

RALLYE

2016 first-half results

Casino consolidated net sales of €19.7bn, up + 2.7% on an organic basis:

- Increase in activity and significant profit recovery in France
- Sustained good performances in Colombia, Argentina and Uruguay, and improved sales in Brazil
- Project of a simplified organization for the Casino Group's E-commerce operations
- Rapid execution of the asset disposal plan, which exceeded objectives by delivering proceeds of €4.2bn as of end-April
- Sharp decline in net financial debt of Casino in France ⁽¹⁾

Decrease of Rallye's cost of net financial debt to €50m, compared to €57m in H1 2015

The consolidated financial statements for the first-half of 2016, established by the Board of Directors on July 28, 2016, were reviewed by the Statutory Auditors.

H1 2016 KEY P&L DATA

<i>In €m</i>	H1 2015 restated ⁽²⁾	H1 2016
Net sales	21,909	20,025
EBITDA ⁽³⁾	793	666
<i>EBITDA Margin</i>	3.6%	3.3%
Current operating income (COI)	373	306
<i>COI Margin</i>	1.7%	1.5%
Net income from continuing operations, Group Share	(110)	(241)
Net income, Group Share	(80)	1,223
Net underlying income from continuing operations ⁽⁴⁾, Group Share	(106)	(92)

Rallye consolidated net sales amounted to €20.0bn, down -8.6% compared to H1 2015 restated net sales. Current operating income (COI) reached €306m.

Rallye's holding perimeter net financial debt stood at €2,933m as at June 30, 2016 compared to €2,968m at the end of 2015.

Rallye holding perimeter's cost of net financial debt continued to decrease during H1 2016, to €50m compared to €57m in H1 2015. During H1, Rallye continued to optimize its financial costs by arbitrating between available resources, notably through the buyback of €35m of bonds maturing in 2021 and the setting up of bank financing at a reduced cost compared to bonds.

Rallye's net underlying income from continuing operations, Group Share, stood at - €92m as at June 30, 2016.

Net income, Group Share, of €1,223m related to capital gains from the disposal of Asia.

⁽¹⁾ Scope: The Casino Guichard Perrachon parent company, French businesses and wholly-owned holding companies. H1 2015 debt of Casino in France presented based on the H1 2016 scope

⁽²⁾ In accordance with the IFRS 5 standard and to facilitate comparison, H1 2015 accounts have been restated to reflect the impact of the disposal of operations in Thailand and Vietnam

⁽³⁾ EBITDA = current operating income + 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 details in the appendix)

1. SUBSIDIARIES ACTIVITY

Groupe Casino

Casino consolidated net sales of €19.7bn, with organic growth of +2.7%. In France, increase in activity with a growth of +0.9% on a same-store basis and +2.0% on an organic basis and further market share gains. For Latam retail, sustained good performances in Colombia, Argentina and Uruguay, and improved sales in Brazil with a stepped-up development of cash & carry and the initial results of Multivarejo's sales relaunch programme which weighed on profitability. The activity of Via Varejo has stabilized since Q2 2016. For E-commerce activities, Cdiscount reported good performance over the semester, while the activity of Cnova Brazil is still impacted by Brazil's economic environment. In H1 2016, Casino COI of €317m and consolidated net profit, Group Share of €2,581m related to capital gains from the disposal of Asia. Sharp decline in Casino's net financial debt in France ⁽¹⁾ (€4,027m versus €8,482m in H1 2015 restated) and decision on July 28th 2016 to pay an interim dividend of €1.56 per share.

In France, organic sales growth stood at +2.0%. The recovery was confirmed by recurring market share gains. Géant Casino recorded steadily rising sales and the banner continued to gain market share. Leader Price enjoyed strong growth over the semester and continued its franchise network roll-out. The other banners of the Group (Casino Supermarchés, Monoprix, Franprix and Convenience) all turned in a satisfactory performance. COI totaled €85m, a significant improvement (+€137m) over H1 2015 restated: Géant Casino, Leader Price and Casino Supermarchés all showed improved profitability over the period, and Monoprix and Franprix banners achieved satisfactory profitability. Property development trading profit stood at €49m versus €81m in H1 2015.

Food retail activities in Latin America recorded strong organic growth of +10.0% over the semester, driven by improved sales in Brazil and sustained performances in Colombia, Argentina and Uruguay. COI for Latam Retail (€212m) dropped by -10.9% at CER. In Brazil, Multivarejo continued commercial relaunch plans at Extra in Q2 2016. SG&A costs evolution was slower than inflation thanks to cost control plans. Multivarejo sales margin improved following the recognition of tax credits (positive effect of +250bp in Q2 2016⁽²⁾). Pão de Açúcar maintained a high level of profitability and convenience registered a gradual improvement of its profitability. Assaí posted an improved operating leverage with a stable gross margin excluding the effect of tax credits.

Via Varejo's sales improved since Q2 2016 thanks to banner conversions, growth in mobile phone sales, an improved merchandise offering and growth in services. The banner gained market shares both in the specialist market and the overall market. Latam Electronics COI (€100m), decreased -35.1% at CER given the unfavourable basis of comparison. Gross margin was impacted by tax credits and tax changes (two of them with a positive effect of +770bp on gross margin and the third one with a negative effect of -240bp on EBITDA margin in Q2 2016⁽²⁾).

In the **E-commerce** segment, Cdiscount achieved a satisfactory increase in sales (+13.7% on an organic basis in H1 2016). Cnova's activity in Brazil contracted, notably due to the country's economic environment. The E-commerce segment posted a COI of -€80m in H1 2016: Cdiscount's profitability improved compared to H1 2015, Cnova Brazil's results were affected by the decrease in sales. Action plans have been implemented to reduce disruptions. The banner also launched a cost cutting plan.

Consolidated net profit, Group share, after taking into account a very substantial gain on asset disposals recognised under discontinued operations, came to €2,581m.

Casino posted an **underlying net loss from continuing operations, Group share** of -€3m, close to the H1 2015 figure restated for the disposal of Asia.

Consolidated net financial debt of the Casino Group at 30 June 2016 stood at €6,343m (compared to €8,438m at 30 June 2015 restated) primarily as a result of Casino's deleveraging programme achieved through the disposal of activities in Asia.

Net financial debt of Casino in France ⁽²⁾ at 30 June 2016 totalled €4,027m, also declining sharply (from €8,482m at 30 June 2015 restated).

⁽¹⁾ Scope: The Casino Guichard Perrachon parent company, French businesses and wholly-owned holding companies. H1 2015 debt of Casino in France presented based on the H1 2016 scope

⁽²⁾ Information communicated by the subsidiaries

The Board of Directors has decided during the meeting held on 28 July 2016 to pay an interim dividend of €1.56 per share (50% of the annual dividend paid in respect of 2015, unchanged for the last three years) for the year 2016 – Ex-dividend on November 28th 2016 with a payment on November 30th 2016.

Other assets

Groupe GO Sport

Business volume of **Groupe GO Sport** reached more than €440m in H1 2016. Groupe GO Sport reported net sales of €349m during H1 and a growth of +4,6% on a like-for-like basis and at constant exchange rates, after +3.2% during the 2015 fiscal year. **GO Sport France**'s commercial momentum continued with a sales growth of +2.3% on a same-store basis, with the very strong performance of the Team Sport department during the Euro 2016. The first-half also saw the launch of a new banner, Bike+, dedicated to cycling. **Courir** posted strong growth of its sales and acquired during the semester 12 additional stores formerly under the Bata banner. The development of franchise networks, both for GO Sport and Courir, went on in H1, with a network of respectively 33 and 25 stores at the end of H1 2016, versus 17 and 33 at the end of 2015. **GO Sport in Poland** reported good performance with a sales growth of +3.5% on a same-store basis and at constant exchange rates, driven by both clients and volumes' growth. The Group has reinforced its cross-canal strategy which drives the growth of its e-commerce websites. All GO Sport stores are now equipped with online purchasing terminals.

EBITDA and COI are up compared to H1 2015.

The store network of Groupe GO Sport comprised 542 stores at the end of H1 2016, 81 of which are located abroad.

Investment portfolio


Rallye's investment portfolio is valued at €96m as at H1 2016, compared to €102m at the end of 2015. This follows €5m of net cash-in during the semester.

2. CONCLUSION AND PERSPECTIVES

In **France**, the Casino Group will pursue sales growth and profitability improvement. The Group confirms the €500m objective for the annual COI in France in 2016, subject to the pursuit of consumption trends.

In **Latin America**, the Exito group will pursue its development across various formats and countries where it operates. In Brazil, the new commercial policy will be continued for both food (GPA Food) and non-food (Via Varejo).

Rallye benefits from a very strong liquidity position with €1.8bn of confirmed and immediately available credit lines (€1.4bn of which are undrawn), with an average maturity of 4.5 years. The maturity of €850m of lines was extended in H1.



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

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APPENDICES

RALLYE H1 2016 RESULTS (CONSOLIDATED DATA)

<i>In €m</i>	H1 2015 Restated ⁽¹⁾	H1 2016
Net sales	21,909	20,025
EBITDA ⁽²⁾	793	666
Current Operating Income (COI)	373	306
Other operational income and expenses	68	(531)
Cost of net financial debt	(152)	(189)
Other financial income and expenses	(318)	(95)
Income tax expense	37	15
Income from associated companies	35	17
Net income from continuing operations	43	(477)
Net income from continuing operations, Group share	(110)	(241)
Net income from discontinued operations	101	2,900
Net income	143	2,424
Net income, Group share	(80)	1,223
Net underlying income, Group share	(106)	(92)

(1) Previously published financial statements have been restated to reflect the sale of operations in Thailand and Vietnam

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

RALLYE SIMPLIFIED H1 2016 BALANCE SHEET (CONSOLIDATED DATA)

<i>In €m</i>	12/31/2015	H1 2016
Non-current assets	27,759	27,670
Current assets	13,770	13,465
TOTAL ASSETS	41,530	41,134
Equity	10,575	12,834
Non-current financial liabilities	11,772	10,204
Other non-current liabilities	2,883	3,139
Current liabilities	16,299	14,958
TOTAL EQUITY AND LIABILITIES	41,530	41,134

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 of the notes to the annual consolidated financial statements), (ii) effects of non-recurring financial items and (iii) non-recurring income tax expenses/benefits.

Non-recurring financial items include fair value adjustments to equity derivatives instruments (for example instruments as Total Return Swap and forward related to GPA shares) and effects of monetary updating of tax liabilities in Brazil.

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

In €m	H1 2015 restated ⁽¹⁾			H1 2016		
	H1 2015	Items restated	H1 2015 underlying	H1 2016	Items restated	H1 2016 underlying
Current Operating Income (COI)	373	-	373	306	-	306
Other operating income and expenses	68	(68)	-	(531)	531	-
Operating income	441	(68)	373	(224)	531	307
Cost of net financial debt	(152)	-	(152)	(189)	-	(189)
Other financial income and expenses	(318)	183	(135)	(95)	(44)	(139)
Income tax expense	37	(110)	(74)	15	(80)	(65)
Income from associated companies	35	-	35	17	-	17
Net income from continuing operations	43	5	47	(477)	408	(69)
Of which minority interests	152	2	154	(236)	258	22
Of which Group share	(110)	3	(106)	(241)	149	(92)

⁽¹⁾ Previously published financial statements have been restated to reflect the sale of operations in Thailand and Vietnam