liabilities (Note 11.2.3)[3][4]	**3,037**	2,436
Finance leases (Note 7.6)	**81**	105
Total variable-interest debt	**10,123**	**11,223**
Cash and cash equivalents (Note 11.1.2)	**(4,667)**	**(7,680)**
Variable-interest net position	**5,456**	**3,543**
1% change in finance costs	**55**	**35**
Net finance costs	**686**	812
Impact of change in interest expenses/interest charges	**7.95%**	**4.36%**

(1) Corresponds to fixed-interest bonds of a par value of €7,846 million that are interest-rate hedged for a par value of €6,796 million.
(2) Par value.
(3) Excluding accrued interest.
(4) With respect to Brazil, comprises fixed-interest financial liabilities issued in dollars or euros for a par value of 3,171 million Brazilian réais (€735 million) which were converted into variable-interest liabilities using currency swaps of the same amount (compared with 897 million Brazilian réais (€278 million) in 2014).

11.6.3. | Currency risk

Through the geographic diversification of its businesses, the Group is exposed to currency translation risk, *i.e.*, the fact that its balance sheet and income statement, and consequently its financial structure ratios, are sensitive to changes in exchange rate parities in the consolidation of the accounts of its foreign subsidiaries outside the eurozone, and to trading risk for non-euro transactions.

With respect to operating foreign exchange risk, the Group's policy is to hedge highly probable budget exposures, linked primarily to monetary flows resulting from purchases in a currency other than its functional currency, such as goods purchased in US dollars hedged by forward purchases and foreign exchange currency swaps. The Group's policy is to hedge all purchasing budgets with derivatives that have the same payment date as the budgeted supplies.

Since these are financial investments recognized at fair value in financial assets available for sale, the Group's policy is to hedge the investments denominated in foreign currencies with forward sales.

The Group's net exposure based on notional amounts after hedging is mainly to the following currencies (excluding the functional currencies of entities):

Price of one euro in foreign currencies	2015		2014	
	end of year	average	end of year	average
US Dollar (USD)	**1.0887**	**1.1095**	1.2141	1.3285
Polish Zloty (PLN)	**4.2639**	**4.1841**	4.2732	4.1842
Romanian Leu (RON)	**4.5240**	**4.4445**	4.4828	4.4443
Argentine Peso (ARS)	**14.0841**	**10.2584**	10.2716	10.7684
Uruguayan Peso (UYP)	**32.5958**	**30.2896**	29.5402	30.8353
Thai baht (THB)	**39.2480**	**38.0278**	39.9100	43.1468
Colombian Peso (COP)	**3,456.08**	**3,048.25**	2,884.27	2,652.56
Brazilian Real (BRL)	**4.3117**	**3.7004**	3.2207	3.1211
Vietnamese Dong (VND)	**24,479.42**	**24,056.41**	25,794.76	28,093.23

(in € millions)	USD	Other	2015	2014
Trade receivables exposed	(19)	(1)	**(20)**	(9)
Other financial assets exposed	(158)	(29)	**(187)**	(227)
Trade payables exposed	143	18	**161**	170
Financial liabilities exposed	1,170	50	**1,220**	258
Gross exposure: payable/(receivable)	**1,137**	**38**	**1,173**	**192**
Hedged trade receivables				
Other hedged financial assets	(53)		**(53)**	(84)
Hedged trade payables	28		**28**	90
Hedged financial liabilities	755	50	**805**	245
Net exposure: payable/(receivable)	**407**	**(14)**	**393**	**(59)**
Future purchase hedges			**320**	**269**

As at December 31, 2014, the net balance sheet exposure amounted to - €59 million related principally to the US dollar.

| Sensitivity analysis of the net exposure to foreign exchange risk after hedging

A 10% appreciation of the euro against those currencies as at December 31, 2015 would have increased profit by the amounts shown in the table below (a decrease in profit in 2014). For the purposes of this analysis, all other variables, particularly interest rates, are assumed to be constant.

A 10% depreciation of the euro against those currencies as at December 31, 2015 and 2014, would have produced the opposite effect.

(in € millions)	2015	2014
US dollar	**40**	(4)
Other currencies	**(1)**	(1)
Total	**39**	**(5)**

11.6.4. | Equity risk

With regard to cash management, the Group invests only in money market instruments that are not exposed to equity risk.

| Consolidated shareholdings

The Group may use derivative instruments (total return swaps, forward contracts and call options) on shares to synthetically create economic exposure to the shares of its listed subsidiaries (Note 11.4.2). The carrying value of these instruments corresponds to their estimated value as provided by a financial institution at the balance sheet date. The measurement of these instruments takes market parameters such as exchange rates, stock market prices and interest rates into account.

| Investment portfolio

The Group continued the disposal of its financial investment portfolio in 2015, thus reducing its financial exposure.

Rallye's financial investments benefit from a high level of diversification, in geographical and segment terms but also according to investment type, partner and size, which allows risks to be pooled effectively. This risk management is further strengthened by the number of investments and their small size: as at December 31, 2015, the portfolio had approximately 40 lines, of which close to 90% had an estimated value of €4 million or less, with the largest being €15 million in net cash invested.

Price risk related to a negative change of 10% in the price of securities held:

(in € millions)	December 31, 2015	December 31, 2014
Balance sheet position (fair value)	**108**	152
Shareholders' equity sensitivity	**(10)**	(14)
Profit/loss sensitivity	**(1)**	(1)

11.6.5. | Credit risk

| Retail credit risk

The Group's policy requires that the financial health of all of its customers who wish to obtain credit terms of payment be checked. Customer account balances are monitored regularly and, as a result, the Group does not have any significant exposure to bad debt.

Trade receivables break down as follows by maturity:

(in € millions)	Assets not due and not impaired	Assets due not impaired at the closing date				Assets Partially impaired	Total
		In arrears of less than 1 month	1-6 months late	In arrears of more than 6 months	Total		
2015	**709**	**94**	**51**	**30**	**175**	**141**	**1,025**
2014	709	66	51	28	145	142	996

The payment times for receivables due and not impaired may vary significantly based on the category of customers with whom the Group companies conduct their business, depending on whether they are private companies, individuals or public entities. Impairment policies are determined on an entity-by-entity basis according to customer type. As indicated above, the Group believes it is not exposed to significant risk in terms of credit concentration.

| Credit risk linked to other assets

Other assets, mainly consisting of tax receivables and redemption fees, are neither past due nor impaired.

With respect to credit risk for other financial assets owned by the Group, such as cash and cash-equivalents, financial assets available for sale, and certain financial derivatives, the Group's exposure to potential problems caused by third parties is limited to a maximum equal to the carrying value of the instruments concerned. The Group's cash management policy covers cash and cash equivalent investments with first-tier counterparties and in instruments that also have first-tier ratings.

As part of transactions conducted on financial markets, the Company is exposed to counterparty risk. Rallye favors financial relations with various banks of international size who enjoy the best ratings from specialized agencies, while avoiding an excessive concentration of dealings with a limited number of financial institutions. Consequently, Rallye considers its exposure to counterparty risk to be low.

11.6.6. | Risk of accelerated repayment of financial debt

The Group's bank loans and bonds contain the standard commitment and default clauses found in such contracts, in particular, maintaining the loan at the same level ("pari passu"), limiting the securities allocated to other lenders (negative pledge) and cross-default.

| Rallye financings

Rallye's bond issues do not contain any undertaking regarding financial ratios. Certain bank financing agreements are subject to the following financial ratios:

Description of covenants to be adhered to	Description of the financing subject to covenants	Results of covenants as at December 31, 2015
Consolidated EBITDA[1] / Consolidated cost of net financial debt > 2.75	■ Syndicated credit line for €725 million ■ Credit lines and bank loans for a cumulative amount of €1,270 million	3.44
Rallye SA shareholders' equity > 1.2 billion		1.7

(1) EBITDA corresponds to current operating income plus current operating depreciation and amortization.

Rallye has an EMTN (Euro Medium Term Notes) program, capped at €4 billion. As at December 31, 2015, outstanding bonds issued under this program stood at €1.1 billion.

The bonds issued by Rallye carry an early redemption clause at the discretion of investors in the event of a change of control at either Casino, Guichard-Perrachon or Rallye.

Rallye also has a commercial paper program capped at €750 million, of which €268 million was outstanding as at December 31, 2015.

| Casino Group financing

Financing of Casino, Guichard-Perrachon

The majority of the Casino Group's debt is held by Casino, Guichard-Perrachon. There are no collateral or guaranteed assets on this debt. Resources are managed by the Corporate Finance department. The Group's main subsidiaries (GPA, Big C Thailand, Monoprix, Éxito) also have their own financial resources. These financial resources have no collateral or guaranteed assets and are not guaranteed by Casino (with the exception of GPA's loans from BNDES, which amounted to €35 million at the end of 2015 and which have securities on the financed assets and a guarantee by Wilkes, in which Casino and Éxito indirectly hold a 50% stake each).

All subsidiaries send a weekly cash report to the Casino Group. The arrangement of new financing sources have to be submitted to the Corporate Finance department for validation.

Casino, Guichard-Perrachon has an EMTN (Euro Medium Term Notes) program, capped at €9 billion. As at December 31, 2015, outstanding bonds issued under this program stood at €7,346 million.

Casino, Guichard-Perrachon also has a commercial paper program capped at €2 billion, of which €424 million was outstanding as at December 31, 2015.

For the case where Casino's majority shareholder changes, the Casino, Guichard-Perrachon line of credit contracts include an obligatory early redemption clause.

Furthermore, bonds issued by Casino, Guichard-Perrachon (with the exception of two TSSDI issues) carry an early redemption clause at the discretion of investors in the event that Casino, Guichard-Perrachon's senior long-term debt rating is downgraded to "Non-investment grade", (or in the event of a further downgrading of the rating, if the rating is already "Non-investment grade"), but only if this downgrade is the result of a change in the Company's majority shareholder (if a third party other than Rallye or an entity affiliated to Rallye holds more than 50% of Casino voting rights). In addition, the bonds issued by Casino contain a "coupon step-up" clause which raises the interest rate by 1.25% per year in case the long-term senior debt of Casino, Guichard-Perrachon is downgraded to "non-investment grade". If it is enforced, this clause would gradually apply, as from the payment date of the annual coupon following the announcement of the downgrading of Casino's rating.

These bonds (excluding TSSDIs) are currently graded "BBB-" by Standard & Poor's and Fitch Ratings. On January 15, 2016, Standard & Poor's placed the Group's BBB- credit rating on creditwatch negative (Note 15).

Type of covenants	Description of the financing subject to covenants	Frequency of tests	Results of covenants as at December 31, 2015
Consolidated net financial debt[1] / Consolidated EBITDA[2] < 3.5	■ Syndicated credit line for €1.2 billion ■ Syndicated credit line for USD1 billion ■ Bilateral credit lines for a cumulative amount of €525 million	Annual	2.8
Consolidated net financial debt[1] / Consolidated EBITDA[2] < 3.7	■ Bilateral credit lines for a cumulative amount of €50 million	Annual	

(1) The net financial debt as defined in the banking contracts may differ from that presented in the consolidated financial statements (Note 11.2). It is composed of borrowings and net financial debt including derivative hedging liabilities, less (i) cash and cash equivalents, (ii) cash management financial assets and financial investments, (iii) derivative assets under hedge accounting on financial liabilities and (iv) financial assets following the significant disposal of non-current assets.
(2) EBITDA corresponds to current operating income plus current operating depreciation and amortization.

The tolerance level for the next 12 month is deemed very comfortable in terms of the Casino Group complying with its financial covenants. Casino, Guichard-Perrachon bonds and commercial paper are not subject to any financial covenants.

Furthermore, the Group transfers receivables without recourse and without continuing involvement as defined in IFRS 7 and also carries out reverse factoring operations for its suppliers.

Subsidiaries financing

Most of the Group's other financing contracts include clauses requiring the financial ratios to be respected and are principally located in the GPA and Big C Thailand subsidiaries.

Subsidiary	Type of covenants	Frequency of tests	Description of the financing subject to covenants
Monoprix	Net financial debt / EBITDA < 2.5	Annual	■ Syndicated credit line for €370 million ■ Other confirmed credit lines for a cumulative amount of €240 million
GPA[1]	Net debt[2] must not be higher than equity[3]	Quarterly/half-yearly/annual	All bond financings and a portion of bank financing
	Net consolidated debt / EBITDA < 3.25		
	Equity / Total assets > = 0.3	Half-yearly	BNDES financing of €35 million
	EBITDA / net financial debt >= 0.35		
Éxito	Consolidated net financial debt / Consolidated EBITDA < 3.5	Annual	Bank borrowings (Note 11.2.3)
BIG C Thailand	Net financial debt / EBITDA < 3.5	Half-yearly	Bank borrowings (Note 11.2.3)
	Net financial debt / equity < 2.5		

(1) All of GPA's covenants are based on the consolidated data of GPA.
(2) Debt less cash, cash equivalents and receivables.
(3) Consolidated equity (Group share and non-controlling interests).

These ratios were complied with as at December 31, 2015.

11.6.7. | The Group's liquidity position

As at December 31, 2015, the Group's liquidity position was solid.

(in € millions)	Rate	Amounts	
		Casino Group	Rallye
Confirmed bank lines < 1 year	Variable	604[5]	
Confirmed bank lines > 1 year	Variable	668[5]	1,070
Total lines authorized[1]		**1,272**	**1,070**
Of which used lines			**148**
Syndicated lines < 1 year	Variable		
Syndicated lines > 1 year	Variable	2,119	845
Total lines authorized[2]		**2,119**	**845[4]**
Of which total used lines			**310[4]**
Bilateral lines < 1 year	Variable	225	
Bilateral lines > 1 year	Variable	900	
Total lines authorized[3]		**1,125**	
Of which total used lines			

(1) The Casino Group's bank lines are remunerated according to the benchmark rate (dependent on the line currency) plus a margin. For certain lines, the margin varies depending on the level of the subsidiary's Net Financial Debt/EBITDA ratio (for €370 million of lines) and/or the amount of the drawdown (for €450 million of lines). Rallye's bank lines are remunerated on the basis of a variable benchmark rate plus a fixed margin.
(2) The Casino Group's syndicated lines include the €1,200 million line (the maturity of which was extended to February 2020 in 2015) and the USD1 billion line with a July 2018 maturity date. They are remunerated on the basis of Euribor plus a margin. This margin varies depending on the amount of the drawdown and according to the level of the Casino Group's Net Financial Debt/EBITDA ratio.
(3) Bilateral lines are remunerated on the basis of Euribor plus one margin. For certain lines, the margin varies depending on the amount of the drawdown (for €300 million of lines) and/or level of the Net Financial Debt/EBITDA ratio (for €250 million of lines). The cost of utilization of €500 million lines depends on the Casino Group's rating and the amount of the drawdown
(4) Of which €120 million for the Go Sport Group
(5) The other confirmed bank lines concern Monoprix (€610 million), GPA (€313 million), Éxito (€145 million) and Big C (€204 million)

The tolerance level for the next 12 months is deemed very comfortable in terms of the Group complying with its financial covenants.

| Schedule of financial liabilities cash flows as at Thursday, December 31, 2015

(in € millions)	Carrying value	Contractual cash flows	Less than 1 year	1-5 years	Over 5 years
Financial liabilities					
Bonds and other borrowings excluding derivatives	14,939	17,114	3,164	7,746	6,204
Finance lease contracts	80	136	24	62	50
Debt related to purchase commitments on non-controlling interests	151	162	113	39	10
Trade payables and other liabilities (excluding social security and tax liabilities)	10,993	11,289	10,867	390	32
Total	**26,164**	**28,701**	**14,168**	**8,237**	**6,296**
Financial derivatives					
Cash inflows		1,227	467	584	176
Cash outflows		(1,257)	(593)	(517)	(147)
Derivative contracts – settled net		173	111	62	
Total	**140**	**143**	**(15)**	**129**	**29**

| Schedule of financial liabilities cash flows as at December 31, 2014

(in € millions)	Carrying value	Contractual cash flows	Less than 1 year	1-5 years	Over 5 years
Financial liabilities					
Bonds and other borrowings excluding derivatives	16,870	19,551	5,775	6,808	6,968
Finance lease contracts	105	193	28	89	76
Debt related to purchase commitments on non-controlling interests	62	69	24	5	40
Trade payables and other liabilities (excluding social security and tax liabilities)	11,311	11,311	11,216	67	28
Total	**28,348**	**31,124**	**17,043**	**6,969**	**7,112**
Financial derivatives					
Cash inflows		1,385	474	659	252
Cash outflows		(873)	(367)	(359)	(147)
Derivative contracts – settled net		(5)	(15)	10	
Total	**342**	**507**	**92**	**310**	**105**

The following tables shows the repayment schedule for financial liabilities as at December 31, 2015 and 2014, at par value, including interest and excluding discounting.

As regards derivative financial instruments, the table was drawn up based on the net or gross contractual inflows or outflows depending on the instrument settlement method. Where the amount payable or receivable is not fixed for interest-rate instruments, the amount disclosed has been determined by reference to the interest rate yield curve existing at the end of the period.

NOTE 12 | SHAREHOLDERS' EQUITY AND EARNINGS PER SHARE

Shareholders' equity includes two categories of owners: the owners of the parent company (Rallye's shareholders) and the holders of non-controlling interests (minority shareholders of subsidiaries). A non-controlling interest is defined as the portion of interest in a subsidiary which is not directly or indirectly attributable to a parent company (hereinafter "minority interests" or "non-controlling interests").

Transactions carried out (purchase or sale) with non-controlling interests which do not change the control of the parent company, affect shareholders' equity only. Cash flows from these transactions are included in net cash flows linked to financing activities.

In the case of an acquisition of an additional interest in a fully-consolidated subsidiary, the Group recognizes the difference between the acquisition cost and the carrying value of the non-controlling interests as a change in shareholders' equity attributable to the shareholders of the parent company. The costs associated with these transactions are also recognized in shareholders' equity. The same applies to costs relating to disposals without loss of control.

In the case of a disposal of majority interests resulting in a loss of control, the Group reports a 100% disposal of the securities held. The profit/(loss) from disposal is recognized in "Other operating income and expenses". If it is partial disposal, the retained portion is therefore remeasured. Cash flows from a takeover or a loss of control in a subsidiary are assigned to net cash flows from investing activities.

Equity instruments and hybrid instruments

An instrument is considered as an equity instrument if it is redeemed, at the borrower's initiative (indefinite term), through the delivery of a fixed number of the company's shares. The parity is determined during the issue and is based on the market price.

In particular, an instrument that is redeemed at the Group's initiative and with a compensation subordinated to the payment of a dividend is classified as an equity instrument.

When there is a "debt" component, it is measured separately and recorded in "financial debt".

Transaction costs in shareholders' equity

External and internal costs (when eligible) directly attributable to capital or equity instruments transactions are charged, net of tax, to shareholders' equity. Other costs are recorded as expenses for the fiscal year.

Treasury shares

Treasury shares are deducted from shareholders' equity at cost. Proceeds from any sale of treasury shares are credited directly to equity, such that capital gains and losses, net of the related tax effect, have no impact on net income for the fiscal year.

Options on treasury shares

Options on treasury shares are treated as derivative instruments, equity instruments or financial liabilities depending on their characteristics.

Options classified as derivatives are measured at fair value through profit or loss. Options classified as equity instruments are measured in equity at their initial amount and changes in value are not recognized. The accounting treatment of financial liabilities is described in Note 11.

12.1. | Capital management

The Group's policy is to maintain a strong capital base in order to ensure the confidence of investors, creditors and the markets while ensuring the financial flexibility required to support the Group's future business development. The Group is attentive to the number and diversity of its shareholders as well as to the level of dividends paid to shareholders.

In June 2005, Rallye implemented a liquidity contract complying with the ethics charter developed by the AMAFI (*Association française des marchés financiers pour les professionnels de la bourse et de la finance*) in order to ensure market liquidity.

Under a stock buyback program approved by the Shareholders' Meeting, Rallye is authorized to purchases Company shares in order to cover stock option plans for new or existing shares, allot bonus shares to employees and executives, ensure market liquidity for the Company's shares, keep them for subsequent delivery in payment or exchange in possible M&A transactions, and cancel them up to a maximum number not to exceed 10% of share capital.

12.2. | Information about share capital

Share capital consisted of 48,778,526 shares representing a par value of €146 million. Share, merger and contribution premiums and other additional paid-in capital amounted to €1,038 million, €363 million and €40 million respectively.

Under the authority granted to the Board of Directors, the total amount of the capital increases that may be executed, immediately or in the future, other than through the capitalization of profits, reserves or premiums, may not exceed a par value of €66 million.

12.3. | Securities with entitlement to new shares

The Group granted stock options to its employees under a stock option plan presented in Note 8.3. and bonus shares.

12.4. | Treasury shares

As at December 31, 2015, the Group had a total of 920,857 treasury shares, worth €14 million including 908,857 treasury shares held under the liquidity agreement signed with Rothschild & Cie Banque.

12.5. | Perpetual Deeply Subordinated Notes (TSSDIs)

At the start of 2005, the Casino Group issued 600,000 Perpetual Deeply Subordinated Notes (TSSDIs), representing a value of €600 million. The notes are redeemable solely at the Casino Group's discretion and interest payments are due only if the Casino Group pays a dividend on its ordinary shares in the preceding twelve months. Given these specific maturity and remuneration characteristics, this instrument is classified in shareholders' equity as a non-controlling interest, for an amount of €600 million.

The notes pay interest at the 10-year Constant Maturity Swap rate plus 100 bps, capped at 9%. In 2015, the average coupon was 1.88%.

On October 18, 2013, the Casino Group launched on the market a €750 million issue comprising 7,500 perpetual hybrid bonds. The bonds are redeemable solely at the Group's discretion, from January 31, 2019 at the earliest. These bonds will pay interest with a coupon of 4.87% until that date. This rate will be reset every five years thereafter. With regard to the accounting treatment and considering their specific characteristics of maturity and remuneration, the bonds are booked as shareholders' equity for an amount of €750 million. The issuance fees and expenses, net of tax, were charged to shareholders' equity.

For the Rallye Group, interest on these bonds is charged to net income attributable to the parent company up to the percentage of Casino owned by Rallye.

12.6. | Other equity instruments

On December 27, 2013, Monoprix issued bonds redeemable in Monoprix preference shares (MCB) in three tranches for a total amount of €500 million to CACIB. These mandatory convertible bonds have a 3-year maturity and interest at 6-month Euribor +5.1%. The redemption parity is fixed. Monoprix has discretionary power to defer the coupon payments into preferred shares on the redemption date of the MCB.

In addition, the Casino Group has a call option on these MCB which may be wholly or partly exercised, at par plus accrued interest, until October 2016.

Holders of MCB have certain protective rights, in particular with regard to the level of Monoprix's external debt, investments, and merger and acquisition transactions, as well as with regard to disposals of stores, above a certain threshold.

At maturity, the holders of MCB will receive Monoprix preferred shares representing 21.2% of its capital and entitling them to a double dividend on the distribution share corresponding to the earnings after the MCB conversion date. The preferred shares come with a voting right and the same additional protective rights as the MCB.

The Casino Group has analyzed the transaction as follows:

- fixed parity MCB are equity instruments, except for the interest portion. The MCB call option is at Casino's discretion and does not require the MCB to be reclassified as financial debt;
- the Casino Group considered that the valuation of the MCB on their issuance date was representative of their market value and that the characteristics of the preferred shares delivered and their value do not result in an implied obligation to exercise its call option on the MCB and that the dividend policy is controlled by the Shareholders' Meeting (after the MCB mature, dividends are projected to be 80% of the distributable profit).

The MCB are hybrid instruments which contain a debt component reported under "financial debt" corresponding to the discounted value of the interest coupons until maturity, and an equity component for the balance, net of fees and taxes reported under "non-controlling interests". As at December 31, 2015, the equity component and the debt component amounted to €420 and €21 million respectively (Note 11.2.3). The optional commitment to sell was recognized as a reduction in shareholders' equity attributable to owners of the parent in the amount of €2 million net of taxes. The annual discounting/accretion of the debt component is recognized in cost of debt. The drop in the coupon as from January 1, 2015 (from 6-month Euribor +5.1% to 6-month Euribor + 4.1%) generated financial income of €11 million in 2015 (Note 11.4.1).

The Casino Group granted a guarantee of Monoprix's consolidated net position (ended as at December 31, 2013) to CACIB in connection with issuance of the MCB. This guarantee is capped at €200 million, to which a deductible of €20 million is attached (Note 6.10.1). This guarantee is in place until June 26, 2017.

12.7. | Other disclosures on premiums and consolidated reserves

12.7.1. | Translation adjustments

(in € millions)	Group share			Non-controlling interests			Total 2015
	Opening 2015	Changes 2015	End of year 2015	Opening 2015	Changes 2015	End of year 2015	
Brazil	(405)	(514)	**(919)**	(1,858)	(1,897)	**(3,755)**	**(4,674)**
Argentina	(61)	(13)	**(74)**	(56)	(11)	**(67)**	**(141)**
Colombia	(28)	(107)	**(135)**	(122)	(307)	**(429)**	**(564)**
Uruguay	20	(21)	**(1)**	15	(44)	**(29)**	**(30)**
United States	5	7	**12**	5	4	**9**	**21**
Thailand	43	8	**51**	92	10	**102**	**153**
Poland	8		**8**	7		**7**	**15**
Indian Ocean	(4)	(1)	**(5)**	(5)		**(5)**	**(10)**
Vietnam	6	8	**14**	3	8	**11**	**25**
Hong Kong		1	**1**				**1**
Total currency translation adjustments	**(416)**	**(632)**	**(1,048)**	**(1,919)**	**(2,237)**	**(4,156)**	**(5,204)**

(in € millions)	Group share			Non-controlling interests			Total 2014
	Opening 2014	Changes 2014	End of year 2014	Opening 2014	Changes 2014	End of year 2014	
Brazil	(368)	(37)	(405)	(1,981)	123	(1,858)	**(2,263)**
Argentina	(56)	(5)	(61)	(52)	(4)	(56)	**(117)**
Colombia	33	(61)	(28)	54	(176)	(122)	**(150)**
Uruguay	16	4	20	5	10	15	**35**
United States	(7)	12	5	(1)	6	5	**10**
Thailand	1	42	43	(10)	102	92	**135**
Poland	10	(2)	8	9	(2)	7	**15**
Indian Ocean	(4)		(4)	(5)		(5)	**(9)**
Vietnam	(7)	13	6	(14)	17	3	**9**
Total currency translation adjustments	**(382)**	**(34)**	**(416)**	**(1,995)**	**76**	**(1,919)**	**(2,335)**

12.7.2. | Notes to the consolidated statement of comprehensive income

(in € millions)	2015	2014
Financial assets available for sale	**(44)**	**(26)**
Change in fair value for the period	(47)	(31)
Reclassification to profit or loss		(1)
Income tax (expense)/revenue	3	6
Cash flow hedges	**0**	**22**
Change in fair value for the period	(1)	34
Reclassification to profit or loss	1	
Income tax (expense)/revenue		(12)
Net investment hedge	**(2)**	**0**
Change in fair value for the period	(2)	
Reclassification to profit or loss		
Income tax (expense)/revenue		
Translation adjustments	**(2,872)**	**25**
Change for the year	(2,897)	25
Reclassification to profit or loss	23	
Income tax (expense)/revenue	2	
Actuarial gains and losses	**(22)**	**0**
Change for the year	(34)	(2)
Income tax (expense)/revenue	12	2
Total	**(2,940)**	**21**

12.8. | Material non-controlling interests

(in € millions)	GPA[3]			Éxito[4]	BIG C Thailand	Casino	Other[2]	Total
	Total	of which Via Varejo	of which Cnova					
As at January 2015	**5,679**	**1,889**	**258**	**1,307**	**457**	**4,691**	**467**	**12,601**
% of non-controlling interests held[1]	*58.7%*	*82.1%*	*41.9%*	*45.2%*	*41.4%*	*51.6%*		
% of voting rights of non-controlling interests[1]	*0.06%*	*37.8%*	*6.6%*	*45.2%*	*41.4%*	*40.5%*		
Country	Brazil	Brazil	Netherlands	Colombia	Thailand	France		
Net income	(15)	52	(121)	133	76	10	12	**216**
Other elements of comprehensive income[6]	(1,445)	(485)	(75)	(233)	6	(607)	(1)	**(2,280)**
Sub-total	**(1,460)**	**(433)**	**(196)**	**(100)**	**82**	**(597)**	**11**	**(2,064)**
Dividends paid/to be paid[5]	(20)			(44)	(23)	(182)	(10)	**(279)**
Other transfers	4	1	26	74	(2)	(310)	121	**(113)**
December 31, 2015	**4,204**	**1,457**	**89**	**1,237**	**514**	**3,602**	**589**	**10,145**
% of non-controlling interests held[1]	*67.2%*	*85.8%*	*41.9%*	*45.2%*	*41.4%*	*48.1%*		
% of voting rights of non-controlling interests[1]	*0.06%*	*37.8%*	*6.6%*	*45.2%*	*41.4%*	*38.2%*		
average % holding of Casino Group in 2015	*38.4%*	*16.7%*	*57.1%*	*54.8%*	*58.6%*			
% holding of Casino Group at end of period	*32.8%*	*14.2%*	*55.2%*	*54.8%*	*58.6%*			

(in € millions)	GPA[3]			Éxito[4]	BIG C Thailand	Casino	Other[2]	Total
	Total	of which Via Varejo	of which Cnova					
As at January 2014	**5,590**	**1,682**		**1,347**	**352**	**4,698**	**488**	**12,475**
% of non-controlling interests held[1]	*61.9%*	*83.5%*		*45.2%*	*41.4%*	*50.9%*		
% of voting rights of non-controlling interests[1]	*0.06%*	*37.8%*		*45.2%*	*41.4%*	*40.7%*		
Country	Brazil	Brazil	Netherlands	Colombia	Thailand	France		
Net income	408	264	(12)	91	71	154	4	728
Other items of comprehensive income[6]	66	11		(105)	58	5	2	26
Sub-total	**474**	**275**	**(12)**	**(14)**	**129**	**159**	**6**	**754**
Dividends paid/to be paid[5]	(94)	(39)		(41)	(22)	(182)	(7)	(346)
Other transfers	(292)	(29)	270	16	(1)	16	(21)	(282)
December 31, 2014	**5,679**	**1,889**	**258**	**1,307**	**457**	**4,691**	**466**	**12,601**
% of minority interests held[1]	*58.7%*	*82.1%*	*41.9%*	*45.2%*	*41.4%*	*51.6%*		
% of voting rights of non-controlling interests[1]	*0.06%*	*37.8%*	*6.6%*	*45.2%*	*41.4%*	*39.6%*		

(1) The percentage of non-controlling interests set out in this table does not include the non-controlling interests of the sub-groups.
(2) Of which, Monoprix for €488 million as at December 31, 2015: €420 million corresponding to the amount, excluding expenses and taxes, of the issue of bonds redeemable in Monoprix preferred shares of December 27, 2013 to CACIB (Note 12.6); and €68 million related to the SCI Simonop'1 transaction for the year (Note 3.1.6).
(3) Including Cnova and Via Varejo.
(4) Including Uruguay and Argentina (only Uruguay, in 2014).
(5) Dividends paid to non-controlling interests stood at €354 million in 2015 and €306 million in 2014 (see consolidated statement of cash flows and Note 12.9).
(6) The other items of comprehensive income result mainly from currency translation adjustments related to the translation of the financial statements of foreign subsidiaries.

The capital of GPA comprises:

- 99,680,000 ordinary shares with voting rights;
- 166,022,000 preferred shares without voting rights and entitling shareholders to priority dividends.

The preferred shares do not carry voting rights, but give their owners the following rights and benefits: (i) priority in the reimbursement of capital in the event of liquidation of the company; (ii) priority in the payment of the annual minimum dividend amounting to 0.08 reals per share, a non-cumulative dividend; (iii) priority in the payment of dividends 10% higher than the dividend paid on ordinary shares, including for the calculation of the amount paid at point (ii) above.

GPA's minority shareholders do not have a put option as regards Casino. In accordance with Brazilian stock market law, holders of preference shares are granted withdrawal rights, which give shareholders the right to demand that GPA buy back their shares for a value equal to the carrying value of the shares (share of net asset), if certain events occur. These rights are described on pages 90 *et seq.* of GPA's Form 20-F 2014.

The table below presents the summarized financial disclosures of the subsidiaries in which the Group holds material non-controlling interests. These disclosures are presented in accordance with IFRS, adjusted if necessary to reflect fair value re-measurements on the date control was taken or lost, and restatements to ensure consistency of accounting principles with those of the Group. The amounts are presented before eliminations of inter-group accounts and transactions.

(in € millions)	Casino Group		Including the main subsidiaries of the Casino Group									
			GPA[1]		of which, Via Varejo		of which, Cnova		Éxito[2]		BIG C Thailand	
	2015	2014	2015	2014	2015	2014	2015	2014[3]	2015	2014	2015	2014
Net sales	**46,145**	48,493	**18,676**	21,024	**5,187**	7,245	**3,437**	1,657	**4,673**	3,934	**3,390**	3,025
Net income from continuing operations	**154**	826	**(122)**	559	**63**	321	**(276)**	(32)	**482**	195	**182**	171
Of which, non-controlling interests	***209***	*703*	***(15)***	*408*	***52***	*264*	***(121)***	*(12)*	***133***	*91*	***76***	*71*
Other items of comprehensive income	**(2,897)**	31	**(2,022)**	61	**(591)**	13	**(159)**	(12)	**(555)**	(220)	**13**	133
Comprehensive income for the year	**(2,739)**	856	**(2,143)**	619	**(528)**	333	**(435)**	(44)	**(75)**	(25)	**196**	304
Of which, non-controlling interests	***(1,857)***	*729*	***(1,460)***	*474*	***(433)***	*275*	***(196)***	*(12)*	***(100)***	*(15)*	***82***	*129*
Current assets	**13,343**	16,165	**5,930**	7,636	**2,538**	3,357	**1,114**	1,352	**1,175**	1,592	**461**	694
Non-current assets	**26,490**	29,115	**8,999**	11,770	**2,269**	2,800	**612**	940	**4,220**	2,286	**2,086**	2,016
Current liabilities	**(14,914)**	(17,270)	**(5,948)**	(7,645)	**(2,232)**	(3,018)	**(1,538)**	(1,691)	**(1,345)**	(1,129)	**(995)**	(1,114)
Non-current liabilities	**(12,500)**	(12,402)	**(2,526)**	(2,844)	**(801)**	(838)	**(36)**	(13)	**(1,264)**	(122)	**(238)**	(417)
Net asset	**12,419**	15,608	**6,455**	8,917	**1,774**	2,301	**152**	587	**2,786**	2,627	**1,314**	1,180
Of which, non-controlling interests	***9,735***	*12,594*	***4,204***	*5,679*	***1,457***	*1,889*	***89***	*258*	***1,237***	*1,307*	***514***	*457*
Net cash flow from operating activities	**2,921**	2,874	**1,393**	1,679	**912**	722	**75**	436	**321**	380	**324**	288
Net cash flow from investing activities	**(1,545)**	(1,611)	**(503)**	(446)	**(89)**	(115)	**(61)**	37	**(1,864)**	(259)	**(144)**	(84)
Net cash flow from financing activities	**(2,992)**	861	**(949)**	(359)	**(517)**	(314)	**(61)**	112	**987**	(118)	**(418)**	(106)
Impacts of monetary changes on cash	**(1,047)**	(37)	**(859)**	11	**(393)**	3	**(134)**	(12)	**(93)**	(83)	**13**	28
Change in cash	**(2,663)**	2,087	**(918)**	885	**(87)**	297	**(181)**	573	**(649)**	(80)	**(225)**	127
Dividends paid to groups[4]	**171**	171	**33**	30					**47**	49	**33**	29
Dividends paid to non-controlling interests for the year	**182**	182	**88**	51	**36**				**50**	44	**23**	21

(1) Including Cnova and Via Varejo.
(2) Including Uruguay and Argentina (only Uruguay, in 2014).
(3) The amounts reported refer to the Cnova group since its creation on July 24, 2014.
(4) GPA, Éxito and Big C Thailand are obliged to pay out dividends of 25%, 50% and 30% respectively of net earnings for the year.

12.9. | Dividend

In 2015, Rallye paid a dividend for 2014 of €1.83 per share. The amount recognized as a reduction in shareholders' equity is €89 million (the same as in 2014).

The Board of Directors will propose the distribution of a dividend of €1.83 per ordinary share for 2015. Based on 47,869,669 shares as at December 31, 2015, the proposed dividend represents a provisional amount of €88 million, which will be modified in 2016 to take account of the treasury shares held on the date of actual payment. The financial statements presented prior to distribution do not reflect this dividend, which is subject to the approval of the next Ordinary Shareholders' Meeting.

Rallye received €171 million in dividend from Casino, Guichard-Perrachon. The dividends paid to minority shareholders come mainly from Casino (€183 million), GPA (€88 million), Éxito (€46 million) and Big C (€28 million) in 2015; compared to €185 million, €51 million, €44 million and €26 million, respectively, in 2014.

The coupons attributable to holders of the Perpetual Deeply Subordinated Notes are presented as follows:

(in € millions)	2015	2014
Coupons attributable to holders of Perpetual Super Subordinated Notes	**47**	**24**
Of which, amount paid during the fiscal year	**42**	18
Of which, amount to be paid for the next fiscal year	**5**	6
Impact of statement of cash flow	**48**	**28**
Of which, coupons allocated and paid for the fiscal year	**42**	18
Of which, coupons allocated for the previous year and paid during this fiscal year	**6**	10

12.10. | Net earnings per share

Basic earnings per share are calculated on the basis of the average weighted number of shares depending on the stock issue date during the fiscal year, except for shares issued as dividends and treasury stock.

Diluted earnings per share is calculated as follows:

- the numerator is the result adjusted for the dilutive effects on income of subsidiaries and the impact of potential bond conversions on financial interests;
- the denominator, according to the Treasury Stock Method, is the basic number of shares plus the number of potential shares that will result from dilutive instruments (options, warrants and bonus shares), minus the number of shares that may be purchased at the market price with the funds received from exercise of the instruments in question. The market price used in the calculation is the average stock price over the fiscal year.

Equity instruments giving access to capital ("share equivalents") are only included in the above calculation if they have a dilutive effect on earnings per share.

12.10.1. | Number of shares

	2015	2014
Weighted average number of shares	**48,773,620**	48,677,233
Weighted average number of treasury shares	**(738,695)**	(493,795)
Weighted average number of shares before dilution	**48,034,925**	**48,183,438**
Share equivalents originating from stock options	**70,719**	87,795
Non-dilutive instruments (off-market or covered by calls)		
Weighted average number of dilutive instruments	**70,719**	87,795
Theoretical number of shares purchased at market price[1]		(81,079)
Dilutive effect of stock option plans	**70,719**	**6,716**
Bonus share allotment plan	**131,846**	264,155
Impact of all potentially dilutive shares	**202,565**	**270,871**
Weighted average number of shares after dilution	**48,237,490**	**48,454,309**

(1) Under the Share Buyback Method, funds received on the exercise of options are assumed to be allocated in priority to the buying back of shares at the market price. The theoretical number of shares to be thus bought back reduces the total number of shares that would result from the exercise of rights. The theoretical number is capped at the number of shares that would result from the exercise of rights.

12.10.2. | Earnings attributable to common shares

(in € millions)	2015	2014
Net income attributable to company owners	**(166)**	**(33)**
Impact of Monoprix MCB	**(22)**	(20)
Diluted net income attributable to company owners	**(187)**	**(53)**
Net income from discontinued operations	**2**	(1)
Diluted net income from continuing operations	**(189)**	**(52)**

12.10.3. | Earnings per share

Consolidated net earnings per share of the consolidated entity attributable to company owners:

	2015	2014
Net income attributable to company owners *(in € millions)*	**(166)**	(33)
Weighted average number of shares for the period	**48,034,925**	48,183,438
Per share *(in €)*	**(3.46)**	**(0.66)**
Diluted net income attributable to company owners *(in € millions)*	**(187)**	(53)
Weighted average number of shares for the period after dilution	**48,237,490**	48,454,309
Per diluted share *(in €)*[1]	**(3.87)**	**(1.08)**

(1) Since there was a comprehensive loss, the calculation of diluted earnings does not take potentially dilutive shares common shares into account in the denominator.

Net income from continuing operations attributable to company owners:

	2015	2014
Net income attributable to company owners *(in € millions)*	**(168)**	(32)
Weighted average number of shares for the period	**48,034,925**	48,183,438
Per share *(in €)*	**(3.50)**	**(0.68)**
Diluted net income attributable to company owners *(in € millions)*	**(189)**	(52)
Weighted average number of shares for the period after dilution	**48,237,490**	48,454,309
Per diluted share *(in €)*[1]	**(3.91)**	**(1.09)**

(1) Since there was a comprehensive loss, the calculation of diluted earnings does not take potentially dilutive shares common shares into account in the denominator.

NOTE 13 | PROVISIONS

A provision is recorded when the Group has a present obligation (legal or implicit) as a result of a past event, the amount of the obligation can be reliably estimated, and when it is probable that an outflow of resources will be required to settle the obligation. Provisions are discounted to present value when the related discount is material.

In accordance with the above principle, a provision is recorded to cover the cost of providing after-sales service for equipment sold under warranty. The provision represents the expected cost of repairs to be performed during the warranty period, estimated on the basis of actual costs incurred in prior years. Each year, the provision is reversed in the amount of the actual repair costs recognized in expenses.

Provisions for restructuring costs are recognized whenever an implicit commitment has been made to third parties as a result of a Management decision that has been formalized before the closing date in a detailed restructuring plan and communicated to the parties concerned.

Other provisions correspond to specifically identified contingencies and expenses.

Contingent liabilities correspond to possible obligations arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the entity's control, or present obligations whose settlement is not expected to require an outflow of resources. They are not recognized but are disclosed in a note.

13.1. | Breakdown and changes

(in € millions)	January 1, 2015	Provisions	Reversals used	Reversals not used	Changes in scope of consolidation and transfers	Foreign currency changes	Other	December 31, 2015
Disputes	51	31	(17)	(13)	(2)	(1)	8	**56**
Various risks and contingencies	821	261	(87)	(167)	(11)	(175)	4	**647**
Restructuring	23	31	(6)	(12)	(6)			**31**
Total provisions	**896**	**324**	**(110)**	**(193)**	**(19)**	**(176)**	**12**	**735**
of which, non-current	*724*	*8*	*(5)*	*(8)*		*(173)*	*(3)*	***542***
of which, current	*172*	*317*	*(105)*	*(183)*	*(19)*	*(3)*	*16*	***194***

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 various risks and contingencies amounted to €647 million and primarily represent the provisions relative to GPA (Note 13.2).

13.2. | Breakdown of the provisions for GPA risks and contingencies

(in € millions)	PIS/Cofins/CPMF disputes *	Other tax disputes	Wage disputes	Civil disputes	Total
As at December 31, 2015	**24**	**294**	**136**	**57**	**511**
As at December 31, 2014	59	389	162	72	682

* VAT and similar taxes.

In these disputes, GPA contests the payment of certain taxes, contributions, and social security obligations. Pending final decisions from the administrative courts, these disputes have required deposits and security payments in the corresponding amounts (Note 6.9). The guarantees given by GPA are to be added to these payments (Note 6.10).

(in € millions)	2015			2014		
	Court-ordered deposits[1]	Assets given as collateral[2]	Bank guarantees[2]	Court-ordered deposits[1]	Assets given as collateral[2]	Bank guarantees[2]
Tax disputes	**49**	**198**	**1,745**	48	262	2,048
Wage disputes	**165**	**1**	**9**	192	3	18
Civil and other disputes	**16**	**2**	**72**	22	3	370
Total	**229**	**202**	**1,826**	**262**	**268**	**2,437**

(1) Note 6.9.
(2) Note 6.10.1.

13.3. | Contingent liabilities and assets

The Group is involved, in the normal course of business, in a number of disputes and arbitrations with third parties or the tax authorities of certain countries. Provisions are recorded for these disputes and arbitrations if there is a legal, contractual or constructive obligation to a third party as of the closing date, if it is probable that an outflow of resources without compensation will be required to settle the obligation, and if a sufficiently reliable estimate can be made of the amount of the obligation.

As stated in Note 3.3.6, there are no contingent liabilities in associates and joint ventures.

Dispute with the Baud family

The Casino Group considers that various ongoing disputes resulting from claims by the Baud family are unfounded. They were still pending as at December 31, 2015.

Defense proceedings at the initiative of sellers of a controlling interest in Globex Utilidades SA

In June 2009, GPA, *via* one of its subsidiaries, acquired a controlling interest in Globex Utilidades SA, a leading player in electronic and household electrical goods under the brand name "Ponto Frio" (Globex became Via Varejo following the merger with Casas Bahia in 2011).

The former majority shareholder (Morzan Empreendimentos) considered that GPA, jointly with its controlling shareholders, including GPA's majority shareholder Wilkes, but also Casino, Guichard-Perrachon and three of its other sub-holding companies, were in breach of the provisions of the agreement relating to the terms of payment for the share payable in GPA shares, and launched arbitration proceeding before the International Chamber of Commerce *via* a statement of claim dated May 30, 2012.

On August 14, 2015, the arbitration tribunal notified GPA and Wilkes of its decision that they jointly pay compensation to Morzan Empreendimentos. The impact was €113 million, including compensation, interest and legal fees, recognized in "Other operating expenses" (Note 6.5).

GPA's contingent liabilities

(in € millions)	December 31, 2015	December 31, 2014
INSS (employer contributions to the Brazilian national social security program)	**95**	99
IRPJ – IRRF and CSLL (income tax)	**477**	425
COFINS, PIS and CPMF (VAT and similar taxes)	**526**	286
ISS, IPTU and ITBI (tax on services, tax on urban real estate ownership, and tax on real estate transactions)	**84**	102
ICMS (VAT)	**1,386**	1,334
Civil disputes	**192**	157
Total	**2,760**	**2,402**

GPA uses the services of consultancy firms in the context of tax disputes. The fees of these firms depend on a positive outcome for GPA. As at December 31, 2015, the estimated fees amounted to €10 million (€20 million as at December 31, 2014).

NOTE 14 | RELATED PARTY TRANSACTIONS

Related parties include:

- parent companies (primarily Foncière Euris, Finatis and Euris);
- entities which exercise joint control or significant influence over the entity;
- subsidiaries (Note 16);
- associates (mainly Mercialys, Note 3.3.7);
- joint ventures (Note 3.3.7);
- members of the Board of Directors and members of the Executive Board (Note 8.4).

As part of the day-to-day management of the Group, the Company is involved in normal business relationships with all its subsidiaries.

The Company and its subsidiaries, also receive advice on strategy from Euris, the ultimate holding company, with which agreements have been signed. The Group also receives other routine services from Euris and Foncière Euris (technical assistance, provision of staff and premises).

The amount recorded in 2015 as expenses relating to these agreements was €7.4 million, which included €4.8 million for strategic assistance, €1.7 million for technical assistance and €0.9 million for the provision of staff and premises.

Furthermore, the Casino Group also (i) completed property development projects with the Foncière Euris group generating revenues of €13 million in 2015; and (ii) acquired from Finatis its non-controlling interests in the Viveris and SPF1 OPCIs (open-ended real estate funds), which own the premises of Casino stores, for a total amount of €32 million.

As part of the deployment of its dual model combining retail and commercial real estate activity, Casino and its subsidiaries undertake, property development projects with Mercialys under the partnership agreement signed in 2012 and amended in 2014 (Note 3.3.7).

Related party transactions with individuals (directors, corporate officers, and members of their families) are not material.

NOTE 15 | SUBSEQUENT EVENTS

Class-action lawsuit against Cnova

In January 2016, certain shareholders filed three class-action lawsuits against Cnova, some of its executives and directors, and the underwriters of its IPO, complaining about a violation of US securities laws. Two of the lawsuits were filed with the US District Court (Southern District of New York) while a third was filed with the Supreme Court of the State of New York. and then referred to the US District Court. Cnova has declared that the allegations are unfounded and that it intends to vigorously defend itself.

Assessment of Casino's credit rating by Standard & Poor's

In light of the challenging macroeconomic conditions encountered by emerging countries and the recession that Brazil is experiencing, Standard & Poor's decided to update its assessment of Casino's credit and therefore, on January 15, 2016, placed the Group's BBB- rating on CreditWatch Negative. Standard & Poor's is conducting a review of the Casino Group's credit rating, in collaboration with Casino's management.

If Standard & Poor's were to downgrade Casino's rating, this would increase the annual coupon paid on the bonds of Casino, Guichard-Perrachon by 1.25% (Note 11.6.4). The increase in the coupon would take effect on the next payment date of the annual coupon of each of these bonds. If the rating were downgraded at the start of the second quarter of 2016, the impact on the interest expense would be less than €20 million in 2016 and €92 million for the full year (based on the number of bonds at December 31, 2015). A downgrading of Casino's rating would have no consequences in terms of the enforceability of Casino's debts.

Earlier, in mid-December 2015, Standard & Poor's and Fitch Ratings confirmed Casino's BBB-/Stable Outlook rating.

Furthermore, at the end of 2015, the Casino Group launched a divestment plan, initially of €2 billion but later increased to about €4 billion with the planned sale of its subsidiary Big C, listed in Thailand, following expressions of interest from potential buyers.

The Casino Group is committed to its Investment Grade status. The expected improvement in its operating performance in France in 2016 and the scale of the divestment program it has begun are important factors that will strengthen its financial structure.

Independently of its divestment plan, Casino has very strong liquidity, which enables it to meet all its debt repayments in the coming years.

Planned disposal of the Big C Thailand subsidiary

On February 7, 2016, Casino announced that it had signed a contract worth €3.1 billion (excluding debts) for the disposal of its stake in Big C Supercenter PCL, listed in Thailand ("Big C") to the TCC Group, one of the main conglomerates in Thailand with operations in retail, trading and industry, food, finance and insurance, real estate and food processing. Based on a value of €3.1 billion and the carrying value of the disposed asset as at December 31, 2015, the Casino Group expects to generate a capital gain of €2.4 billion on the disposal. Big C is a market leader in food retail and shopping centers in Thailand. It operates a large network of more than 700 stores, including 125 hypermarkets, and posted sales revenues of €3.4 billion and a current operating profit of €246 million in 2015. Big C Thailand had a net financial debt of €246 million as at December 31, 2015.

This transaction values Big C at 252.88 Baht per share, representing a 28% premium compared to the share price on January 14, 2016, prior to Casino's announcement of the start of the process for the disposal of Big C. It generated a 2015 sales revenue multiple of approximately 1.7x and a 12-month EBITDA multiple at end September 2015 of approximately 16x. This disposal will enable Casino to reduce its debt by €3.3 billion (including Big C's net financial debt). The transaction is not subject to any conditions precedent and should be finalized by March 31, 2016.

The principal terms of the final agreement announced on February 7, 2016 are as follows:

- the TCC Group will pay the acquisition price, in euros, at the exchange rate of 39.77 Baht for one euro;
- the Big C price per share is cum dividend and will be reduced by the amount of any dividend received or to be received by the Casino Group before completion of the transaction;
- if the price of the mandatory tender offer that the TCC group must launch after this transaction turns out to be higher, a corresponding addition to the price would be paid to the Casino Group.

Without prejudice to its obligation to buy, the TCC group has undertaken to pay USD600 million if the transaction has not been completed by March 31, 2016.

As at December 31, 2015, Big C Vietnam was the only subsidiary classified under "Assets held for sale", in accordance with IFRS 5. In the 2016 financial statements, the sub-groups Big C Thailand and Big C Vietnam, which comprise the "Asia" operating segment, will be recognized in "Assets held for sale" until the date of their effective sale, as well as in discontinued operations.

Opinion of CVM, the Brazilian market regulator, concerning Via Varejo and GPA

On February 18, 2016, Via Varejo received an opinion from CVM, the Brazilian market regulator making clear its divergent view concerning the accounting treatment of two transactions carried out in 2013. The first transaction was the acquisition by GPA from Via Varejo of 6.2% of Nova Pontocom's shares (this transaction had no impact on the Group's consolidated financial statements); and the second concerned the accounting treatment of the takeover of Bartira following the acquisition of 75% of Bartira shares. GPA and Via Varejo have filed an appeal with CVM with a request for suspensive effect.

NOTE 16 | MAIN CONSOLIDATED COMPANIES

Companies	2015			2014		
	% control	% interest	Consolidation method	% control	% interest	Consolidation method
Rallye SA			**Parent**			**Parent**
HOLDINGS AND OTHER ACTIVITIES						
Alpetrol	100	100	FC	100	100	FC
Cobivia	100	100	FC	100	100	FC
Genty Immobilier et Participations	100	100	FC	100	100	FC
Habitation Moderne de Boulogne	100	100	FC	100	100	FC
Miramont Finance & Distribution	100	100	FC	100	100	FC
Parande						
Parande	100	100	FC	100	100	FC
Euristates Inc.	100	100	FC	100	100	FC
Parinvest	100	100	FC	100	100	FC
GO Sport Group						
Courir	100	100	FC	100	100	FC
Go Sport France	100	100	FC	100	100	FC
CASINO,GUICHARD-PERRACHON (LISTED COMPANY)	**61.78%**	**50.93%**	**FC**	**60.38%**	**48.38%**	**FC**
France – Retailing						
Casino Carburants	100	50.93	FC	100	48.38	FC
Casino Information Technology	100	50.93	FC	100	48.38	FC
Casino Services	100	50.93	FC	100	48.38	FC
Distribution Casino France SAS (“DCF”)	100	50.93	FC	100	48.38	FC
Distridyn	49.99	25.46	EM	49.99	24.19	EM
Easydis	100	50.93	FC	100	48.38	FC
EMC Distribution	100	50.93	FC	100	48.38	FC
Floréal	100	50.93	FC	100	48.38	FC
Geimex	49.99	25.46	EM	49.99	24.19	EM
Monoprix Group						
Monoprix	100	50.93	FC	100	48.38	FC
Les Galeries de la Croisette[(1)]	100	100	FC	100	100	FC
Monoprix Exploitation[(1)]	100	100	FC	100	100	FC
Monop'[(1)]	100	100	FC	100	100	FC
Naturalia France[(1)]	100	100	FC	100	100	FC
S.A.M.A.D.A.[(1)]	100	100	FC	100	100	FC
Simonop'1[(1)]	100	51.00	FC	-	-	-
Societe L.R.M.D.[(1)]	100	100	FC	100	100	FC
Franprix-Leader Price Group						
Cafige	100	50.93	FC	100	48.38	FC
Cofilead	100	50.93	FC	100	48.38	FC
DBMH	100	50.93	FC	100	48.38	FC
Distribution Franprix	100	50.93	FC	100	48.38	FC
Distribution Leader Price	100	50.93	FC	100	48.38	FC
Distri Sud-Ouest (DSO)	100	50.93	FC	100	48.38	FC
Franprix Holding	100	50.93	FC	100	48.38	FC
Franprix-Leader Price	100	50.93	FC	100	48.38	FC
Franprix-Leader Price Finance	100	50.93	FC	100	48.38	FC
HLP Ouest	60	30.56	FC	60	29.03	FC
Leader Price Exploitation	100	50.93	FC	100	48.38	FC

Companies	2015			2014		
	% control	% interest	Consolidation method	% control	% interest	Consolidation method
Norma	100	50.93	FC	100	48.38	FC
Parfidis	100	50.93	FC	36	17.42	EM
Pro Distribution	60	30.56	FC	60	29.03	FC
R.L.P.I	100	50.93	FC	100	48.38	FC
Sarjel	60	30.56	FC	60	29.03	FC
Sédifrais	100	50.93	FC	100	48.38	FC
Sofigep	100	50.93	FC	100	48.38	FC
Codim Group						
Codim 2	100	50.93	FC	100	48.38	FC
Hyper Rocade 2	100	50.93	FC	100	48.38	FC
Pacam 2	100	50.93	FC	100	48.38	FC
Groupe Immobilier						
Green Yellow	97.50	49.66	FC	97.5	47.17	FC
L'Immobilière Groupe Casino	100	50.93	FC	100	48.38	FC
Sudéco	100	50.93	FC	100	48.38	FC
Mercialys Group						
Mercialys (listed company)	40.25	20.50	EM	40.25	19.47	EM
Property development						
Plouescadis	100	50.93	FC	100	48.38	FC
Other activities						
Banque du Groupe Casino	50	25.47	EM	50	24.19	EM
Casino Finance	100	50.93	FC	100	48.38	FC
Casino Restauration	100	50.93	FC	100	48.38	FC
Restauration Collective Casino	100	50.93	FC	100	48.38	FC
E-commerce						
Cnova NV Group (listed company)	**93.39**	**28.11**	**FC**	**93.39**	**28.12**	**FC**
Cdiscount Group	99.81	28.05	FC	99.81	28.07	FC
Cdiscount	100	28.14	FC	100	28.15	FC
C'nova Comercio Electronico	100	28.11	FC	100	28.12	FC
Cnova Finança	100	28.11	FC	100	28.12	FC
International – Poland						
Mayland	100	50.93	FC	100	48.38	FC
International – Thailand						
Big C Group (listed company)	58.55	29.82	FC	58.55	28.33	FC
International – Brazil						
Wilkes	100	39.41	FC	100	48.38	FC
GPA Group (listed company)	**99.94**	**16.68**	**FC**	**99.94**	**19.99**	**FC**
Banco Investcred Unibanco S.A. ("BINV")	50	21.67	EM	50	21.67	EM
Financeira Itaú CBD S.A. – Crédito, Financiamento e Investimento ("FIC")	50	41.93	EM	50	41.93	EM
GPA Malls & Properties Gestão de Ativos e Serviços. Imobiliários Ltda. ("GPA M&P")[2]	100	100	FC	100	100	FC
Indústria de Móveis Bartira Ltda. ("Bartira")[2][4]	100	100	FC	100	100	FC
Novasoc Comercial Ltda. ("Novasoc")[2][4]	99.98	10	FC	99.98	10	FC
Sé Supermercado Ltda. ("Sé")[2]	-	-	-	100	100	FC
Sendas Distribuidora S.A. ("Sendas")[2]	100	100	FC	100	100	FC
Via Varejo (listed company)[2][3]	62.57	43.35	FC	62.25	43.35	FC

Companies	2015			2014		
	% control	% interest	Consolidation method	% control	% interest	Consolidation method
International – Colombia, Uruguay and Argentina						
Éxito Group (listed company)	**54.77**	**27.89**	**FC**	**54.77**	**26.50**	**FC**
Distribuidora de Textiles y Confecciones SA DIDETEXCO(6)	97.75	97.75	FC	97.75	97.75	FC
Trust Viva Villavincencio	51	25.97	FC	51	24.67	FC
Grupo Disco (Uruguay)(6)	75.10	62.49	FC	62.49	62.49	EM
Devoto (Uruguay)(6)	100	100	FC	96.80	96.80	FC
Libertad (Argentina)(6)	100	100	FC	100	100	FC
International – Indian Ocean						
Vindémia Distribution	100	99.98	FC	100	99.98	FC
Vindémia Logistique	100	100	FC	100	100	FC
International – Vietnam						
Cavi Ltd	100	100	FC	100	100	FC
Cavi Real Estate Ltd	100	100	FC	100	100	FC
Cavi Retail Ltd	100	100	FC	100	100	FC
Espace BigC An Lac	100	80	FC	100	80	FC
Espace BigC Hai Phong	100	100	FC	100	100	FC
Espace Bourbon Than Long	100	65	FC	100	65	FC
Espace Business Hue	100	100	FC	100	100	FC
Viet Nhat Real Estate	100	100	FC	100	100	FC
Casino Holdings – France and International						
Bergsaar BV	100	50.93	FC	100	48.38	FC
Casino Finance International	100	50.93	FC	100	48.38	FC
Casino International	100	50.93	FC	100	48.38	FC
Forézienne de participations	100	50.93	FC	100	48.38	FC
Géant Foncière BV	100	50.93	FC	100	48.38	FC
Géant Holding BV	100	50.93	FC	100	48.38	FC
Géant International BV	100	50.93	FC	100	48.38	FC
Gelase	100	27.89	FC	100	48.38	FC
Helicco	100	50.93	FC	-	-	-
Intexa (listed company)	98.91	49.87	FC	98.91	47.37	FC
Marushka Holding BV	100	50.93	FC	100	48.38	FC
Saowanee	100	24.95	FC	100	23.70	FC
Ségisor SA	100	39.41	FC	100	48.38	FC
Sonnat	100	50.93	FC	-	-	-
Tevir SA	100	50.93	FC	100	48.38	FC
Tonquin BV	100	50.93	FC	100	48.38	FC

(1) The percentages of interest refer to the percentages held by the Monoprix sub-group.
(2) The percentages of interest refer to the percentages held by the GPA sub-group.
(3) Although GPA only owns 10% of Novasoc, this company is consolidated in accordance with the full consolidation method since GPA holds 99.98% of Novasoc's voting rights pursuant to the shareholders' agreement.
(4) FIC and BINV finance the purchases of GPA's customers. These entities are the result of a partnership between Banco Itaú Unibanco S.A ("Itaú Unibanco"), GPA, and Via Varejo, and are consolidated under the equity method since GPA only has significant influence over the direction of the Company's operational and financial policies.
(5) The percentages of interest refer to the percentages held by the Via Varejo sub-group.
(6) The percentages of interest refer to the percentages held by the Éxito sub-group.

NOTE 17 | STANDARDS AND INTERPRETATIONS PUBLISHED, BUT NOT YET EFFECTIVE

Texts not adopted by the European Union at the end of the period

The IASB has published the following standards, amendments to standards, and interpretations, that have not yet been adopted by the European Union and that do not apply to the Group:

Standard (application date for the Group subject to adoption by the EU)	Description of the standard
IFRS 16 *Leases* (January 1, 2019)	This standard will be applied retrospectively. It sets out the principles for the recognition, measurement, presentation and disclosures relating to leases to be provided for lessors and lessees. It replaces the current standard IAS 17 as well as the interpretations of this standard.
IFRS 9 *Financial instruments* (January 1, 2018)	This standard will be applied retrospectively. It proposes a logical, single approach for the classification and measurement of financial assets that reflect the business model by which they are managed and their contractual cash flows. It is a single forward-looking impairment model, based on "expected losses" and includes a significantly improved approach to hedge accounting. Disclosures in the notes are also reinforced.
IFRS 15 including amendment *Revenue from contracts with customers* (January 1, 2018)	This standard will be applied retrospectively. It establishes the principles for accounting for sales revenue related to contracts signed with customers. This does not include contracts within the scope of specific standards: leases, insurance policies and financial instruments. The basic principle is to recognize revenue in order to describe the transfer of control of goods or services to a customer in an amount which reflects the payment that the entity expects to receive in consideration for these goods or services.
Amendments to IFRS 10 and IAS 28 *Sale or contribution of assets between an investor and its associate or joint venture* (January 1, 2016)	These amendments to the standards will be applied prospectively. The purpose of the amendments is to reduce the conflicts between the provisions of IFRS 10 and IAS 28 relating to the sale or contribution of assets between an investor and an associate or joint venture. The main consequence of these amendments is that gain or loss on a disposal is recognized in full when the transaction concerns a business as defined in IFRS 3 (whether or not it is a subsidiary).

An initial analysis of the main impacts of the application of IFRS 15, IFRS 9 and IFRS 16 in the Group's consolidated financial statements will be launched in 2016.

The amendments to IFRS 10 and IAS 28 should not have a material impact on the Group's consolidated financial statements.

Standards adopted by the European Union at end of period but which have not taken effect

The IASB has published standards, amendments to standards, and interpretations that have been adopted by the European Union but had not entered into force as at January 1, 2015, and that are applicable to the Group:

Standard (Date of application for the Group)	Description of the standard
Amendments to IAS 19 *Employee benefits* (January 1, 2016)	These amendments to the standard will be applied prospectively. These apply to the contributions of employees or third parties to defined benefit plans. The objective is to simplify the accounting of contributions that are not tied to the number of years of service of the employee.
Annual improvements to IFRS *Cycle 2010-2012* (January 1, 2016)	These amendments to the standards will be applied prospectively. The standards concerned are: ■ IFRS 2 – Share-based payment; ■ IFRS 3 – Business combinations; ■ IFRS 8 – Operating segments; ■ IFRS 13 – Fair value measurement; ■ IAS 16 – Property, Plant and Equipment and IAS 38 – Intangible Assets; ■ IAS 24 – Related Party Disclosures.
Amendments to IAS 16 and IAS 38 *Clarification of acceptable modes of Depreciation and Amortization* (January 1, 2016)	These amendments to the standard will be applied prospectively. The IASB has specified that the use of an amortization 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 related to this asset.
Amendments to IFRS 11 *Acquisition of interests in joint operations* (January 1, 2016)	These amendments to the standard will be applied prospectively. The amendment published specifies the accounting method for acquisitions of shares in a joint venture when the activity constitutes a "business" as defined in IFRS 3 – Business Combinations. For these acquisitions, an entity must apply the accounting principles on business combinations of IFRS 3 as well as the other IFRS that are not in contradiction with the provisions of IFRS 11.
Annual improvements to IFRS *Cycle 2012-2014* (January 1, 2016)	These amendments to the standards will be applied prospectively. The standards concerned are: ■ IFRS 5 – Non-current Assets held for sale and discontinued operations; ■ IFRS 7 – Financial Instruments: Disclosures; ■ IAS 19 – Employee Benefits; ■ IAS 34 – Interim Financial Reporting.
Amendments to IAS 1 *Disclosure Initiative* (January 1, 2016)	These amendments to the standard will be applied prospectively. The amendment published provides clarification on two points: ■ the application of the notion of materiality, making it clear that it applies to all parts of financial statements, including the notes, and that the inclusion of immaterial information could make it difficult to understand them; ■ the application of professional judgment, by marginally changing certain wordings that are considered as prescriptive and therefore leaving no room for judgment.

These amendments should not have a material impact on the Group's consolidated financial statements.

Report of the Statutory Auditors

on the Consolidated Financial Statements

This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in French and is provided solely for the convenience of English-speaking users.

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures.

This report also includes information relating to the specific verification of information given in the Group's management report.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Year ended December 31, 2015

Dear Shareholders,

In compliance with the task entrusted to us by your Shareholders' Meetings, we present our report relating to the fiscal year ended December 31, 2015 concerning:

- the audit of the consolidated financial statement of the company Rallye, as attached to this report;
- the justifications of our assessments;
- the specific verification required by law.

The consolidated financial statements have been prepared by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I. OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; these standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves using sampling techniques or other methods of selection to verify the evidence supporting the amounts and disclosures that appear in the consolidated financial statements. An audit also involves assessing the appropriateness of the accounting principles used, the reasonableness of the main assumptions made, and the overall presentation of the financial statements. We consider that the evidence we have obtained is sufficient and suitable for providing the basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and overall results of the Group comprising the persons and entities included in the consolidation under the IFRS framework as adopted in the European Union.

II. JUSTIFICATION OF ASSESSMENTS

In accordance with the requirements of Article L. 823-9 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the following matters:

Non-current assets

Your group makes estimates based on assumptions when conducting impairment tests of goodwill and other non-current assets in accordance with the procedures described in Note 10.5 to the consolidated financial statements. The recoverable value of non-current assets is determined, in particular, on the basis of earnings and cash flow projections derived from multi-year financial plans approved by management. We examined the consistency of the assumptions made and the quantitative expressions thereof, as well as the documentation available to us, and on that basis we assessed the reasonableness of the assumptions made. We also verified that the information given in Note 10.5 to the consolidated financial statements was appropriate.

Provisions

Your group makes provisions based on estimates to cover various risks and contingencies as described in Note 13 to the consolidated financial statements. Our audit consisted in assessing the data and assumptions on which these estimates were based and to review the calculations made. We also verified that the information given in Note 13 to the consolidated financial statements was appropriate.

The assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. SPECIFIC VERIFICATION

We also performed, in accordance with professional standards applicable in France, the specific verifications required by the French law of information relating to the Group given in the management report.

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

Paris-La Défense, on March 15, 2016

The Statutory Auditors

KPMG Audit	**Ernst & Young et Autres**
Department of KPMG S.A.	
Catherine Chassaing	Pierre Bourgeois

4. Company Financial Statements

Income statement

(in € millions)	Note	2015	2014
Net revenue		**1.3**	**1.3**
Other purchases and external expenses		**(15.6)**	(17.0)
Taxes		**(0.5)**	(0.5)
Payroll expenses		**(5.8)**	(5.1)
Net provisions (reversals) for depreciation, amortization and provisions		**(5.3)**	(7.5)
Other net operating expenses		**(0.3)**	(0.2)
Operating income (loss)	**1**	**(26.1)**	**(29.1)**
Financial income		**230.0**	270.0
Financial expenses		**(141.5)**	(285.1)
Net financial income (loss)	**2**	**88.5**	**(15.1)**
Pre-tax income from continuing operations		**62.4**	**(44.2)**
Non-recurring income		**1.2**	0.2
Non-recurring expenses		**(5.9)**	(2.7)
Non-recurring income (expenses) from transactions in equity capital			
Non-recurring income	**3**	**(4.8)**	**(2.4)**
Income tax	4	**(2.7)**	(2.7)
NET INCOME		**55.0**	**(49.3)**

Balance sheet

ASSETS

(in € millions)	Note	Gross	Depreciation and amortization	December 31, 2015	December 31, 2014
Intangible assets	5	18.1	0.2	**17.9**	17.9
Property, plant and equipment	5	0.6	0.4	**0.2**	0.2
Long term investments	6	3,256.2	630.6	**2,625.6**	2,550.9
Total fixed assets		**3,274.8**	**631.1**	**2,643.7**	**2,568.9**
Receivables	7	2,016.2		**2,016.1**	2,078.5
Investment in marketable securities	8	57.8		**57.8**	307.0
Cash and cash equivalents	8	0.1		**0.1**	
Total current assets		**2,074.1**	**0.0**	**2,074.0**	**2,385.5**
Prepaid expenses	9	0.5		**0.5**	0.6
Deferred bond issue costs	9	30.6		**30.6**	34.9
Bond redemption premiums	9	0.8		**0.8**	1.1
Translation adjustments					
TOTAL ASSETS		**5,380.8**	**631.2**	**4,749.6**	**4,991.0**

SHAREHOLDERS' EQUITY AND LIABILITIES

(in € millions)	Note	December 31, 2015	December 31, 2014
Share capital		**146.3**	146.2
Share issue premium		**1,440.3**	1,440.0
Reserves		**74.1**	76.4
Retained earnings			136.1
Net income for the year		**55.0**	(49.3)
Total shareholders' equity	**10**	**1,715.7**	**1,749.5**
Provisions	11	**28.4**	30.2
Borrowings and loans	12	**2,974.2**	3,177.4
Accounts payable	13	**6.1**	5.6
Other debt	13	**17.2**	22.0
Prepaid income	13	**8.1**	6.3
Total debt		**3,005.5**	**3,211.4**
Translation adjustments			
TOTAL EQUITIES AND LIABILITIES		**4,749.6**	**4,991.0**

Cash flow statement

(in € millions)	2015	2014
Cash flow from operating activities		
Net income	**55.0**	**(49.3)**
Elimination of expenses and income without impact on cash flow or not related to operating activities:		
■ Amortization, depreciations and provisions	**12.4**	52.5
■ Capital gains on disposals, net of tax		0.1
Cash flow	**67.3**	**3.3**
Change in working capital requirements related to operating activities:		
■ Net inventories		
■ Net operating receivables		
■ Accounts payable	**0.9**	(0.2)
Net cash flow from operating activities (A)	**68.2**	**3.1**
Cash flow from investing activities:		
Acquisition of property, plant and equipment and intangible assets		
Sale of property, plant and equipment and intangible assets		
Acquisition of financial assets	**(76.8)**	(91.1)
Sale of financial assets		0.1
Net cash flow from investing activities (B)	**(76.8)**	**(91.0)**
Cash flow from financing activities:		
Dividends paid to shareholders of the Company	**(89.2)**	(88.6)
Increase of capital in cash	**0.5**	1.7
Reimbursement of capital		
Change in treasury shares held	**4.8**	2.8
Increase in financial debt	**646.0**	978.0
Decrease in financial debt	**(855.2)**	(1,053.7)
Change in financial instruments	**(12.0)**	
Changes in accrued interest	**(32.4)**	(35.5)
Current account advances to subsidiaries of the Company	**101.6**	222.9
Net cash flow from financing activities (C)	**(236.1)**	**27.5**
CHANGE IN CASH (A+B+C)	**(244.7)**	**(60.4)**
Cash at start of period (D)	**302.3**	362.7
Cash at end of period (E)	**57.6**	302.3
CHANGE IN CASH (E-D)	**(244.7)**	**(60.4)**

Notes to the financial statements

I. ACCOUNTING RULES AND METHODS

The financial statements have been prepared in accordance with the accounting principles, standards and methods set out in the French National Chart of Accounts in compliance with Regulation No. 2014-03 of June 5, 2014 of the French Accounting Authority.

Non-mandatory information is presented only if it is of significant importance. Accounting entries are valued using the historical cost method.

1.1. | Intangible assets and property, plant and equipment

Intangible assets, property, plant and equipment are stated in the balance sheet at their acquisition or contribution value. Fixed assets are amortized on a straight-line basis over the following periods:

Type of assets	Amortization period
Software	1 year
Furniture, office equipment	2 to 10 years
Transportation equipment	4 years
Fittings and improvements	10 years

In compliance with CRC Regulation 2004-01, technical losses from merger transactions are recorded under intangible fixed assets.

1.2. | Long term investments

Share investment

Share investment are recognized in the balance sheet at their acquisition or contribution value and provisions are created for impairment where the value in use is less than the carrying value.

Rallye measures the value in use of its investments in associates on the basis of several criteria, including net asset value, revalued net asset value, present value of financial flows net of debt or independent valuations. An impairment of any current account or a provision for contingencies may be created when the shareholders' equity of the subsidiary is negative.

Other long term investments

Loans and receivables and other long term investments are recorded in the balance sheet at their acquisition cost under "Other long term investments". Impairment losses are recorded when their expected net realizable value is lower than their carrying value.

With regard to Rallye shares acquired in connection with buyback arrangements, the expected net realizable value is the average share price over the last twenty days of the financial year.

1.3. | Receivables

Receivables are recorded under assets at their nominal value. An allowance for impairment is recorded when their fair value, based on recoverability, is lower than their carrying value.

1.4. | Marketable securities

Marketable securities are recognized at their acquisition value. Impairment is recorded when their acquisition value is lower than:

- the average share price over the last twenty days of the fiscal year for treasury shares;
- and the year-end net asset value for other marketable securities.

Impairments are not recorded for treasury shares allocated to bonus share and stock option plans, because of the commitment to allocate them to employees and the contingency provision recognized in the liabilities.

1.5. | Deferred borrowing arrangement costs

The costs of arranging borrowings are spread out over the life of the borrowing, in a manner appropriate to their repayment method.

1.6. | Translation adjustments

Receivables and debts denominated in foreign currencies are converted at the closing exchange rate. Any differences that may arise between the amounts originally recorded and the amounts as converted at the closing exchange rate are booked under unrealized foreign exchange gains or losses. Where the Company can justify an overall foreign exchange position of similar terms, unrealized gains and losses may be offset and only the net loss will be subject to a provision.

1.7. | Provisions

In accordance with CRC Regulation no. 2000-06 on liabilities, a provision will be recognized in respect of the risks and charges relating to an obligation of the Company towards a third party which is probable or certain to result in an outflow of resources without any consideration in return.

For pension commitments, the projected debt equal to all the rights acquired by the persons concerned is recognized as a provision for expenses in accordance with Recommendation 2003 R-01 of the *Conseil National de la Comptabilité* (the national accountancy board or CNC). This evaluation of this provision was made using the projected unit credit method and taking account of the social security charges.

Conditional redemption premiums on bonds may be provisioned when it becomes likely that a premium will be paid. The provision is spread out over the life of the bonds. The Company has assessed the need to provision redemption premiums, taking into account particularly the maturity date of the bonds and the difference between the current market price of the underlying shares and the redemption value of the bonds.

The Company has granted stock option plans and bonus share plans to Group employees. Since these plans concern new shares no provision has been recognized.

Other provisions are made for specifically identified risks and expenses and the amount of these provisions is set forth in Note 11 to the financial statements.

1.8. | Debt

Trade payables and other payables are recorded in the liabilities at their nominal value.

1.9. | Financial instruments

Rallye uses derivative financial instruments to hedge its exposure to interest rate risk. The income and expenses resulting from financial instruments are included on an accrual basis in the income statement for the period. When hedge accounting is not applied, a provision is booked for net unrealized capital losses resulting from the estimated market value of the financial instruments.

The financial instruments that qualify as hedging instruments are included in off-balance sheet commitments at their nominal value.

1.10. | Income from current operations

Income from current operations represents the income and expenses relating to the Company's ordinary business activities, and items that are part of the continuation of such activities.

1.11. | Net non-recurring income (loss)

Net non-recurring income (loss) includes the income and expenses that are exceptional in character or that are significant in terms of their amounts.

1.12. | Taxes on income

Rallye, together with its subsidiaries that meet the criteria, has opted for tax consolidation.

Following the success of the simplified tender offer launched by Rallye in September 2014, Rallye now holds directly or indirectly more than 95% of the capital of Groupe Go Sport and its subsidiaries. In this connection, Rallye and the companies of the former group consolidated by Groupe Go Sport have agreed to extend the scope of Rallye's tax consolidation.

Since January 1, 2015, the tax consolidation group already formed by Rally since January 1, 1994 has been extended by adding Groupe Go Sport and its subsidiaries in which it holds more than 95% of the shares. As at December 31, 2015, the scope included 17 companies.

A new tax consolidation agreement was signed between Rallye and the companies belonging to the group, and took effect as from January 1, 2015. This agreement sets out the terms and conditions for the breakdown of tax among the companies within the tax group:

- Groupe Go Sport and its subsidiaries will recognize the tax expense that they would have paid if they had been taxed separately. Any tax savings generated by Groupe Go Sport and its subsidiaries will continue to be allocated to Groupe Go Sport;
- the other companies that are members of the tax group will not recognize a tax expense, since this is directly and definitively paid by Rallye.

Should a subsidiary leave the tax consolidation scope, Rallye shall be solely liable for the payment of tax and any other charges that may be due. Rallye may compensate the subsidiary leaving the scope for additional taxes that might be due as a result of having belonged to the Group.

II. HIGHLIGHTS OF THE FISCAL YEAR

Strengthening the capital of Casino, Guichard-Perrachon

Rallye acquired 1,125,000 Casino shares amounting to €76.7 million between July 30, 2015 and August 10, 2015, raising its direct holding in Casino's capital from 23.61% to 24.60%. Moreover, Rallye entered into an equity swap agreement on July 31, 2015 with an investment services firm concerning 840,495 Casino shares (0.74% of its capital), terminating on July 31, 2018. Rallye has the right to require physical delivery of the Casino shares underlying the equity swap agreement at the average price, weighted by volume, of their acquisition by the investment services firm.

III. COMMENTS ON SOME ITEMS OF THE FINANCIAL STATEMENTS

NOTE 1 | OPERATING INCOME (LOSS)

1.1. | Breakdown

(in € millions)	2015	2014
Net revenue	1.3	1.3
Operating income	**1.3**	**1.3**
Other purchases and external expenses	15.6	17.0
Taxes	0.5	0.5
Payroll expenses	5.8	5.1
Net provisions (reversals) for depreciation, amortization and provisions	5.3	7.5
Other operating expenses	0.3	0.2
Operating expenses	**27.4**	**30.4**
Operating income (loss)	**(26.1)**	**(29.1)**

1.2. | Operating income

Revenue is generated in France and mainly comprises services to subsidiaries.

(in € millions)	2015	2014
Services	0.6	0.4
Financial services	0.7	0.9
Net revenue	**1.3**	**1.3**

1.3. | Operating expenses

Other purchases and external expenses mainly include bank commissions and fees. Other operating expenses mainly concern directors' fees paid to the Company's directors.

Transfers of expenses were allocated by type of expense according to the details below:

(in € millions)	2015	2014
Other purchases and external expenses[1]	7.4	5.1
Payroll expenses		0.7
Transfers of operating expenses	**7.4**	**5.8**

(1) These transfers of expenses concern bond issuance costs.

1.4. | Workforce and compensation paid to members of administrative and management bodies

	December 31, 2015	December 31, 2014
Managerial staff	21	21
White-collar workers	2	2
Total average workforce	**23**	**23**
Compensation awarded to senior executives *(in € millions)*	1.0	0.9

NOTE 2 | NET FINANCIAL INCOME

2.1. | Breakdown

(in € millions)	2015	2014
Dividends	**83.4**	83.4
Reversals of provisions and transfers of expenses	**12.4**	48.2
Interest and similar income	**133.8**	133.9
Foreign exchange gains	**0.2**	4.0
Net income/sale of marketable securities	**0.2**	0.5
Financial income	**230.0**	**270.0**
Interest and similar expenses	**122.0**	197.0
Allocations to financial provisions	**19.5**	75.2
Foreign exchange losses		12.8
Net expenses/sale of marketable securities		
Financial expenses	**141.5**	**285.1**
Net financial income (loss)	**88.5**	**(15.1)**

During 2014 and 2015, Rallye received €83.4 million in dividends from Casino, Guichard-Perrachon.

Depreciation, amortization and provisions for the year included:

- controlling interests for €3.2 million (of which €1.9 million in the shares of Parande, €1 million in the shares of Miramont Finance & Distribution and €0.3 million in the shares of Magasins Jean);
- the Rallye shares held under the liquidity contract at the end of the year for €0.8 million;
- the redemption premium of the exchangeable bond for €11.3 million;
- the amortization of the redemption premiums on bonds for €2.7 million.
- and financial instruments for €1.5 million.

Reversals of provisions for the year concern:

- the Rallye shares held under the liquidity contract at the end of the previous year for €2 million;
- and interest rate financial instruments for €10.4 million.

Changes in provisions and impairments in 2014 were primarily made up of:

- provisions for the impairment of the shares of Groupe GO Sport for €46.8 million, Miramont Finance & Distribution for €20.9 million and Parande for €2.7 million;
- a reversal of provisions on the shares of SCI Sivigral, which was wound up in 2014, for €1.4 million;
- the amortization of redemption premiums on bonds for €3 million;
- a reversal of provisions on financial instruments for €18.3 million;
- and a reversal of the provision for foreign exchange losses of €11.9 million.

2.2. | Breakdown of interest and similar income

(in € millions)	2015	2014
Interest on current accounts[1]	**117.0**	127.8
Financial income on interest rate hedging instruments	**13.5**	4.6
Miscellaneous financial income	**3.3**	1.5
Interest and similar income	**133.8**	**133.9**

(1) Interest on current accounts primarily concerns the remuneration of advances received under the centralized cash management system.

2.3. | Breakdown of interest and similar expenses

(in € millions)	2015	2014
Interest on financial debt	**104.9**	146.6
Interest on current accounts	**1.8**	1.1
Financial expenses on interest rate hedges	**14.8**	23.6
Redemption/bond premiums		24.0
Miscellaneous financial expenses	**0.5**	1.7
Interest and similar expenses	**122.0**	**197.0**

The €75 million decrease in interest and similar expenses in 2015 is due to refinancing transactions carried out in 2014 and 2015, and to the bond buyback transaction carried out in 2014.

NOTE 3 | NON-RECURRING INCOME

(in € millions)	2015	2014
Income (loss) on asset disposals	**(4.8)**	(2.4)
Provision reversals (expense)		0.1
Other non-recurring income (expenses)		(0.1)
Non-recurring income	**(4.8)**	**(2.4)**

The profits (losses) from the disposal of assets relate only to the sale of treasury shares (see Note 8.2).

The bonus share allocation plan that reached maturity in May 2015 generated an expense of €4.8 million for the year, which was covered by a reversal of the provision of €4.1 million recorded in operating income.

NOTE 4 | CORPORATION INCOME TAX

Rallye is the parent company of the tax consolidation group, in the absence of which the Company would not have been subject to tax.

For fiscal year 2015, the tax charge recorded in the accounts for €2.7 million represents the contribution of 3% on the dividends.

4.1. | Breakdown of taxes between current income and non-recurring income

Tax on income from current and non-recurring operations taking into account their specific tax restatements, breaks down as follows:

(in € millions)	Profit before tax	Corresponding tax	Profit after tax
Income from current operations	62.4	(2.7)	59.7
Non-recurring income	(4.8)		(4.8)

4.2. | Deferred taxes position

Tax loss carry-forwards totaling €2,353.5 million as at December 31, 2015, are recorded within the tax consolidation group and may be carried forward indefinitely.

Long-term capital loss carry-forwards amounting to €0.1 million were recorded within the tax consolidation group and may be offset against the same type of long-term gains, taxable at the rate of 15% until December 31, 2022.

NOTE 5 | INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

5.1. | Breakdown

(in € millions)	December 31, 2015	December 31, 2014
Gross intangible assets[1]	18.1	18.1
Amortization	(0.2)	(0.2)
Net value of intangible assets	**17.9**	**17.9**
Land	0.1	0.1
Buildings	0.3	0.3
Other property, plant and equipment	0.2	0.2
Gross property, plant and equipment	**0.6**	**0.6**
Amortization	(0.4)	(0.4)
Net value of property, plant and equipment	**0.2**	**0.2**
Net intangible assets and property, plant and equipment	**18.1**	**18.1**

(1) Of which €17.9 million of technical losses from merger transactions, with the entire loss imputed against investment securities.

5.2. | Changes

(in € millions)	Gross	Amortization	Net
As at January 1, 2014	**19.4**	**(1.2)**	**18.2**
Increases			
Decreases	(0.8)	0.7	(0.1)
As at December 31, 2014	**18.6**	**(0.6)**	**18.1**
Increases			
Decreases			
As at December 31, 2015	**18.6**	**(0.6)**	**18.1**

NOTE 6 | LONG TERM INVESTMENTS

6.1. | Breakdown

(in € millions)	December 31, 2015	December 31, 2014
Controlling interests	3,241.5	3,164.8
Impairment	(629.8)	(626.5)
Net values of controlling interests	**2,611.7**	**2,538.3**
Other long term investments	14.7	14.5
Impairment	(0.8)	(2.0)
Net value of other long term investments	**13.9**	**12.6**
Net long term investments	**2,625.6**	**2,550.9**

6.2. | Changes

(in € millions)	Gross	Provisions	Net
As at January 1, 2014	**3,090.5**	**(557.7)**	**2,532.8**
Increases	117.9	(72.3)	45.6
Decreases	(29.0)	1.5	(27.5)
As at December 31, 2014	**3,179.4**	**(628.5)**	**2,550.9**
Increases	118.9	(4.0)	114.9
Decreases	(42.0)	2.0	(40.1)
As at December 31, 2015	**3,256.2**	**(630.6)**	**2,625.6**

In 2015, increases and decreases in long term investments are explained by:

- the acquisition of Casino, Guichard-Perrachon shares for €76.7 million;
- the acquisition (for €42.2 million) and disposal (for €42 million) of Rallye shares under the liquidity agreement.

In 2014, increases and decreases in long term investments were explained by:

- participation in the increase in capital of Cobivia, for €70 million;
- the acquisition of Groupe GO Sport shares as part of the simplified tender offer, for €7.1 million;
- the cancellation of SCI Sivigral shares following the winding up of the Company, for -€2.1 million;
- the purchase and sale of Rallye shares under the liquidity agreement for a net amount of €13.9 million.

NOTE 7 | RECEIVABLES

The amounts and ageing of the net receivables appearing in the balance sheet assets are broken down as follows:

(in € millions)	December 31, 2015	December 31, 2014
Receivables booked to fixed assets	**0.1**	**0.1**
Trade receivables and related accounts	**112.3**	120.2
Current accounts	**1,854.0**	1,947.6
Other operating receivables	**49.9**	10.7
Current receivables	**2,016.1**	**2,078.5**
of which: up to 1 year	**2,003.5**	2,078.4
over 1 year	**12.6**	0.1

The advances on current account transferred by Rallye to its subsidiaries were made as part of the Group's centralized cash management system. They are due within one year.

NOTE 8 | NET CASH

8.1. | Marketable securities

(in € millions)	December 31, 2015	December 31, 2014
Treasury shares		4.8
Investment in marketable securities	**57.8**	302.3
Gross value	**57.8**	**307.0**
Impairment		
Net value	**57.8**	**307.0**

"Marketable securities" comprise money market funds, the market value of which at December 31, 2015 is substantially the same as their carrying value.

8.2. | Treasury shares

	December 31, 2015			December 31, 2014
	Marketable securities	Long term investments	Total	Total
Number of shares held:				
As at January 1	**136,381**	**418,250**	**554,631**	**380,170**
Cancellations				(106,883)
Purchases		2,149,621	2,149,621	1,190,350
Sales	(136,381)	(1,659,014)	(1,795,395)	(909,006)
As at December 31		**908,857**	**908,857**	**554,631**
Gross value of shares held (in € millions):				
As at January 1	**4.8**	**13.9**	**18.7**	**9.0**
Cancellations				(1.4)
Purchases		42.2	42.2	40.8
Sales	(4.8)	(42.0)	(46.8)	(29.6)
As at December 31		**14.1**	**14.1**	**18.7**

Under the liquidity agreement signed between Rallye and Rothschild & Cie Banque in June 2005, the Company bought 2,149,621 and sold 1,659,014 Rallye shares.

In 2015, the 136,381 Rallye treasury shares were allocated to Group employees under a matured bonus share allocation plan.

8.3. | Net cash position

(in € millions)	December 31, 2015	December 31, 2014
Investment in marketable securities	57.8	302.3
Impairment		
Net value	**57.8**	**302.3**
Cash	0.1	
Bank overdrafts	(0.3)	
Net cash	**57.6**	**302.3**

NOTE 9 | SUSPENSE ACCOUNTS AND SIMILAR

(in € millions)	December 31, 2015	December 31, 2014
Prepaid expenses	0.5	0.6
Deferred debt issuance costs	30.6	34.9
Bond redemption premiums	0.8	1.1
Suspense accounts and similar	**31.9**	**36.6**

Debt issuance costs and bond redemption premiums are amortized over the term of the debt and lines of credit, or in a manner appropriate to their repayment method.

NOTE 10 | SHAREHOLDERS' EQUITY

10.1. | Breakdown

As at December 31, 2015, the share capital totaled €146,335,578, made up of 48,778,526 shares with a par value of €3.

(in € millions)	December 31, 2015	December 31, 2014
Share capital	**146.3**	146.2
Share issuance, merger and contribution premiums	**1,440.3**	1,440.0
Statutory reserve	**14.6**	14.6
Regulated reserves	**1.4**	1.4
Other reserves	**58.0**	60.4
Retained earnings		136.1
Net income for the year	**55.0**	(49.3)
Shareholders' equity	**1,715.7**	**1,749.5**

10.2. | Changes

(in € millions)	2015	2014
As at January 1	**1,749.5**	**1,887.1**
Increase/reduction in capital	**0.2**	(0.1)
Share premium	**0.3**	0.3
Other transfers		0.6
Dividend paid	**(89.2)**	(89.2)
Net income for the year	**55.0**	(49.3)
As at December 31	**1,715.7**	**1,749.5**

Changes in the share capital and the issuance premium for the year were the result of the creation of shares for the bonus shares allocation plan that expired in 2015, and of the stock options that were exercised.

10.3. | Changes to the capital, by the number of shares

	2015	2014
Number of shares as of January 1	**48,721,948**	**48,740,974**
Creation of shares	**39,502**	
Cancellation of shares		(106,883)
Exercise of stock options	**17,076**	87,857
Number of shares as of December 31	**48,778,526**	**48,721,948**

The increase in the number of shares that make up the share capital is explained by:

- the creation of 17,076 shares following the exercise of stock options;
- and by the creation of 39,502 shares allotted to group employees under the bonus share plan that expired in May 2015.

10.4. | Dilution factors

	December 31, 2015	December 31, 2014
Number of shares	**48,778,526**	**48,721,948**
Stock options to be issued	**70,719**	87,795
Bonus shares to be issued	**260,109**	166,952
Total potential number of shares	**49,109,354**	**48,976,695**

10.5. | Securities giving rights to capital

Stock option plans as at December 31, 2015

Type of plan	Stock option
Grant date	09/06/2010
Maturity date	03/05/2016
Number of options initially awarded	124,485
Number of shares that may be issued	70,719
Number of options exercised	40,030
Number of stock options canceled	13,736
Exercise price, in euros	26.44
Valuation of stock options at time of grant, in euros	5.99

This stock option plan was awarded without any performance conditions but was contingent on the beneficiaries' continuing presence in the Group.

Bonus share allotment plans as at December 31, 2015

Grant date	12/17/2013	07/29/2014	12/15/2015
End of the vesting period of the shares	12/17/2016	07/29/2017	12/15/2018
End of the lock-up period of the shares	12/17/2018	07/29/2019	12/15/2020
Number of shares initially awarded	69,963	57,487	133,701
Number of shares that may be issued or purchased	69,963	56,445	133,701
Number of shares canceled		1,042	
Valuation of shares at time of grant, in euros	20.88	28.47	7.85
Condition of continued employment	Yes	Yes	Yes
Performance conditions	Yes	Yes	Yes

The bonus share plans that reached maturity in May 2015 generated an expense of €4.8 million for the year. This expense was covered by a €4.1 million provision.

NOTE 11 | PROVISIONS

11.1. | Breakdown

(in € millions)	December 31, 2015	December 31, 2014
Provision on financial instruments	**13.8**	22.7
Provision for redemption premiums	**11.3**	
Provision for other risks	**3.3**	7.4
Provisions	**28.4**	**30.2**

The contingency provision for other risks concerns tax disputes (€2.9 million) and pension commitments (€0.4 million). In 2014, it also comprised the €4.1 million provision on the bonus share plan that matured in May 2015.

11.2. | Changes

(in € millions)	2015	2014
As at January 1	**30.2**	60.3
Provisions	**12.8**	1.6
Reversals	**(14.6)**	(31.7)
As at December 31	**28.4**	**30.2**
Of which, operational	*(4.1)*	*0.1*
Of which, financial	*2.3*	*(30.2)*
Of which, non-recurring		*(0.1)*

Provisions for the year primarily concern:

- the fair value of financial instruments for €1.5 million;
- and the redemption premium of the exchangeable bond for €11.3 million.

Reversals for the year concerned:

- the bonus share plan that matured in May 2015, for €4.1 million;
- changes in fair value of financial instruments for €10.4 million.

The movements in provisions in 2014 mainly comprised a reversal of provisions for financial instruments for €18.3 million, and a reversal of the €11.9 provision for a foreign exchange loss.

NOTE 12 | FINANCIAL LIABILITIES

12.1. | Breakdown of financial liabilities

(in € millions)	December 31, 2015	December 31, 2014
Bonds exchangeable for Casino shares	**375.9**	375.9
Other bond debt issues	**1,526.0**	1,933.0
Bank borrowings	**778.5**	478.1
Commercial paper	**268.4**	390.4
Bank overdrafts	**25.3**	
Borrowings and financial debts[1]	**2,974.2**	**3,177.4**

(1) Of which €46 million of expenses payable on December 31, 2015 and €74.3 million on December 31, 2014.

12.2. | Maturity of financial liabilities

(in € millions)	December 31, 2015	December 31, 2014
Within 1 year	**910.4**	843.0
1-5 years	**1,453.7**	1,349.4
More than 5 years	**610.0**	985.0
Total	**2,974.2**	**3,177.4**

The borrowings and debts due to credit institutions within one year were:

- €389.4 million bond maturing on November 4, 2016;
- €206.2 million of financing maturing in 2016;
- €268.4 million in commercial paper;
- €0.4 million of bank overdrafts;
- €46 million of accrued interest as at December 31, 2015.

12.3. | Breakdown of financial liabilities

(in € millions)	Par value at issue	Fixed interest rate	Issuance date	Maturity date	December 31, 2015	December 31, 2014
2015 bond	500	8.375%	October 2009	January 2015		378.4
2016 bond	500	7.625%	November 2009	November 2016	**389.4**	389.4
2018 bond	300	5.000%	October 2012	October 2018	**300.0**	300.0
2019 bond	300	4.250%	March 2013	March 2019	**300.0**	300.0
2020 exchangeable bond(1)	375	1.000%	October 2013	October 2020	**375.0**	375.0
2021 bond	500	4.000%	April 2014	April 2021	**500.0**	500.0
Accrued interest					**37.5**	66.1
Total bonds					**1,901.9**	**2,308.9**
Other bank borrowings					**570.0**	470.0
Credit facilities utilized					**200.0**	
Commercial paper					**268.4**	390.4
Bank overdrafts					**25.3**	
Accrued interest					**8.5**	8.1
Total other borrowings and financial debt					**1,072.2**	**868.5**
Total financial liabilities					**2,974.2**	**3,177.4**

(1) The exchange option may be exercised at any time until the 30th business day preceding the maturity of the bonds, subject to the usual suspension periods.

12.4. | Liquidity risk of financial liabilities

Rallye has substantial confirmed lines of credit. As at December 31, 2015, these unutilized, confirmed lines of credit amounted to €1,457 million.

(in € millions)		Authorized	Utilized	Maturity
Syndicated lines	Floating rate	725	190	2020
Confirmed banking lines	Floating rate	50		2017
Confirmed banking lines	Floating rate	357	10	2019
Confirmed banking lines	Floating rate	225		2020
Confirmed banking lines	Floating rate	300		2023
Total		**1,657**	**200**	

The loans and lines of credit may give rise to a pledge of Casino shares. As at December 31, 2015, 14,334,490 Casino shares were pledged to financial institutions to guarantee loans and lines of credit (5,430,776 Casino shares were pledged as at December 31, 2014).

Some of these bank borrowings are subject to compliance with the following financial ratios:

Type of covenants	Ratios to be complied with	Ratios as at December 31, 2015
Consolidated EBITDA(1)/Consolidated cost of net financial debt	> 2.75	3.44
Rallye SA shareholders' equity	> €1.2 billion	€1.7 billion

(1) EBITDA represents current operating income, plus current operating depreciation and amortization.

As at December 31, 2015, these ratios were complied with.

12.5. | Interest rate risk

Of the total financial debt of €2,927.8 million outstanding at December 31, 2015, €1,624.4 million was at a fixed rate and €1,303.4 million was at a floating rate.

Interest rate hedging transactions were put in place to limit Rallye's exposure to changes in interest rate. As at December 31, 2015, the hedging transactions in the form of floating against fixed interest swaps relating to the sale of a floor, concerned a notional amount of €400 million and €200 million.

As at December 31, 2015, the market value of interest rate financial instruments non-qualified as a hedge was -€13.1 million and is the subject of a provision (see Note 11).

NOTE 13 | OPERATING DEBT AND OTHER LIABILITIES

(in € millions)	December 31, 2015	December 31, 2014
Operating debt[1]	**6.1**	**5.6**
Current accounts	**13.7**	13.5
Other debt	**3.5**	8.6
Other debt[2]	**17.2**	**22.0**
Prepaid income	**8.1**	**6.3**
of which: up to 1 year	*25.1*	*29.3*
over 1 year	*6.2*	*4.6*

(1) Of which €4.4 million of expenses payable as at December 31, 2015 and €4.1 million as at December 31, 2014.
(2) Of which €2.5 million of expenses payable as at December 31, 2015 and €8.4 million as at December 31, 2014.

The advances received from Rallye subsidiaries are paid to the current account under the Group's centralized cash management system.

NOTE 14 | OFF-BALANCE SHEET INFORMATION

Commitments relating to current operations break down as follows:

(in € millions)	2015	2014
Interest rate hedging instruments (nominal amount)	**600.0**	400.0
Total reciprocal commitments	**600.0**	**400.0**
Securities given and bank guarantees granted	**258.0**	120.0
Debt redemption premiums	**23.8**	35.1
Other commitments given	**13.8**	11.8
Total commitments given	**295.6**	**166.9**
Unutilized confirmed lines of credit	**1,457.0**	1,815.0
Other commitments received	**3.6**	3.6
Total commitments received	**1,460.6**	**1,818.6**

Rallye is also required to guarantee its investment subsidiaries under forward transactions for the purchase and sale of foreign currencies entered into with leading financial institutions.

NOTE 15 | EQUITY RISK

As at December 31, 2015, the Company held 908,857 Rallye shares under the liquidity contract for a cost price of €14.1 million. Based on the average share price for the last twenty days of the fiscal year, these shares have been written down by €0.8 million. As at December 31, 2015, a 10% fall in the price of Rallye shares would have led to an additional write-down of €2 million.

Rallye has a 24.6% direct stake in the capital of Casino, Guichard-Perrachon, listed on Euronext Paris, in compartment A. In accordance with Note 1.2 of the "Accounting rules and methods", these shares are the subject of a valuation that did not result in a provision for impairment as at December 31, 2015.

During the second half-year, Rally entered into an equity swap contract with an investment services firm concerning 840,495 Casino shares (0.74% of the capital), maturing on July 31, 2018 at an average value of €58.25 per share and a total amount of €49 million. This contract provides for an option for physical settlement solely at Rallye's initiative and exercisable at any time. The Company has not recorded a provision for this instrument as regards to the share valuation criteria described in Note 1.2 of the "Accounting rules and methods" and its intention to keep these shares over the long term.

In October 2013, Rallye issued a €375 million bond exchangeable into Casino shares, together with a redemption premium which results in the creation of a €11.3 million provision, given the change in the Casino share price at December 31, 2015.

Rallye also has a profits exposure relating to 1,843,405 Mercialys shares (2% of capital), thereby exposing it to risk from a change in the share price of the underlying share. As at December 31, 2015, this exposure reveals a net unrealized gain of €3.5 million.

NOTE 16 | AFFILIATED COMPANIES AND RELATED PARTIES

Affiliated companies are fully-consolidated Rallye Group companies.

The items in the balance sheet and income statement that concern affiliated companies are as follows:

(in € millions)	2015
Assets	
Net long term investments	**2,611.7**
Net receivables	**1,966.2**
Shareholders' equity and liabilities	
Debt	**14.5**
Profit/(Loss)	
Investment income	**84.1**
Other financial income	**113.3**
Financial expenses	**1.8**

Related parties comprise entities likely to be fully consolidated, parent companies, members of the Board of Directors and members of the Management Committee, and all jointly-controlled entities or entities over which Rallye has significant influence.

As part of the day-to-day management of the Group, Rallye is involved in normal business relationships with its related parties.

NOTE 17 | CONSOLIDATION

Rallye prepares consolidated financial statements. The Company's accounts are in turn integrated in the consolidated financial statements of parent company Foncière Euris, with registered office at 83, rue du Faubourg Saint-Honoré – 75008 Paris – France (Siren no. 702 023 508).

NOTE 18 | SUBSEQUENT EVENTS

No significant event occurred between the reporting date and the date when the financial statements were closed by the Board of Directors on March 8, 2016.

Table of subsidiaries and equity interests

(in € millions)	Capital	Shareholders' equity excluding capital	Share of capital held *(as a %)*	Carrying value of the shares held		Loans and advances granted by the Company and not yet repaid	Sureties and guarantees granted by the Company	Revenue net of tax for the fiscal year ended	Net income for the fiscal year ended	Dividends received by the Company during the fiscal year
				Gross	Net					
A – Subsidiaries[1] (at least 50% of the capital held by the Company)										
Cobivia	31.8	(0.2)	100%	124.1	124.1	508.9	75.0		(6.4)	
Genty Immobilier et Participations	0.3	(36.3)	100%	0.7	0.7	627.7			(14.7)	
Groupe GO Sport	45.0	68.2	69.78%	181.7	71.4		120.0	74.6	(27.3)	
L'Habitation Moderne de Boulogne	99.7	(45.6)	100%	187.6	187.6	371.5	63.0		(22.4)	
Magasins Jean	0.3	0.8	100%	2.2	1.1			5.9	(0.3)	
Matignon Sablons	10.8	3.4	100%	11.0	11.0				0.8	
Miramont Finance et Distribution	35.7	(13.4)	100%	307.5	22.3	7.8			(1.0)	
Parande	22.0	(25.2)	100%	283.8	61.0	137.8			(15.8)	
B – Equity interests[1] (at least 10 to 50% of the capital held by the Company)										
Casino, Guichard-Perrachon	173.2	7,871.3	24.60%	2,131.9	2,131.9			139.4	444.0	83.4
C – Other subsidiaries and equity interests										
Subsidiaries other than in A				0.6	0.6	0.3				0.8
Equity interests other than in B										

(1) The inventory value of which is more than 1% of Rallye's share capital.

Report of the Statutory Auditors

on the financial statements

This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in French and is provided solely for the convenience of English-speaking users.

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures.

This report also includes information relating to the specific verification of information given in the Group's management report.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Year ended December 31, 2015

Dear Shareholders,

In accordance with the task entrusted to us by your Shareholders' Meetings, we present to you our report relating to the fiscal year ended December 31, 2015 concerning:

- the audit of the annual financial statements of Rallye, as attached to this report;
- the justification of our assessments;
- the specific verifications and information required by law.

The annual financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I. OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; these standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual financial statements are free of material misstatement. An audit involves using sampling techniques or other methods of selection to verify the evidence supporting the amounts and disclosures that appear in the annual financial statements. It also involves assessing the appropriateness of the accounting principles used, the reasonableness of the main assumptions made, and the overall presentation of the financial statements. We consider that the evidence we have obtained is a sufficient and suitable basis for our opinion.

In our opinion, the annual financial statements, in accordance with French accounting principles and rules, give a true and fair view of the revenue from operations for the year under review, and of the financial position and assets of the Company at the end of this fiscal year.

II. JUSTIFICATION OF ASSESSMENTS

In accordance with the requirements of Article L. 823-9 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the following matters:

- The rules of accounting for provisions for bond redemption premiums are described in the Note "Accounting rules and methods" of the notes to the financial statements under the heading 1.7 "Provisions". As part of our assessment of the accounting rules and principles followed by your Company, we have assessed the appropriateness of the foregoing accounting principles and the information provided in Notes 2 and 11 of the financial statements and we have ensured that they have been correctly applied.
- The rules for valuing the long term investments and the marketable securities investments are described in the Note "Accounting rules and methods" of the notes to the financial statements under items 1.2 "Long term investments" and 1.4 "Marketable securities investments". Our audit consisted in assessing the data and assumptions on which these estimates were based, in reviewing the calculations made by your Company and in verifying the information provided in Notes 6 and 8 to the financial statements.

The assessments were made as part of our audit of the annual financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. SPECIFIC VERIFICATIONS AND INFORMATION

We also performed, in accordance with professional standards applicable in France, the specific verifications required by law.

We have no matters to report as to the fair presentation and the consistency with the annual financial statements of the information given in the management report of the Board of Directors and in the documents sent to shareholders on the financial position and the financial statements.

Concerning the information provided in accordance with the provisions of Article L. 225-102-1 of the French Commercial Code on the compensation and benefits paid to corporate officers as well as on the commitments accorded to them, we have verified their consistency with the financial statements or with the data used in preparing these financial statements and, where applicable, with the information compiled by your Company from companies controlling, or controlled by, your Company. Based on this work, we certify that this information is accurate and fair.

In accordance with the law, we have verified that the information relating to the identity of the shareholders and holders of equity capital or voting rights have been disclosed in the management report.

Paris-La Défense, March 15, 2016

The Statutory Auditors

KPMG Audit	**Ernst & Young et Autres**
Department of KPMG S.A.	
Catherine Chassaing	Pierre Bourgeois

Financial performance of the Company over the last five years

(in €)	12/31/2011	12/31/2012	12/31/2013	12/31/2014	12/31/2015[1]
1 – FINANCIAL POSITION AT END OF FISCAL YEAR					
Share capital	139,398,480	146,074,734	146,222,922	146,165,844	**146,335,578**
Number of existing common stock	46,466,160	48,691,578	48,740,974	48,721,948	**48,778,526**
Maximum number of shares to be created:					
• by the exercise of stock options	678,453	598,535	187,652	87,795	
• by the award of bonus shares					**260,109**
2 – OPERATIONS AND PROFIT/(LOSS) FOR THE FINANCIAL YEAR					
Net revenue	2,205,828	1,906,658	3,027,899	1,276,070	**1,323,730**
Earnings before tax, employee profit-sharing and depreciation, amortization and provisions	169,068,495	211,598,803	57,592,022	4,435,851	**70,011,354**
Income tax			(1,493,293)	(2,658,164)	**(2,676,569)**
Profit/(loss) after tax, employee profit-sharing and depreciation, amortization and provisions	80,256,091	169,931,443	47,681,147	(49,260,763)	**54,975,090**
Distributed earnings	85,033,073	89,105,588	89,195,982	89,161,165	**89,264,703**
3 – EARNINGS PER SHARE					
Profit/(loss) after tax, employee profit-sharing, but before depreciation, amortization and provisions	3.64	4.35	1.15	0.09	**1.44**
Profit/(loss) after tax, employee profit-sharing and depreciation, amortization and provisions	1.73	3.49	0.98	(1.01)	**1.13**
Dividend per share	1.83	1.83	1.83	1.83	**1.83**
4 – WORKFORCE					
Average number of personnel employed during the year	31	30	28	23	**23**
Payroll expenses for the year	5,846,730	4,994,164	4,572,809	3,368,733	**4,024,248**
Amount of sums paid as benefits for the year	3,314,856	3,233,507	3,393,957	2,444,129	**1,799,231**

(1) Subject to approval by the Shareholders' Meeting.

5. Shareholders' Meeting

Statutory Auditors' special report on regulated agreements and commitments

This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in French and is provided solely for the convenience of English-speaking users.

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures.

This report also includes information relating to the specific verification of information given in the Group's management report.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Combined Ordinary and Extraordinary Shareholders' Meeting to approve the financial statements for the year ended December 31, 2015

Dear Shareholders,

In our capacity as the Statutory Auditors of your Company, we hereby present to you our report on regulated agreements and commitments.

It is our responsibility, based on the information provided to us, to inform you about the characteristics and key terms and conditions of, and the reasons justifying the Company's interest in, the agreements and commitments that have been disclosed to us or that we have discovered in the course of our work, without having to comment on their usefulness and appropriateness, or to search for other agreements and commitments. It is your responsibility, pursuant to Article R. 225-31 of the French Commercial Code, to assess the interest attached to concluding these agreements and commitments prior to their approval.

We are also required, if applicable, to communicate the information referred to in Article R. 225-31 of the French Commercial Code concerning the performance, during the past year, of the agreements and commitments previously approved by the Shareholders' Meeting.

We have implemented the procedures we considered necessary, in accordance with the professional guidance of the *Compagnie Nationale des Commissaires aux Comptes* (France's national organization of statutory auditors) relating to this task. These procedures consisted in checking that the information provided to us conformed with the source documents on which it was based.

AGREEMENTS AND COMMITMENTS SUBMITTED FOR APPROVAL BY THE SHAREHOLDERS' MEETING

Agreements and commitments entered into in 2015

We hereby inform you that we have not been notified of any agreement or commitment entered into by the Company in 2015 to be submitted for approval to the Shareholders' Meeting in accordance with Article L. 225-38 of the French Commercial Code.

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE SHAREHOLDERS' MEETING

Agreements and commitments approved in prior years

a) which continued to be performed during 2015

Under Article R. 225-30 of the French Commercial Code, we were informed that the following agreements and commitments, already approved by the Shareholders' Meeting in prior years, continued to be performed during 2015.

1) Consulting agreement with EURIS, the parent of your Company

Persons concerned:

- Jean-Charles Naouri – Chairman of the Board of Directors of Rallye and of Euris
- Gabriel Naouri – Permanent representative of Euris on your Company's Board of Directors

Description

On October 15, 2003 the Board of Directors authorized Rallye to enter into a strategic advisory services agreement with Euris SAS, the Group's parent company, which had been approved by the Shareholders' Meeting of June 9, 2004.

Under this agreement, Euris provides ongoing consulting and advisory services to its subsidiary, Rallye, on business strategy and development, as well as on the optimization and arrangement of borrowings, and, if applicable during implementation, to arrange complex legal or financial transactions.

This arrangement allows Rallye to benefit from Euris's skills, expertise, assistance and resources in the various areas of service concerned.

The ongoing strategic advisory services are defined and organized under the agreement of October 17, 2003 and its riders of June 16, 2008 and January 28, 2015, authorized by the Board of Directors on June 4, 2008 and December 5, 2004, respectively, and approved by the Shareholders' Meetings of June 3, 2009 and May 19, 2015, respectively.

Pursuant to the amendment of January 28, 2015 and based on the recommendation of an independent financial review, the amount invoiced for the ongoing strategic advisory services for 2015 was set at €2,060,000, excluding tax.

Terms and conditions

Pursuant to this agreement, Rallye recognized an expense of €2,060,000, excluding tax, in 2015.

b) no performance of this agreement during fiscal 2015

Furthermore, we were informed of the following agreements and commitments, already approved by the Shareholders' Meeting in previous years, in respect of which there was no performance during 2015.

1) SURETIES AND GUARANTEES PREVIOUSLY GRANTED, ON BEHALF OF RALLYE SUBSIDIARIES (NOT WHOLLY-OWNED), TO VARIOUS BANKS

Description

Beneficiaries	Subsidiaries concerned	Amounts and nature of guarantees	Boards of Directors
Société Générale	Parinvest	US$100 million guarantee	08/27/2009
Crédit Agricole and Investment Bank	Parinvest	US$195 million guarantee	06/08/2011

Terms and conditions

The cost of these sureties and guarantees is 0.4% per annum. These sureties and guarantees were not enforced during fiscal 2015.

2) GUARANTEE OF SCI RUBAN BLEU SAINT NAZAIRE, AN INDIRECT SUBSIDIARY OF YOUR COMPANY

Description

Your Company granted an independent first demand guarantee for the payment of rent and related expenses due by SCI Ruban Bleu Saint Nazaire under a 12-year lease agreement for an annual sum of €2,500,000.

Terms and conditions

There was no enforcement of the guarantee in fiscal 2015.

3) GUARANTEE BY FONCIÈRE EURIS, PARENT OF YOUR COMPANY

Description

At the Board of Directors' meeting of December 9, 2009 and in connection with the sale of the Alexa shopping center in Berlin to the German real estate fund Union Investment, your Company guaranteed the seller's commitments under the sale agreement in the amount of its share ownership (27%) and of Foncière Euris's share ownership (18%). In particular, your Company granted a 10-year property title guarantee in respect of the shopping center and the company sold, capped at the initial price less the assumed debt (approx. €100 million).

Foncière Euris counter-guaranteed your Company in the amount equal to its share.

Terms and conditions

There was no enforcement of the guarantee in fiscal 2015.

4) "ALEXA" COUNTER-GUARANTEE BY FONCIÈRE EURIS, PARENT OF YOUR COMPANY

Description

During the Board of Directors' meeting of March 11, 2010 and in connection with the sale of the Alexa shopping center in Berlin to the German real estate fund Union Investment, your Company granted a counter-guarantee in the amount of its share ownership relating to the following commitments:

- The assumption, for 10 years, of 50% of a decline in revenue of between 35% and 40% (the threshold that would trigger a rent adjustment) from Sierra Management Germany, the lessee of the shopping center's underground parking structure.
- A guarantee of the commitment by EKZ to pay 50% of the costs and expenses incurred by Sierra Developments Germany Holding BV in connection with the management of various disputes in process or to come.

Terms and conditions

There was no enforcement of the guarantee in fiscal 2015.

Paris La Défense, April 18, 2016

KPMG Audit	**Ernst & Young et Autres**
Department of KPMG S.A.	
Catherine Chassaing	Pierre Bourgeois
Partner	Partner

Special report on the items of compensation due or awarded to the Chairman, the Chief Executive Officer, and the Deputy Managing Director for the year ended December 31, 2015

As recommended by the AFEP/MEDEF Corporate Governance Code, this Shareholders' Meeting has been convened pursuant to the eighteenth, nineteenth and twentieth resolutions to issue an advisory opinion on the items of compensation due or awarded for 2015 to Jean-Charles Naouri, Chairman of the Board of Directors, Didier Carlier, Chief Executive Officer, and Franck Hattab, Deputy Managing Director and Chief Financial Officer, employee, as detailed and commented in the table below.

All these items are also presented in the Corporate Governance section of the management report and in the Chairman's Report contained in the 2015 Registration Document.

In connection with this resolution, it should be noted that the compensation and directors' fees paid to Jean-Charles Naouri in his capacity as Chairman and Chief Executive Officer of Casino, Guichard-Perrachon are submitted to that Company's shareholders for an advisory opinion during its Shareholders' Meeting of May 13, 2016.

I - JEAN-CHARLES NAOURI, CHAIRMAN OF THE BOARD OF DIRECTORS

Items of compensation	Amount due or awarded for 2015	Details
Fixed compensation	N/A	None
Annual variable compensation	N/A	None
Benefits of all kinds	N/A	None
Director's fees	€10,000	The individual basic directors' fee is set at €20,000, including a fixed amount of €4,000 and a variable amount of €16,000. The variable portion attributable to absent directors is not reallocated and is halved for Group directors, senior executives and managers.

Other items of compensation covered by the AFEP/MEDEF Code concerning the Chairman of the Board of Directors of Rallye: none

Thus, no award of deferred annual variable compensation mechanism, of multi-year variable compensation or of extraordinary compensation was arranged for the Chairman of the Board.

The Chairman of the Board of Directors is not and has not been a beneficiary of any stock options or performance share plan, nor of any other form of long-term compensation.

Furthermore, the Chairman of the Board is not a beneficiary of any supplementary retirement plan, severance package or compensation under a non-compete clause.

II - DIDIER CARLIER, CHIEF EXECUTIVE OFFICER

Items of compensation	Amount due or awarded for 2015	Details
Fixed compensation	€510,000	(Change of 5.15% from 2014)
Annual variable compensation	€269,682	His variable compensation is based on the achievement of Group quantitative targets (20%), individual qualitative objectives (50%), and on the overall assessment of managerial attitudes and behaviors (30%). It may amount to a maximum of €200,000 in the event that all targets and objectives are achieved, and up to €400,000 in the event that they are exceeded. The Group quantitative targets have been pre-established and precisely defined and are assessed in accordance with criteria corresponding to Rallye Group's key business indicators: reduction in the cost of debt and improvement in the ratio of EBITDA to consolidated financial charges. Figures are not published for confidentiality reasons.
Stock options, performance shares and any other long-term item of compensation	No amount, due or paid	Didier Carlier is not a beneficiary of any stock options or performance share plan. Didier Carlier has been granted a deferred and conditional bonus in the target amount of €208,000 which will be paid to him at the end of a period expiring on December 15, 2018 subject to performance and continuous service conditions.
Director's fees	€12,500	Casino: the individual basic directors' fee is set at €25,000, including a fixed amount of €8,500 and a variable amount of €16,500. The variable portion attributable to absent directors is not reallocated and is halved for Group directors, senior executives and managers.
	€4,000	Groupe GO Sport: the individual basic directors' fee is set at €8,000, including a fixed amount of €2,000 and a variable amount of €6,000. The variable portion attributable to absent directors is not reallocated and is halved for Group directors, senior executives and managers.
Supplementary retirement plan		Didier Carlier is a member of the Group mandatory pension and complementary pension scheme set up within the Group for all group employees. He also benefits from the defined-benefits top-hat pension plan in force within the Group.

Other items of compensation covered by the AFEP/MEDEF Code concerning the Chief Executive Officer of Rallye: none

Thus, no award of, or mechanism for, deferred annual variable compensation, multi-year variable compensation or extraordinary compensation was arranged for the Chief Executive Officer other than that mentioned above.

The Chief Executive Officer is not a beneficiary of any stock options or performance share plans.

Furthermore, the Chief Executive Officer is not a beneficiary of any supplementary retirement plan, severance package or compensation under a non-compete clause.

III - FRANCK HATTAB, DEPUTY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER, EMPLOYEE

Items of compensation	Amount due or awarded for 2015	Details
Fixed compensation	€312,000	Franck Hattab has been a corporate officer and senior executive since February 28, 2013. In this capacity he receives a fixed salary of €11,200. For his salaried position as Chief Financial Officer, he receives compensation of €300,800 (an overall increase of 5.12% compared with 2014).
Annual variable compensation	€134,591	His variable compensation is based on the achievement of Group quantitative targets (20%), individual qualitative objectives (55%), and on the overall assessment of managerial attitudes and behaviors (25%). It may amount to a maximum of €100,000 in the event that all targets and objectives are achieved, and up to €200,000 in the event that they are exceeded. The Group quantitative targets have been pre-established and precisely defined and are assessed in accordance with criteria corresponding to Rallye Group's key business indicators: reduction in the cost of debt and improvement in the ratio of EBITDA to consolidated financial charges. Figures are not published for confidentiality reasons.
Stock options, performance shares and any other long-term item of compensation	No amount, due or paid	Franck Hattab is not a beneficiary of any stock options or performance share plan. Franck Hattab has been granted a deferred and conditional bonus in the target amount of €208,000 which will be paid to him at the end of a period expiring on December 15, 2018 subject to performance and continuous service conditions.
Director's fees	€4,000	Groupe GO Sport: the individual basic directors' fee is set at €8,000, including a fixed amount of €2,000 and a variable amount of €6,000. The variable portion attributable to absent directors is not reallocated and is halved for Group directors, senior executives and managers.
Supplementary retirement plan		Franck Hattab is a member of the Group mandatory pension and complementary pension system set up within the Group for all group employees. He also benefits from the defined-benefits top-hat pension plan in force within the Group.

Other components of compensation covered by the AFEP/MEDEF Code concerning the Deputy Managing Director of Rallye: none

The Deputy Managing Director does not benefit from any allocation of, or mechanism for, multi-year variable compensation or extraordinary compensation other than that mentioned above.

The Deputy Managing Director is not a beneficiary of any stock options or performance share plans.

Furthermore, the Deputy Managing Director is not a beneficiary of any supplementary retirement plan, severance package or compensation under a non-compete clause.

Board of Directors report to the Extraordinary Shareholders' Meeting

To the Shareholders,

We have convened this Extraordinary Shareholders' Meeting to submit for your approval the early renewal of the authorization granted to the Board of Directors by the Shareholders' Meeting of May 19, 2015 to award bonus shares to employees of the Company and related companies. The purpose of this renewal is to benefit from the new arrangements established by the law for growth, business activity and equal economic opportunities (known as the 'Macron Law') in France, which only apply to bonus shares awarded on the basis of an authorization granted after the publication of this law, which occurred on August 8, 2015.

You are therefore asked to authorize your Board of Directors to award new or existing shares, free of consideration, on one or more occasions, to all or certain categories of employees of the Company and employees of companies related to the Company, with the exception of the Company's corporate officers who are not entitled to receive bonus shares.

The total number of shares to be awarded under this authorization may not exceed 1% of the total shares representing the Company's share capital at the date of the Extraordinary Shareholders' Meeting. However, this amount does not take into account any adjustments that may be made in accordance with applicable laws and regulations.

The shares that would be definitively awarded to their beneficiaries at the end of a vesting period of at least one year, would also be subject to a lock-up period that would begin immediately upon their definitive vesting. The durations of the vesting and lock-up periods would be set by the Board of Directors and their cumulative duration may not be less than two years.

The shares would be definitively awarded to their beneficiaries at the end of a vesting period and would also be subject to a lock-up period that would begin immediately upon their definitive vesting. The durations of the vesting period (at least one year) and the lock-up period would be set by the Board of Directors and their cumulative duration may not be less than two years.

However, the Board of Directors may waive the lock-up period for shares the vesting period of which had been set for at least two years. The Board of Directors may also set different vesting and lock-up periods depending to the regulations in force in the beneficiaries' country of residence.

Furthermore, the Board of Directors would be authorized to provide that, in the event that the beneficiary suffers from a Class 2 or 3 disability as provided in Article L. 341-4 of the French Social Security Code, or its equivalent outside France, the shares may be definitively awarded before the end of the vesting period.

Remember that bonus share award plans set up since 2010 for employees of the Company or its associated companies include continuous service and performance conditions.

The authorization requested of you would be valid for a period of 18 months from your Meeting and would supersede the authorization given at the Shareholders' Meeting of May 19, 2015 for the unused portion.

We hope that these proposals receive your approval and that you will vote for the corresponding resolutions.

The Board of Directors

Draft resolutions

RESOLUTIONS WITHIN THE COMPETENCE OF THE ORDINARY SHAREHOLDERS' MEETING

First resolution

(Approval of the financial statements for the year ended December 31, 2015)

The Ordinary Shareholders' Meeting, having reviewed the reports of the Board of Directors and of the Statutory Auditors, approves the financial statements for the year ended December 31, 2015 as presented, showing a net profit of €54,975,090.21, together with all transactions underlying these financial statements or mentioned in these reports.

Pursuant to the decision of the Ordinary Shareholders' Meeting of May 19, 2015, it also takes note of the dividends allocated for fiscal year 2014 to the 17,076 shares created since January 1, 2015, and of the transfer to Retained Earnings of the dividends allocated to the 25,000 treasury shares held by the Company at the payment date of May 27, 2015, totaling €14,500.92.

Second resolution

(Approval of the consolidated financial statements for the year ended December 31, 2015)

The Ordinary Shareholders' Meeting, having reviewed the reports of the Board of Directors and of the Statutory Auditors, approves the consolidated financial statements for the year ended December 31, 2015 as presented, showing a consolidated net profit €50 million.

Third resolution

(Allocation of income/loss for the year – distribution of a dividend)

The Shareholders' Meeting, on the recommendation of the Board of Directors, resolves to allocate the net profit for the year ended December 31, 2015 to:

(in €)	
Net profit	54,975,090.21
Allocation to the legal reserve	(11,265.60)
Retained earnings	14,500.92
"Former tax reserve for long-term capital gains"	58,019,896.98
Net income available for distribution	**112,998,223.51**
Distribution of a dividend	89,264,702.58

The Shareholders' Meeting notes that, after deducting the amount of the dividend first from the net profit for the year and "Retained earnings", and then, for the balance, from "Former tax reserve for long-term capital gains", this latter item was reduced to €23,733,519.93.

The proposed distribution corresponds to a dividend in the net amount of €1.83 net per share which will be paid as of May 27, 2016.

For individuals who are tax residents in France, this dividend is eligible for the 40% reduction provided for in Article 158-3-2 of the French General Tax Code.

Remember that the dividend paid for the last three years was €1.83 for each year, which, for individuals who are tax resident in France, is eligible for the 40% rebate provided for in Article 158-3-2 of the French General Tax Code.

Dividends on treasury shares held by the Company on the day the dividend is paid will be transferred to "Retained earnings".

Fourth resolution

(Agreements referred to in Article L. 225-38 of the French Commercial Code)

The Ordinary Shareholders' Meeting, having heard the Statutory Auditors' special report on the agreements referred to in Article L. 225-38 of the French Commercial Code, notes the absence of new agreements concluded in 2015.

Fifth resolution

(Renewal of a Director's mandate)

The Ordinary Shareholders' Meeting renews the directorship of Philippe Charrier for a period of one (1) year, which will expire after the Shareholders' Meeting convened to approve the financial statements for the year ended December 31, 2016.

Sixth resolution

(Renewal of a Director's mandate)

The Ordinary Shareholders' Meeting renews the directorship of Jean Chodron de Courcel for a period of one year, which will expire after the Shareholders' Meeting convened to approve the financial statements for the year ended December 31, 2016.

Seventh resolution

(Renewal of a Director's mandate)

The Ordinary Shareholders' Meeting renews the directorship of Jacques Dumas for a period of one (1) year, which will expire after the Shareholders' Meeting convened to approve the financial statements for the year ended December 31, 2016.

Eighth resolution

(Renewal of a Director's mandate)

The Ordinary Shareholders' Meeting hereby renews the directorship of Catherine Fulconis for a period of one (1) year, which will expire after the Shareholders' Meeting convened to approve the financial statements for the year ended December 31, 2016.

Ninth resolution

(Renewal of a Director's mandate)

The Ordinary Shareholders' Meeting hereby renews the directorship of Sophie Guieysse for a period of one (1) year, which will expire after the Shareholders' Meeting convened to approve the financial statements for the year ended December 31, 2016.

Tenth resolution

(Renewal of a Director's mandate)

The Ordinary Shareholders' Meeting hereby renews the directorship of Jean-Charles Naouri for a period of one (1) year, which will expire after the Shareholders' Meeting convened to approve the financial statements for the year ended December 31, 2016.

Eleventh resolution

(Renewal of a Director's mandate)

The Ordinary Shareholders' Meeting hereby renews the directorship of Euris, whose permanent representative to the Board of Directors is Gabriel Naouri, for a period of one (1) year, which will expire after the Shareholders' Meeting convened to approve the financial statements for the year ended December 31, 2016.

Twelfth resolution

(Renewal of a Director's mandate)

The Ordinary Shareholders' Meeting hereby renews the directorship of Finatis, whose permanent representative to the Board of Directors is Virginie Grin, for a period of one (1) year, which will expire after the Shareholders' Meeting convened to approve the financial statements for the year ended December 31, 2016.

Thirteenth resolution

(Renewal of a Director's mandate)

The Ordinary Shareholders' Meeting hereby renews the directorship of Foncière Euris, whose permanent representative to the Board of Directors is Didier Lévêque, for a period of one (1) year, which will expire after the Shareholders' Meeting convened to approve the financial statements for the year ended December 31, 2016.

Fourteenth resolution

(Renewal of a Director's mandate)

The Ordinary Shareholders' Meeting hereby renews the directorship of Saris, whose permanent representative to the Board of Directors is Odile Muracciole, for a period of one (1) year, which will expire after the Shareholders' Meeting convened to approve the financial statements for the year ended December 31, 2016.

Fifteenth resolution

(Vacant seat on the Board)

The Ordinary Shareholders' Meeting, having reviewed the Board of Directors' report and noting that the directorship of Christian Paillot expires at the end of this meeting, resolves not to fill the vacant position.

Sixteenth resolution

(Appointment of a non-voting director)

The Ordinary Shareholders' Meeting, having reviewed the Board of Directors' report, hereby appoints Christian Paillot as a non-voting director for a period of one (1) year, which will expire after the Shareholders' Meeting convened to approve the financial statements for the year ended December 31, 2016.

Seventeenth resolution

(Appointment of a non-voting director)

The Ordinary Shareholders' Meeting, having reviewed the Board of Directors' report, hereby appoints Jean-Marie Grisard as a non-voting director for a period of one (1) year, which will expire after the Shareholders' Meeting convened to approve the financial statements for the year ended December 31, 2016 to replace André Crestey whose term as a non-voting director ends at this Meeting.

Eighteenth resolution

(Advisory opinion on the items of compensation due or awarded for the year ended December 31, 2015 to Jean-Charles Naouri, Chairman of the Board of Directors)

The Ordinary Shareholders' Meeting, pursuant to the AFEP/MEDEF Corporate Governance Code and having reviewed the information presented in the Registration Document, hereby issues a favorable opinion on the items of compensation due or awarded for the year ended December 31, 2015 to Jean-Charles Naouri, Chairman of the Board of Directors.

Nineteenth resolution

(Advisory opinion on the items of compensation due or awarded for the year ended December 31, 2015 to Didier Carlier, Chief Executive Officer)

The Ordinary Shareholders' Meeting, pursuant to the AFEP/MEDEF Corporate Governance Code and having reviewed the information presented in the Registration Document, hereby issues a favorable opinion on the items of compensation due or awarded for the year ended December 31, 2015 to Didier Carlier, Chief Executive Officer.

Twentieth resolution

(Advisory opinion on the components of the compensation due or awarded for the year ended December 31, 2015 to Franck Hattab, Deputy Managing Director)

The Ordinary Shareholders' Meeting, pursuant to the AFEP/MEDEF Corporate Governance Code and having reviewed the information presented in the Registration Document, hereby issues a favorable opinion on the items of compensation due or awarded for the year ended December 31, 2015 to Franck Hattab, Deputy Managing Director.

Twenty-first resolution

(Authorization for the Company to purchase its own shares)

The Ordinary Shareholders' Meeting, having reviewed the Board of Directors' report and pursuant to Articles L. 225-209 *et seq.* of the French Commercial Code, hereby authorizes the Board of Directors to purchase the Company shares in order to:

- cover stock options plans granted to its employees and to employees of companies associated with it pursuant to Articles L. 225-177*et seq.* of the French Commercial Code, as well as any company savings plan or any shareholding plan;
- award bonus shares to its employees and the employees of its companies associated with it pursuant to Articles L. 225-197-1*et seq.* of the French Commercial Code;
- ensure active trading of the Company's shares under the liquidity agreement signed with an investment services firm, in accordance with the Code of Conduct issued by the AMAFI and approved by the AMF;
- hold shares for delivery to holders of securities issued by the Company who exercise their right to receive shares through redemption, conversion, exchange, presentation of a warrant or any other instrument entitling them to receive the Company's existing shares;
- hold shares in reserve to use at a later date as a means of exchange or payment in mergers or acquisitions in accordance with market practices approved by the AMF;
- cancel shares, up to a maximum of 10% of the Company's share capital over a period of 24 months as part of a plan to reduce the Company's equity capital.

The maximum unit purchase price is set at €75 per share.

The Board of Directors may, however, adjust the aforesaid maximum purchase price if there is a change in the par value of the share, a capital increase through the capitalization of reserves, a bonus share allotment, a stock split or reverse split, a repayment or reduction of capital, a distribution of reserves or other assets, or any other transaction on the shareholders' equity, in order to take into account the impact of such transactions on the value of the share.

Under the terms of this authorization, the Company may hold no more than 10% of its share capital as at February 29, 2016, *i.e.* 4,877,853 shares corresponding to a theoretical maximum investment of €365,838,975 calculated on the basis of the maximum purchase price of €75; provided that, when the treasury shares are purchased under a liquidity agreement, the number of these shares included in the calculation of the 10% threshold referred to above shall be equal to the number of such shares purchased, after deducting the number of shares sold under the liquidity agreement during the period of the authorization.

These shares may be acquired, sold, transferred or exchanged by any means and at any time, on the market or off-market, at privately negotiated prices, including through block trade transactions or the use of derivatives such as call options. The maximum share of capital that may be transferred in the form of block trades of shares may be as high as the entire amount of the repurchase program.

The shares may also be loaned, in accordance with the provisions of Articles L. 211-22 *et seq.* of the French Monetary and Financial Code.

This authority to purchase shares is given for a period that will expire at the Shareholders' Meeting convened to approve the 2016 financial statements and management report, and no later than Saturday, November 18, 2017.

In the event of a public offer for the shares or securities issued by the Company, the Company may not use this authorization to satisfy its commitments to deliver securities, particularly as part of plans the award of bonus shares, or of strategic transactions entered into and announced before the launch of the public offer.

To ensure the implementation of this resolution, full powers are given to the Board of Directors, with the option to delegate these powers in order to:

- execute the transactions; to set the terms and conditions thereof;
- make all declarations to, and to complete all formalities with, the *Autorité des marchés financiers*;
- execute all stock market orders, to enter into any agreements, in particular for the keeping of registers of the purchases and sales of shares;
- make adjustments in the purchase price of the shares to take into account the effect of the above-mentioned transactions on the share value;
- carry out all other formalities and generally to take all necessary measures.

The Board of Directors shall inform the Ordinary Shareholders' Meeting about the transactions executed pursuant to this authorization.

RESOLUTIONS TO BE APPROVED BY THE EXTRAORDINARY SHAREHOLDERS' MEETING

Twenty-second resolution

(Authorization to the Board of Directors to award existing or new bonus shares of the Company, entailing waiver by the shareholders of their preferential subscription right in favor of salaried employees of the Company and of salaried employees of companies associated with it)

The Extraordinary Shareholders' Meeting, having reviewed the reports of the Board of Directors and the Statutory Auditors and in compliance with Article L. 225-197-1*et seq.* of the French Commercial Code:

- authorizes the Board of Directors, in compliance with and on the terms provided for in Articles L. 225-197-1 to L. 225-197-5 of the French Commercial Code, to award existing or new shares of the Company, on one or more occasions, to all or certain categories of the Company's employees and to employees of companies, or members of economic interest groups, associated with the Company on the terms provided for in Article L. 225-197-2 of the French Commercial Code, provided that the Company's corporate officers may not benefit from the award of bonus shares;
- resolves that the total number of shares awarded may not exceed 1% of the total number of shares representing the Company's share capital as of the date of this Meeting, excluding any adjustments that may be necessary to preserve the rights of the beneficiaries in compliance with the law and regulations as well as with applicable contractual provisions.

The Extraordinary Shareholders' Meeting authorizes the Board of Directors, alternatively or cumulatively, within the limit set in the previous sub-paragraph:

- to award shares bought back by the Company as provided for in Articles L. 225-208 and L. 225-209 of the French Commercial Code; and/or
- to award new shares to be issued through a capital increase; in which case the Extraordinary Shareholders' Meeting authorizes the Board of Directors to increase the share capital by an amount corresponding to the number of shares awarded, multiplied by the par value, and duly notes that this authorization automatically entails the shareholders' waiver of their preferential subscription right to the shares to be issued, as well as the portion of reserves, profits or premiums to be incorporated into the capital in the event of the award of new bonus shares, and all rights to the award of existing bonus shares, in favor of the beneficiaries of such plans.

The Extraordinary Shareholders' Meeting resolves that the shares to be awarded will be subject to a vesting period of at least one year, followed by a lock-up period that will begin immediately upon their definitive vesting. The durations of the vesting and lock-up periods shall be set by the Board of Directors; their cumulative duration may not be less than two years.

However, the Board of Directors may waive the lock-up period for shares with a vesting period of at least two years. The Board of Directors may also set different vesting and lock-up periods according to the regulations in force in the beneficiaries' country of residence.

The Board of Directors may also resolve that the definitive award of the shares and the right to sell them without restriction before the end of the mandatory vesting and/or lock-up periods if the beneficiary is recognized as suffering from a category 2 or 3 disability mentioned in Article L.225-197-1 of the French Commercial Code and defined in Article L. 341-4 of the French Social Security Code, or the equivalent of these regulations in the beneficiaries' country of residence.

The Extraordinary Shareholders' Meeting resolves that the definitive award of shares to employees may be subject to one or more performance and/or continuous service conditions to be set by the Board of Directors.

The Extraordinary Shareholders' Meeting grants full powers to the Board of Directors, with authority to subdelegate in accordance with the law and within the aforementioned limits in order:

- to identify the beneficiaries or the category or categories of beneficiaries of bonus share awards, and the number of shares warded to each of them, provided that employees and corporate officers whose holdings exceed 10% of the share capital may not be awarded bonus shares; to distribute rights to bonus shares on one or more occasions and at the times that it considers appropriate;
- to set the conditions and criteria for awarding shares, including but not limited to, seniority, conditions relating to continuous employment or service in office during the vesting period, and any other financial criteria or individual or collective performance conditions;
- to determine the duration of the shares' vesting period and, if applicable, the lock-up period;
- if applicable, to register the shares awarded in a securities account in the shareholder's name, noting the lock-up requirement and its duration;
- to lift restrictions on the sale of the shares during the lock-up period in the event of dismissal, retirement, category 2 or 3 disability as defined in Article L. 341-4 of the French Social Security Code or the equivalent in the regulations of the beneficiaries' country of residence, or in the event of death;
- to set the date of taking possession, even retroactively, of the new shares resulting from the award of bonus shares;
- to create a non-distributable reserve set aside for the rights of the beneficiaries, corresponding to the aggregate par value of the shares that may be issued through a capital increase, by transferring the necessary amounts from all the reserves that the Company may freely dispose of;
- to transfer from the non-distributable reserve the amounts necessary to pay the nominal value of the shares to be issued to the beneficiaries and, if it considers this appropriate, to impute this sum to the expenses related to the capital increase;
- in the event of a capital increase, to amend the by-laws to reflect the new capital and to carry out all the necessary formalities;
- to make, during the vesting period, any adjustments to the number of bonus shares awarded to reflect the impact of any future transactions on the Company's share capital carried out during the vesting period in order to preserve the beneficiaries' rights; provided that any additional shares allocated as a result of these adjustments shall be considered to have been awarded on the same date as the shares initially awarded.

In accordance with Articles L. 225-197-4 and L. 225-197-5 of the French Commercial Code, a special report shall be presented annually to the Ordinary Shareholders' Meeting to inform shareholders about the transactions completed under this authorization.

The Extraordinary Shareholders' Meeting sets at 18 months the period during which the Board of Directors may use this authorization. This authorization cancels the unused portion of the authorization to the same effect granted by the 33rd resolution of the Shareholders' Meeting of May 19, 2015.

Twenty-third resolution

(Powers for filing and publication formalities)

The Shareholders' Meeting grants full powers to holders of an original, an extract, or a copy of the minutes of this Meeting to complete all the filings, publications or formalities required by law.

6. Additional information

Information about the Company

GENERAL INFORMATION

Corporate name: RALLYE

Registered office: 83, rue du Faubourg Saint-Honoré – 75008 Paris

Administrative headquarters: 32, rue de Ponthieu – 75008 Paris

Legal form

RALLYE is a "Société Anonyme" (joint stock company) governed by Book II of the French Commercial Code.

Governing law: French law

Formation – term

Date of formation: January 20, 1925

Expiration date: December 31, 2064

Term: 90 years, starting from December 31, 1974, the date of its first extension.

Corporate purpose

Article 3 of the by-laws

"The Company's purpose is to:

- take equity interests in any French or foreign business, whatever its legal form or purpose, and to manage these interests;
- provide administrative, accounting, legal, financial, IT, commercial or other services to further the interests of any company, as well as public relations services;
- acquire and manage all types of real estate;
- undertake any form of business, commission, or brokerage in its own name, or on behalf of others;
- and, in general, undertake any commercial, industrial, real estate, personal property or financial transactions either directly or indirectly related to, or likely to serve the Company's purpose or to help in its attainment.

It may, in France or abroad, create, acquire, operate or cause to operate any brand of manufacture, trade, or service, any model or design, any patent or manufacturing process related to the above purpose.

It may act in any country, directly or indirectly, on its own account or on behalf of others, alone or in association, participation, grouping or company, with any other person or company, and carry out the transactions necessary to its purpose, under any form."

Trade and Companies Register

Registered with the Trade and Companies Register (R.C.S.) of Paris under number 054 500 574.

Consultation of the documents and information relating to the Company

Company documents relating to the last three fiscal years (annual financial statements, minutes, Shareholders' Meetings, Directors, Statutory Auditors' reports, by-laws, etc.) may be consulted at Rallye's administrative headquarters at 32, rue de Ponthieu – 75008 Paris, France.

Accounting year – Article 32 of the by-laws.

The accounting year starts on January 1 and ends on December 31.

BY-LAWS RELATING TO THE MANAGEMENT AND GOVERNANCE BODIES – INTERNAL REGULATIONS OF THE BOARD OF DIRECTORS

Board of Directors

Composition of the Board of Directors (extract from Article 14 of the by-laws)

The Company is administered by a Board composed of at least three and at most eighteen members.

Directors' shares (extract from Article 15 of the by-laws)

Each Director must own at least one (1) share.

If Directors do not own the required number of shares on the day of their appointment, or cease to own them during the term of their office, they shall automatically resign from office unless they remedy the position within six months.

Term of office – Age limit – Replacement (extract from Article 16 of the by-laws)

I – Directors are appointed for a term of office of one year expiring at the end of the Shareholders' Meeting convened to approve the financial statements for the year ended and held during the year in which their term of office expires.

II – All Directors who are natural persons or who are permanent representatives of a legal entity are deemed to have automatically resigned from office at the end of the Shareholders' Meeting held to approve the financial statements for the year during which they reach 75 years of age.

III – Directors are appointed or re-reappointed by the Shareholders' Meeting.

In the event of a vacancy due to the death or resignation of one or more Directors, the Board may, between two Shareholders' Meetings, make provisional appointments. These appointments shall be subject to ratification at the next Shareholders' Meeting.

Even if the appointment of a Director is not ratified by the Shareholders' Meeting, the actions performed by this Director and the resolutions passed by the Board during the provisional appointment are nonetheless valid.

If the number of Directors falls below three, the remaining Directors (or the Statutory Auditors or a representative designated at the request of any interested party by the President of the Commercial Court) must immediately convene a Shareholders' Meeting to appoint one or more new Directors to fill the vacancies and to bring the number of Directors up to the required legal minimum.

The Director appointed to replace another Director shall only fill the vacancy for the remainder of the unexpired term of his or her predecessor.

The appointment of a new Director in addition to the serving Directors may only be decided on by the Shareholders' Meeting, which establishes the term of office.

Organization, meetings and proceedings of the Board of Directors

Chairman – Board Committee (extracts from Articles 17 and 20 of the by-laws)

The Board of Directors appoints a Chairman from among its members who are natural persons.

The Chairman of the Board of Directors organizes and directs the activities of the Board and reports thereon to the Shareholders' Meeting. The Chairman ensures that the Company's management bodies function correctly and that the Directors are able to fulfill their duties.

The Chairman may be appointed for the entire term of his or her office as a Director, subject to the right of the Board of Directors to remove him or her from office and to the Chairman's right to resign before the expiry of his or her tenure. The Chairman is eligible for reappointment.

The Chairman is deemed to have automatically resigned from office after the Shareholders' Meeting convened to approve the financial statements for the year during which he or she reaches 75 years of age.

The Board of Directors may remove him or her from office at any time.

In the event of the temporary incapacity or death of the Chairman, the Board of Directors may delegate the powers and duties of the Chairman to another Director. In the event of temporary incapacity, the delegation of the powers and duties shall be given for a limited period, which may be renewed. In the event of death, the delegation shall be valid until the appointment of a new Chairman.

Non-voting observers (*censeurs*) (extract from Article 23 of the by-laws)

The Shareholders' Meeting may appoint one or more non-voting observers, which may be either legal entities or natural persons, chosen from among the shareholders. The Board of Directors may appoint non-voting observers subject to ratification of the appointment by the next Shareholders' Meeting.

Non-voting observers are appointed for a term of office of one year. Their appointment expires at the end of the Shareholders' Meeting convened to approve the financial statements for the previous year and held in the year during which their term of office expires.

Any non-voting observer is deemed to have automatically resigned from office at the end of the Shareholders' Meeting convened to approve the financial statements for the year during which he or she reaches 80 years of age.

Non-voting observers shall be eligible for reappointment any number of times, and may be removed from office at any time by decision of the Shareholders' Meeting.

Non-voting observers attend meetings of the Board of Directors. At such meetings, they give their opinion and comments and participate in the Board's deliberations in a consultative role.

They may receive compensation, the amount and distribution of which are set by the Board of Directors as part of the directors' fees granted by the Shareholders' Meeting.

Deliberations of the Board of Directors (extract from article 18 of the by-laws)

I – The Board of Directors meets as often as required by the interests of the Company and whenever it sees fit, at a place indicated in the notice of meeting.

Notices of meetings are issued by the Chairman or in his or her name by any person he or she may designate. If the Board has not met for more than two months, one third of the serving Directors may ask the Chairman to convene a meeting with a specific agenda. The Chief Executive Officer may also ask the Chairman to convene the Board of Directors with a specific agenda.

II – The proceedings of the Board of Directors are valid if at least half the serving Directors are effectively present. A register of attendance is maintained, signed by the Directors attending the meeting.

Decisions are taken by a majority vote of the members present or represented. In the event of a tied vote, the Chairman has the casting vote. However, if the Board consists of fewer than five members, decisions may be made by two Directors present, who are in agreement.

Directors may participate in the deliberations by video conference or by a similar communications system on the terms and in the manner provided for in the Board of Director's current internal regulations.

Powers of the Board of Directors (extract from article 19 of the by-laws)

I – The Board of Directors determines the strategic orientations of the Company's business and ensures that they are implemented. Subject to the powers expressly attributed to the Shareholders' Meetings, and within the limits of the Company's corporate purpose, the Board of Directors deals with all matters that concern the Company's operations and governs, by its deliberations, the questions that concern it.

II – When the Chairman is appointed or re-appointed, the Board of Directors sets out the arrangements governing the Executive Management of the Company, which is performed either by the Chairman or by another natural person appointed for that purpose.

However, the Board of Directors may, at its sole discretion and at any time, modify the arrangements governing the Executive Management of the Company, without requiring any amendment to the Company's by-laws.

III – The Board may appoint committees and determine their composition and powers. The Members of these committees are responsible for examining issues referred to them by the Chairman or the Board.

IV – The Board of Directors authorizes the agreements referred to in Article L. 225-38 of the French Commercial Code in the manner provided for in said article. The agreements described in Article 225-39 of the French Commercial Code may not be not authorized. Pursuant to Article L. 225-43 of the French Commercial Code the Company is forbidden from granting loans, overdrafts, sureties or guarantees to the persons mentioned in said article.

V – Except where prohibited by law, all powers, offices and duties limited to one or more transactions or types of transaction may be delegated to any persons, whether Directors or not.

Furthermore, the Company's Board of Directors has set up a number of mechanisms in its internal regulations to ensure the oversight of the Executive Management of the Company (see the section on Corporate Governance).

Functions of executive management

Separation of functions of the Chairman of the Board of Directors from those of the Chief Executive Officer (extract from Article 21 of the by-laws).

Executive Management

The Executive Management of the Company may be conducted either under the responsibility of the Chairman of the Board of Directors or by another natural person, whether a Director or not, appointed by the Board of Directors and with the title of Chief Executive Officer.

If the Executive Management of the Company is conducted by the Chairman, the provisions of this Article apply to him or her. He or she then takes the title of Chairman and Chief Executive Officer.

The Chief Executive Officer has the broadest powers to act in all circumstances on behalf of the Company. He or she exercises these powers within the limits of the Company's corporate purpose and subject to the powers expressly attributed by law to Shareholders' Meetings and to the Board of Directors.

He or she represents the Company in its dealings with third parties.

The term of office of the Chief Executive Officer is freely set by the Board of Directors. It may not exceed the Directors' term of office as set forth in Article 16 above.

The Chief Executive Officer is deemed to have automatically resigned from office after the Shareholders' Meeting convened to approve the financial statements for the year during which he or she reaches 75 years of age.

The Chief Executive Officer may be removed from office at any time by the Board of Directors. If the Chief Executive Officer is removed without just cause, he or she may seek compensation, unless he or she is also Chairman of the Board of Directors.

Deputy Managing Directors

On a proposal of the Chief Executive Officer, the Board of Directors may appoint one or more natural persons to assist the Chief Executive Officer, with the title of Deputy Managing Director.

The maximum number of Deputy Managing Directors is five.

In agreement with the Chief Executive Officer, the Board of Directors determines the scope and duration of the powers granted to Deputy Managing Directors. In dealings with third parties, Deputy Managing Directors have the same powers as the Chief Executive Officer.

Deputy Managing Directors may be removed from office at any time by the Board of Directors upon a proposal by the Chief Executive Officer. If they are removed without just cause, they may seek compensation.

The Chairman, if he or she also acts as Chief Executive Officer, the Chief Executive Officer or each of the Deputy Managing Directors are authorized to delegate or substitute powers to carry out one or several transactions or types of transaction.

Board of Directors' internal regulations

The Board of Directors of the Company has adopted internal regulations to describe the manner in which it functions, in addition to the laws, external regulations and by-laws governing the Company.

These internal regulations specify firstly how the Board is organized and functions, and sets out the powers and duties of the Board of Directors and of the Committees that it has established; and secondly the methods for controlling and assessing their performance. (See the 'Corporate Governance' section, which describes the various Board committees, the limits placed on the powers of Executive Management and the system for monitoring and assessing the Board of Directors' performance).

Appropriation of income

Article 33 of the by-laws

"I – The income statement shows the profit or loss for the period, after the deduction of depreciation, amortization and provisions.

From this profit, after deduction of losses carried forward, if any, the following is withheld in priority:

- at least five percent, to constitute the legal reserve fund. This ceases to be mandatory once said fund has reached one-tenth of the capital, but becomes mandatory again if, for whatever reason, this requirement is no longer met;
- and any amounts to be set aside as reserves in compliance with the law.

The balance, together with any profit carried forward, constitutes the profits available for distribution. It may be distributed, by the Shareholders' Meeting on the proposal of the Board of Directors, either wholly or in part, to the shares as a dividend, or appropriated to any reserve or capital amortization accounts, or to retained earnings.

The Shareholders' Meeting approving the accounts for the period may grant each shareholder, for all or part of the dividend to be distributed, the option to choose between receiving the dividend in cash or in shares.

II – The Shareholders' Meeting may choose to use the reserves at their disposal to pay a dividend to the shares. In this case, the decision must expressly indicate the line items from which the amounts are to be withheld".

INFORMATION REGARDING SHAREHOLDERS' MEETINGS

Shareholders' Meetings are convened as follows

Article 27, paragraphs I, II and III of the by-laws

I – The Shareholders' Meeting is convened by the Board of Directors, or, failing that, by the Statutory Auditors or by an agent appointed by the President of the Commercial Court ruling in summary proceedings at the request of one or more shareholders representing at least one fifth of the share capital, or of an association of shareholders in the manner provided for in Article L. 225-120 of the French Commercial Code.

The meeting is convened at least fifteen days in advance on first calling and at least ten days in advance for subsequent callings, by means of a notice published in a publication authorized to receive legal notices in the *département* of the Company's registered office and in the French official journal (the *Bulletin des Annonces Légales Obligatoires*, known as the "BALO").

Shareholders holding registered shares for at least one month as of the date of such notices are convened by regular mail or by any means of electronic telecommunication.

The invitation is preceded by a notice containing the particulars provided for by law and published in the BALO at least thirty-five days prior to the Shareholders' Meeting.

II – Shareholders' Meetings are held in the city or town where the Company has its registered office, or in any other town in France, depending on what has been decided by the person convening the meeting, and at the venue indicated in the invitation.

III – The agenda for each Shareholders' Meeting is established by the person convening the meeting. If applicable, it contains proposals made by one or more shareholders, in the manner provided for by law.

Conditions of admission

Article 25, paragraphs I, II and III of the by-laws

I – Subject to forfeiture due to the failure to make full payment for shares within the prescribed deadlines, the Shareholders' Meeting consists of all shareholders regardless of the number of shares held.

The Shareholders' Meeting, duly convened and constituted, represents all the shareholders; its decisions are binding on all, even dissenters and those lacking capacity or absent.

II – Any shareholder may be represented in accordance with the law.

Minors and those lacking capacity are represented by their guardians and administrators, who need not personally be shareholders. Legal entities are validly represented by any authorized legal representative or by a person specifically authorized for that purpose.

Shareholders not resident in France may be represented by an agent duly registered as holder of such shares on behalf of the former.

Any shareholder may also vote by mail in the manner and in accordance with the time limits prescribed by law.

The form for postal voting and for voting by proxy may be completed using the same document prepared by the author of the notice of invitation.

III – The right to attend Shareholders' Meetings is conditional on the shares being recorded in the share register in the name of the shareholder or of the intermediary registered on the shareholder's behalf, if the shareholder is resident abroad, within the deadline provided for in Article R. 225-85 of the French Commercial Code. This entry if the share register may be made either in the account for registered securities held by the Company or by its authorized representative, or in the account for bearer securities maintained by the broker authorized for this purpose.

The entry of shares in the account for bearer securities maintained by the authorized broker is confirmed by a certificate of participation issued by the latter, including by e-mail, as an attachment to the postal voting or proxy form or in response to a request for an admission card drawn up in the name of the shareholder or on behalf of the shareholder represented by the registered intermediary. A certificate is also issued for shareholders who wish to physically attend a Shareholders' Meeting and have not received their admission card within the time frame set out in Article R. 225-85 of the French Commercial Code.

Article 12 of the by-laws

Beneficial owners, bare owners and joint owners of shares may attend Shareholders' Meetings in accordance with the law.

Composition of the Shareholders' Meeting

Article 25, paragraph IV of the by-laws

IV – Shareholders may, if the Board so decides, attend Shareholders' Meetings and vote remotely by video conference or by any means of telecommunication or remote transmission, including the Internet, that allows for their identification in the manner prescribed by applicable regulations and those decided on by the Board.

On a decision of the Board of Directors, the shareholders may prepare the forms for postal voting or voting by proxy using an electronic medium, in the manner set by current regulations. These forms may be completed and signed directly on the Internet site created by the centralized body responsible for Shareholders' Meetings. The form may be signed electronically using any means that complies with the provisions of the first sentence of the second paragraph of Article 1316-4 of the French Civil Code or any other subsequent legal provision that may replace it, including the use of an identification code and password.

Votes cast by electronically, as well as any acknowledgment of receipt that is provided for it, shall be considered to be an irrevocable document, enforceable against all, except in the event of a transfer of shares served in the manner provided for in the second paragraph of article R. 225-85 IV of the French Commercial Code or by any other subsequent legal or regulatory provision that may replace it.

A proxy vote cast electronically, as well as an acknowledgment of receipt provided for it, shall be considered to be an irrevocable document enforceable against all persons, on the terms defined by law.

Conditions for exercise of voting rights

Article 28, paragraph III and IV of the by-laws

III – Shareholders have as many votes as the shares they own or represent, with no limits, except as provided by law or these by-laws.

Votes are cast by a show of hands, electronically or by any means of telecommunication that enables identification of the shareholders in the manner provided for by current regulations. The Shareholders' Meeting may also decide to vote by secret ballot on a proposal of the Meeting Committee.

Conditions for acquiring double voting rights

Article 28, paragraph III of the by-laws

However, double voting rights are granted, in the manner provided by law: (i) to all fully paid-up shares which are proven to have been registered for at least two years in the name of the same shareholder; and (ii), in the case of a capital increase through capitalization of reserves, profits or share premiums, to registered bonus shares that were granted to a shareholder on the basis of existing shares entitled to such rights.

The list of registered shares entitling their holders to double voting rights is approved by the Board of Directors.

The double voting rights thus granted to registered, fully paid up shares cease, as a matter of law, for any shares that are converted into bearer shares or transferred to a different owner, except in the event of transfer from registered to registered ownership, pursuant to the provisions of Article L. 225-124 of the French Commercial Code.

For any proxy voting form from a shareholder that does not name of the representative, the Chairman of the Shareholders' Meeting votes for adoption of the draft resolutions presented or approved by the Board of Directors and votes against the adoption of any other draft resolutions. To cast any other vote, the shareholder must select a representative who agrees to vote as indicated by the shareholder.

Votes are cast by a show of hands, electronically or by any means of telecommunication enabling identification of the shareholders in the manner provided for by current regulations. The Shareholders' Meeting may also decide to vote by secret ballot on a proposal of the Meeting Committee.

Shareholders may also vote by absentee ballot in the manner prescribed by law.

A vote cast or proxy delivered by a representative who either did not declare himself as the representative of the shares for a third party not resident in France, or did not reveal the identity of the owners of the shares on whose behalf he or she is registered, in accordance with current regulations, will not be counted.

Ownership thresholds required to be declared to the Company

Article 10, paragraph II of the by-laws

Apart from being required to fulfill the legal obligation of informing the Company of the ownership of certain percentages of Company capital and the attached voting rights, any individual or legal entity – including any broker registered as the holder of shares owned by persons not resident in France, who alone or acting in concert with other natural persons or legal entities should come to hold, or should cease to hold, in whatever manner, a fraction equal to 1% of the voting rights or any multiple thereof, must notify the Company of the total number of shares and voting rights held, by means of registered letter with acknowledgement of receipt, to the Company's registered office within five trading days from the date when one of these thresholds is crossed.

Should this obligation to notify not be respected, and on the request, as recorded in the minutes of the Shareholders' Meeting, of one or more shareholders holding at least 5% of the capital, the voting rights exceeding the fraction which should have been notified may not be exercised at any Shareholders' Meeting held for a period of two years following the date of correct notification.

Identification of shareholders

Article 10, paragraph III of the by-laws

In order to identify the holders of bearer securities, and in accordance with Article L. 228-2 of the French Commercial Code, the Company has the right to request, at any time and at its expense, from the securities clearing house, the names or, in the case of a legal entity, the Company name, nationality and address of the holders of securities conferring either present or future rights to vote at its Shareholders' Meetings, as well as the number of shares held by each holder, and any restrictions that may apply to the shares in question.

The Company may also, under the terms of Articles L. 228-2 *et seq.* of the French Commercial Code, ask holders of the Company's shares whether they hold the shares on their own behalf, or on behalf of a third party. Should the latter be the case, it may ask them to provide information enabling it to identify such a third party or parties.

Should the identity of the owners of the shares not be revealed, the vote or proxy delivered by the broker shall not be counted.

In addition, by virtue of Article L. 228-3-1-II of the French Commercial Code, any legal entity owning shares in excess of 2.5% of the capital or the voting rights must, when so requested by the Company, reveal the identity of the individuals and/or legal entities that own, either directly or indirectly, more than one third of its capital or voting rights.

In application of Article L. 228-3-3 of the French Commercial Code, failure to provide the information requested under Articles L. 228-2-II or L. 228-3 or L. 228-3-1 of the French Commercial Code, or the provision of incomplete or erroneous information, will be punishable by the loss of voting and dividend rights attached to the shares held by the person who received the request for information, until such date as the correct information is supplied.

Stock Market Information

SECURITIES LISTED ON THE EURONEXT PARIS EXCHANGE (COMPARTMENT A)

- Rallye share (ISIN: FR0000060618)[1].

SECURITIES LISTED ON THE LUXEMBOURG STOCK EXCHANGE

- Rallye 7.625% bonds of November 2016 (ISIN: FR0010815472) issued November 4, 2009[1].
- Rallye 4.25% bonds of March 2019 (ISIN: FR0011441831) issued March 11, 2013[1].
- Rallye 5% bonds of October 2018 (ISIN: FR0011337872) issued April 26, 2013[1].
- Rallye 4% bonds of April 2021 (ISIN: FR0011801596) issued April 02, 2014[1].

SECURITIES LISTED ON THE FRANKFURT STOCK EXCHANGE

- Rallye 1% bonds of October 2020 exchangeable into Casino, Guichard-Perrachon shares (ISIN: FR0011567908) issued October 2, 2013[1].

(1) Institutions providing securities administration services: BNP Paribas Securities Services – Grands Moulins de Pantin – 9 rue du Débarcadère – 93761 Pantin Cedex.

VOLUMES TRADED & CHANGES IN THE SHARE PRICE OF RALLYE SHARE IN THE PAST 18 MONTHS[1]

Year/Month	High (€)	Low (€)	Number of shares exchanged	Capital exchanged (in € millions)
2014				
September	37.50	34.51	708,859	25.66
October	34.69	28.43	1,537,453	48.07
November	34.27	31.00	1,250,162	40.59
December	31.52	25.94	1,680,843	48.29
2015				
January	33.74	27.10	1,339,545	40.25
February	34.20	31.32	1,428,035	47.30
March	36.61	33.90	1,148,889	40.66
April	37.35	33.32	937,326	33.23
May	34.24	29.06	1,308,695	41.45
June	30.87	27.00	2,239,573	64.54
July	29.00	24.75	1,592,011	42.60
August	27.80	21.53	1,781,500	43.04
September	22.06	13.71	4,533,079	78.36
October	19.29	14.56	2,644,691	45.60
November	18.37	15.60	2,331,020	40.33
December	17.85	11.81	7,208,573	103.39
2016				
January	14.46	11.93	3,390,654	45.27
February	15.11	12.20	3,993,527	51.93

(1) Source: NYSE-Euronext.

As at February 29, 2016, the Rallye share price stood at €14.98 and its market capitalization was €731 million.

Person responsible for the Registration Document and the Annual Financial Report

PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT AND THE ANNUAL FINANCIAL REPORT

Didier Carlier, Chief Executive Officer

Business address: 83 rue du Faubourg Saint-Honoré – 75008 Paris

The information is provided on the sole responsibility of the Company's senior managers.

DECLARATION BY THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT AND THE ANNUAL FINANCIAL REPORT

"I declare, after taking all reasonable care to ensure that such is the case, that the information contained in the Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

To the best of my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, financial position and results of the Company and all subsidiaries within the scope of consolidation. I further declare that the Management Report on pages 7 *et seq.* gives a true and fair view of the progress of the business, the results and the financial position of the Company and all subsidiaries within the scope of consolidation and also describes the main risks and uncertainties that they face.

I have obtained from the Statutory Auditors a completion of audit letter, in which they state that they have verified the information concerning the financial position and the financial statements in this Registration Document and have read the entire document.

The Statutory Auditors' report on the historical financial information contained in this document appear on pages 173 and 194 for the year ended December 31, 2015 The historic financial information presented in this document were the subject of reports by the Statutory Auditors appearing in pages 173 and 194 of said document for the year ended December 31, 2015 and below incorporated by reference, for the years ended December 31, 2014 and December 31, 2013."

The Chief Executive Officer – Didier Carlier

INFORMATION INCORPORATED BY REFERENCE IN THE REGISTRATION DOCUMENT

In accordance with Article 28 of European Commission regulation no. 809-2004 of April 29, 2004, the following information has been incorporated by reference in this Registration Document:

- the consolidated financial statements prepared in accordance with IFRS, and the corporate financial statements for the year ended December 31, 2014, the corresponding Statutory Auditors' reports and the Group's Management Report on pages 82 to 163, 166 to 183, 164 to 165, 184 to 185 and 6 to 46 of the Registration Document filed with the AMF on April 16, 2015 under number D.15-0356;
- the consolidated financial statements prepared in accordance with IFRS and the corporate financial statements for the year ended December 31, 2013, the corresponding Statutory Auditors' reports and the Group's Management Report on pages 80 to 171, 174 to 193, 172, 194 and 6 to 47 of the Registration Document filed with the AMF on April 16, 2014 under number D.14-0369.

The chapters of Registration Documents numbers D.15-0356 and D.14-0369 that are not referred to above are either of no interest to investors or are covered elsewhere in this Registration Document.

PERSON RESPONSIBLE FOR AUDITING THE FINANCIAL STATEMENTS

Statutory Auditors

KPMG Audit Department of KPMG SA

Tour Eqho – 2, avenue Gambetta – 92066 Paris-La Défense, represented by Catherine Chassaing, appointed at the Ordinary Shareholders' Meeting of June 29, 1993 and successively reappointed at the Ordinary Shareholders' Meetings of June 6, 2001, June 6, 2007 and May 14, 2013 for terms of six years, *i.e.* until the Ordinary Shareholders' Meeting convened to approve the financial statements for the year ended December 31, 2018.

Ernst & Young et Autres

1/2, place des Saisons – 92400 Courbevoie – Paris-La Défense 1, represented by Pierre Bourgeois, appointed at the Ordinary Shareholders' Meeting of June 1, 1999 and successively reappointed at the Ordinary Shareholders' Meetings of June 8, 2005 and May 4, 2011 for terms of six years, *i.e.* until the Ordinary Shareholders' Meeting convened to approve the financial statements for the year ended December 31, 2016.

Alternate Statutory Auditors

KPMG Audit ID

Alternate for KPMG, with registered offices at Tour Eqho – 2, avenue Gambetta – 92066 Paris-La Défense, appointed by the Ordinary Shareholders' Meeting of May 19, 2010 for the remaining term of office of its predecessor and reappointed at the Ordinary Shareholders' Meeting of May 14, 2013 for a term of six years, *i.e.* until the Ordinary Shareholders' Meeting convened to approve the financial statements for the year ended December 31, 2018.

AUDITEX

Alternate for Ernst & Young et Autres, 1/2, place des Saisons – 92400 Courbevoie – Paris-La Défense 1, appointed by the Ordinary Shareholders' Meeting of May 4, 2011 for a term of six years, *i.e.* until the Ordinary Shareholders' Meeting convened to approve the financial statements for the year ended December 31, 2016.

Person responsible for financial communications

Franck Hattab, Deputy Managing Director

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E-mail: info@rallye.fr

PUBLIC DOCUMENTS – SHAREHOLDER INFORMATION

Rallye is committed to the continual improvement of its financial information and exchanges with its shareholders and French and international investors.

Rallye's Financial Communication Department provides the financial community with access to the following information:

- the Registration Document;
- the financial statements;
- Company documents relating to the past three fiscal years;
- reports, mailings, valuations and special reports prepared by expert assessors at the Company's request;
- historical financial information regarding the Company and its subsidiaries;
- the dedicated website: www.rallye.fr.

In line with its communication policy, Rallye provides all shareholders and investors with unlimited access to this information. Each individual may access, download or request that this information is sent to them.

The Financial Communication Department organizes an annual financial information meeting for analysts and institutional investors, to which journalists are also invited. The presentation of the Group's financial results is available on the same day on the Company's website.

Cross-reference table for the Registration Document

To facilitate the reading of the Registration Document, the following subject-based table below can be used to identify the main information required by Annex I to European Regulation no. 809/2004/EC.

Information not applicable to Rallye is marked "n/a".

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To facilitate the reading of this document, the cross-reference table below may be used to identify in this Registration Document the information that constitutes the Annual Financial Report which must be published by listed companies in accordance with Articles L. 451-1-2 of the French Monetary and Financial Code and 222-3 of the General Regulations of the French Financial Markets Authority.

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RALLYE

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