Paris, July 25, 2019

RALLYE

2019 first-half results

The consolidated financial statements for the first-half of 2019, established by the Board of Directors on July 24, 2019, were reviewed by the Statutory Auditors. They were drawn up in accordance with the going concern principle given estimates prepared for the next twelve months for Rallye and its subsidiaries. Cash position forecasts are consistent with future commitments taken within the safeguard proceedings.

Comments on operational results of the subsidiaries are represented without impacts of the new IFRS 16 norm.

In €m	**H1 2018**	**H1 2019**	**2018** *Inc IFRS 16*	**2019** *inc IFRS 16*
Net Sales	18,195	18,149	18,195	18,149
EBITDA[1]	**766**	**650**	**1,224**	**1,136**
EBITDA margin	*4.2%*	*3.6%*	*6.7%*	*6.3%*
Trading profit	422	328	508	423
Trading profit excluding tax credits[2]	**322**	**328**	**408**	**423**
Trading profit margin excluding tax credits	*1.8%*	*1.8%*	*2.2%*	*2.3%*
Net income from continuing operations, Group Share	**(132)**	**(71)**	**(137)**	**(111)**
Net income, Group Share	**(131)**	**(70)**	**(134)**	**(112)**

Rallye's consolidated net sales amounted to €18.1bn. Trading profit reached €328m.

Rallye's holding perimeter net financial debt stood at €2,925m as at June 30, 2019, compared to €2,899m as at December 31, 2018.

Net income from continuing operation, Group Share, stood at -€71m as at June 30, 2019.

[1] EBITDA = trading profit + current depreciation and amortization expense
[2] Tax credits in Brazil

1. Holding perimeter[1]

- Information on the safeguard proceedings of Rallye, and its subsidiaries Cobivia, HMB, and Alpétrol

Following the persistent and massive speculative attacks against the group's securities, Euris, Finatis, Foncière Euris, Rallye and its subsidiaries Cobivia, HMB and Alpétrol requested and obtained the opening of safeguard proceedings by judgments rendered on May 23rd, 2019 and June 17, 2019 for a six months period (renewable). The Commercial Court in Paris appointed Mrs. Hélène Bourbouloux and Mr. Frédéric Abitbol as judicial administrators.

The judgements opening the safeguard proceedings suspended debts repayments incurred before the judgement and prevents creditors to enforce their pledge (except for financing subject to article L. 211-40 of the French Monetary and Financial Code).

Safeguard proceedings, which can last up to eighteen months, aim at protecting companies that are not cash-flow insolvent while giving them sufficient time to reprofile their debt and ensure their sustainability.

- Rallye’s holding perimeter net financial debt

Rallye’s holding perimeter net financial debt stood at €2,925m as at June 30, 2019.

As at June 30, 2019, this amount includes:

- unsecured bond financings and private placement for a notional amount of €1,280m, secured and unsecured financing borrowed from banking institutions for €1,835.5m (of which €1,625m[2] secured and €210m unsecured), plus €58.5m in unsecured commercial paper outstanding;
- matured interest for an amount of €25m, the payment of which are put on hold by the safeguard proceedings but computation and provisioning are still recorded in the accounts;
- an amount of -€19m which mainly relates to upfront costs of drawn financings and bonds which are amortized over the term of the related financial instruments, it being specified that the amortization was also maintained;
- cash-collateral pledged for -€145m[2];
- cash at hand for -€104m;
- other financial assets and assets held for sale (under IFRS 5) for -€6m.

- Details for the pledges granted to the creditors of the holding perimeter

Some debts incurred by companies of the holding perimeter are subject to guaranties that among other things take the form of Casino shares pledge. Before the opening of the safeguard proceedings, the number of shares to be pledged was correlated to Casino share price variations.

[1] Rallye holding perimeter is defined as Rallye and its wholly-owned subsidiaries that act as holding companies owning Casino shares, Groupe GO Sport shares and the investment portfolio.

[2] Structured financings arranged as prepaid forwards and equity swaps account for €273m which were secured by €42m of cash collateral, representing a net amount of €231m.

This leads Rallye and its subsidiaries to pledge 94.3% of their Casino shares before the opening of safeguard proceedings, representing 52.3% of the share capital and 61.1% of the voting rights as of June 30, 2019.

The opening of the safeguard proceedings led to the suspension of all additional margin call, whether in Casino shares or in cash collateral. Moreover, the safeguard proceedings prevent creditors from enforcing their pledges, except for pledges securing specific structured financings.

Should these structured financing arrangements be subject to article L. 211-40 of the French Monetary and Financial Code which allows the termination, netting, and exercise of security in spite of the opening of insolvency proceedings, the relevant financial institutions would have the option to terminate the arrangements and exercise the relevant share pledges. In the event all of them were exercised, Rallye's stake in Casino would amount to 43.6% of the share capital and 53.2% of the voting rights, thereby having no impact on Rallye's control over Casino.

In such cases, the impacts for Group Rallye would be the following:

In €m	Shareholding in Casino : **43.6%** **Pro forma**	Shareholding in Casino: **52.3%** **Current**
Group Rallye consolidated shareholder's equity	9,077	8,793
Of which Group Rallye	413	721
Of which minority interest	8,664	8,072
Consolidated net financial debt of Group Rallye (excluding IFRS 16)	**7,330**	**7,614**
Holding perimeter net financial debt	**2,641**[1]	**2,925**

As of the date hereof, none of the financial institutions have exercised any of these pledges and there is no ongoing legal proceedings.

On the opening date of the safeguard proceedings and as of June 30, 2019, pledges granted are the following:

- 53.5 million Casino shares were pledged for the benefit of creditors of the holding perimeter over 56.7 million shares held, of which 9.5 million shares pledged in order to secure financial institutions with structured financings arranged as prepaid forwards and equity swaps on 8.7% of Casino share capital;
- €145m of cash collateral to secure financial institutions;
- Shares of Groupe GO Sport as well as shares of Parande, a wholly owned subsidiary of Rallye which owns the investment portfolio, were pledged against the €500m credit facility signed in September 2018 of which €202m was drawn.

The results of the operating subsidiaries, which is not concerned by Rallye's safeguard proceeding and continue running as normal, are detailed below.

[1] The figure was computed based on Casino share price on June 28, 2019

2. Results of the operating subsidiaries

Note: In this part of the document the financial data are presented excluding IFRS 16. IFRS 16 data are presented in the appendices. The H1 2018 financial statements also take into account the application of IAS 29 on the treatment of hyperinflation in Argentina

- **Casino**

Casino accelerates growth in France for all banners and confirms its full-year 2019 profit and cash flow objectives, in line with rapid progress in cost reductions

Casino accelerates the debt reduction with a new net debt target in France of less than €1.5bn at end-2020 and beyond, with non-payment of the dividend in 2020.

In the first-half 2019, **Casino's consolidated net sales up +3.5%[1] on an organic basis to €17.8bn**:

- **In France, faster same-store growth** in the second quarter, at +0.7% (a +0.7pt increase vs. Q1), and at +2.5% over two years (up +1.2pt vs. Q1 19);
- **Cdiscount: sharp acceleration in growth of gross merchandise volume** (GMV) of +13.0%[2] in Q2 2019 (vs. +9.2%[2] in Q1) with a marketplace share in GMV at 40.1% (up +3.5pts);
- **In Latin America, strong growth maintained** (+10.1%[4]), led by Assaí in Brazil.

Consolidated trading profit excluding tax credits[3] up +12.9%[4] to €347m:

- **France trading profit of €151m, with +11bps growth in retail margin**, with the additional rents relating to the disposal plan more than offset by the net reduction in costs;
- **Cdiscount EBITDA margin up +96bps**, in connection with the marketplace share;
- **GPA trading profit up +7.0% on an organic basis**, excluding tax credits.

Rapid progress made on strategic priorities in France

- **€60m worth of cost savings** achieved (head office, store and logistics costs) and 2019 target raised to €130m (from an initial target of €100m);
- **Disposal and closure plan of loss-making stores (so called "Rocade Plan"): 15 hypermarkets** already sold, **€52m full-year gain in trading profit secured** and **disposal proceeds of €233m** (€150m net of closure costs); confirmation of the **objective of €90m** secured recurring annual gains as at end 2019;
- **Ongoing expansion on buoyant formats** (30 stores opened in H1 and 50 more planned in H2);
- **Strong E-commerce growth of +28%** and extension of the Amazon offer to Paris, its suburbs and other major French cities in H2 2019;
- **Acceleration in the new energy businesses** (GreenYellow project pipeline representing 350MWp at 30 June vs. 150MWp at 31 December) and **data** (RelevanC net sales up +38% to €24m).

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[1] Organic growth in consolidated sales excluding fuel and calendar effects
[2] Data reported by the subsidiary
[3] Tax credit in Brazil
[4] Organic growth. The organic change corresponds to the total change adjusted for changes in exchange rates and scope of consolidation

Sale of Via Varejo on June 14, 2019 and launch of a major project to simplify the structure in Latin America.

2019 full-year objectives confirmed in France. The reduction in capex and inventory plans (down €105m in the first semester) are consistent with the cash flow generation target of €0.5bn for the year.

Acceleration of the debt reduction plan to reach net debt in France of less than €1.5bn at end-2020 and maintain this level over time, thanks to the achievement of the €2.5bn disposal plan of which €2.1bn have been signed and to **non-payment of the dividend in 2020**, representing a total saving of around €500m from dividends over 18 months.

Casino's half-year results presentation is available on the website *www.groupe-casino.fr*.

- **Groupe GO Sport**

Groupe GO Sport business volume over €328m at the end of June 2019, up 7%. Net sales of €305m, up by +0.4% and de +2.1% on a same-store basis and at constant exchange rates.

Repositioning of **GO Sport France's** banner is bearing fruits and translates into a sustained and profitable growth of net sales at +4.9% on the semester on a same-store basis.

Along with this results, the banner initiated a far-reaching transformation plan of its business model: on the grounds of an operational and financial audit carried out by the new management, the sales strategy, as well as the integrated and affiliated network development policy are revised.

At the international level, GO Sport opened two affiliated stores in India and develop further on emerging markets.

The whole Courir business was disposed of on February 28, 2019 to Equistone which enabled Group Rallye to realize a capital gain of €170m.

Following the receipt of a binding offer, Groupe Go Sport has entered into exclusive negotiations on July 22, 2019 with Sportmaster with a view to selling its subsidiary **GO Sport Poland**.

All networks combined, GO Sport operates as of June 30, 2019 a total of 347 stores of which 82 abroad.

3. Conclusion and 2019 perspectives[1]

Casino confirms its full-year profit and free cash flow objectives for France:

- +10% growth in trading profit (excluding property development);
- At least €2.5bn from the disposal plan by Q1 2020 and a reduction in debt;
- €0.5bn in free cash flow[2] excluding disposals and Rocade plan.

The Board of Directors of Casino will propose to the 2020 Annual General Meeting the non-payment of dividend in 2020 for the 2019 fiscal year and has also decided not to pay a 2020 interim dividend for the 2020 fiscal year. This would represent a total saving of

[1] Indicators excluding IFRS 16
[2] Before dividends paid to owners of the parent and holders of TSSDI deeply-subordinated notes, and before financial expenses

around €500m[1] at end-2020, taking into account the absence of interim dividend decided for 2019 fiscal year. In light of its cash flow objectives and its €2.5bn disposal plan, which is expected to be completed by Q1 2020, **Casino is targeting net debt in France of less than €1.5bn at end-2020 and foresees to maintain it under this level over time.**

Payments to holders of TSSDI deeply-subordinated bonds will be maintained.

The Group also recalls the objectives of its subsidiaries:

- **Cdiscount:** strong improvement in EBITDA;
- **GPA:** an improvement in EBITDA margin of +30-40bps for Assaí and +30bps for Multivarejo;
- **Éxito:** an improvement in EBITDA margin.

The board of director of Rallye will not recommend to the General Annual Meeting 2020 any dividend payment for the FY 2019 results.

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

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[1] Based on 2018 dividends

APPENDICES

H1 2019 RESULTS

(CONSOLIDATED DATA)

in €m	H1 2018	IFRS 16 impacts	H1 2018 inc IFRS 16	H1 2019	IFRS 16 impacts	H1 2019 inc IFRS 16
Net Sales	**18,195**		**18,195**	**18,149**		**18,149**
EBITDA[1]	**766**	458	**1,224**	**650**	486	**1,136**
Trading profit	**422**	85	**508**	**328**	95	**423**
Other operational income and expenses	(138)	1	(137)	(145)	(75)	(220)
Cost of net financial debt	284	86	370	183	19	203
Other financial income and expenses	(209)	4	(205)	(204)	3	(201)
Other operational income and expenses	(103)	(122)	(226)	(35)	(138)	(173)
Profit (loss) before tax	**(28)**	(32)	**(60)**	**(56)**	**(116)**	**(171)**
Income tax expense	(27)	9	(18)	(57)	28	(28)
Income from associated companies	10	0	10	(1)	0	(1)
Net profit (loss) from continuing operation, Group Share	**(132)**	**(6)**	**(137)**	**(71)**	**(40)**	**(111)**
Net profit (loss), Group Share	**(131)**	**(3)**	**(134)**	**(70)**	**(42)**	**(112)**

SIMPLIFIED H1 2019 BALANCE SHEET

(CONSOLIDATED DATA)

in €m	2018/12/31	IFRS 16 impacts	2018/12/31 inc IFRS 16	H1 2019	IFRS 16 impacts	H1 2019 inc IFRS 16
Non-current assets	21,464	4,205	25,669	21,342	4,449	25,791
Current assets	17,709	1,352	19,061	11,332	147	11,480
TOTAL ASSETS	**39,173**	**5,557**	**44,730**	**32,674**	**4,596**	**37,270**
Equity	10,188	(268)	9,920	9,168	(375)	8,793
Non-current financial liabilities	9,477	(35)	9,442	6,348	(25)	6,323
Other non-current liabilities	2,066	3,891	5,957	1,684	4,176	5,860
Current liabilities	17,442	1,969	19,411	15,474	821	16,295
TOTAL EQUITY AND LIABILITIES	**39,173**	**5,557**	**44,730**	**32,674**	**4,596**	**37,270**

[1] EBITDA = trading profit + current depreciation and amortization expense

RECONCILIATION OF REPORTED PROFIT TO UNDERLYING PROFIT

Underlying net profit corresponds to net profit from continuing operations, adjusted for (i) the impact of other operating income and expenses, as defined in the “Significant accounting policies" section in the notes to the consolidated financial statements, (ii) the impact of non-recurring financial items, as well as (iii) income tax expense/benefits related to these adjustments.

Non-recurring financial items include fair value adjustments to equity derivative instruments (such as total return swaps and forward instruments related to GPA shares) and the effects of discounting Brazilian tax liabilities.

in €m – data excluding IFRS 16	**H1 2018**	**Restated items**	**2018 underlying**	**H1 2019**	**Restated items**	**2019 underlying**
Trading profit	**423**	**-**	**423**	**328**	**-**	**328**
Other operating income and expenses	(138)	138	-	(145)	145	-
Operating profit	**286**	**138**	**423**	**183**	**145**	**328**
Cost of net financial debt	(208)	-	(208)	(204)	-	(204)
Other financial income and expenses	(103)	45	(58)	(34)	(47)	(81)
Income tax expenses	(27)	(39)	(66)	(57)	(18)	(75)
Income from associated companies	10	-	10	-	-	-
Net profit (loss) from continuing operations	**(44)**	**144**	**100**	**(112)**	**80**	**(32)**
of which minority interests[1]	87	80	167	(41)	123	81
Of which Group share	**(131)**	**64**	**(67)**	**(70)**	**(43)**	**(113)**

[1] Minority interests have been restated for the amounts relating to the restated items listed above