Paris, July 26, 2018

RALLYE

2018 first-half results

Successful issue of a new CHF denominated bond for an amount of CHF95m (€81m) maturing in February 2024, with a 3.25% coupon (euro equivalent of 4.23%)

Enhancement of equity by €33m, following the payment of a scrip dividend

At Casino level: **good operating performance across all businesses and reduction in net debt in France and at Group level**

- Casino trading profit :
  - **€439m, a growth of +10.3% on an organic basis** and a variation of -2.4% after taking into account the negative impact of currency, compared with H1 2017
  - **€339m excluding tax credits in Brazil**, an increase of +6.1% and +17.3% on an organic basis compared with H1 2017
- **Trading profit in France up +23.0% at €136m compared with H1 2017,** €114m for the retail business, an increase of +47.3% and +37.4% on an organic basis compared with H1 2017.
- **Net debt in France reduced by -€295m** to €4,019m compared with H1 2017
- **Casino's objective is to complete half of the €1.5bn disposal plan (announced on June 11, 2018) this year. Taking into account:**
  - the **definitive sale of 15 % of Mercialys shares** through an equity swap with a bank for €213m,
  - indicative offers received in July 2018 for other Group's assets representing around half of the disposal plan.

  Casino confirms this objective.
- **Confirmation of annual financial objectives and deleveraging objective in France**

The consolidated financial statements for the first-half of 2018, established by the Board of Directors on July 25, 2018, were reviewed by the Statutory Auditors.

H1 2018 KEY P&L DATA

en M€	**H1 2017** *Restated*	**H1 2018**
Net Sales	**18,816**	**18,224**
EBITDA[1]	**795**	**766**
EBITDA margin	*4.2%*	*4.2%*
Trading profit	**441**	**425**
Trading profit margin	*2.3%*	*2.3%*
Net income from continuing operations, Group Share	**(132)**	**(130)**
Net income, Group Share	**(136)**	**(128)**
Net underlying income[2] **from continuing operations, Group Share**	**(69)**	**(67)**

In the first half of 2018, the Group adopted IFRS 15 – « Revenue from Contracts with Customers» with retrospective application to 2017. In light of the ongoing process to sell Via Varejo in Q2 2018, this business has been classified as a discontinued operation in both 2017 and H1 2018 in accordance with IFRS 5.

1 *EBITDA = trading profit + current depreciation and amortization expense*
2 *Definition on page 6*
NB: *Organic and same-store changes exclude fuel and calendar effects*

Rallye's consolidated net sales amounted to €18.2bn. Trading profit reached €425m.

Rallye's holding perimeter net financial debt stood at €2,867m as at June 30, 2018, compared to €2,894m as at June 30, 2017.

Rallye's net underlying income from continuing operations, Group Share, stood at -€67m as at June 30, 2018.

In February 2018, Rallye issued a new CHF denominated bond for an amount of CHF95m (€81m) maturing in February 2024, with a 3.25% coupon (euro equivalent of 4.23%).

As of June 30, 2018, Rallye has a strong liquidity position with more than €1.7bn of confirmed and undrawn credit lines.

1. SUBSIDIARIES ACTIVITY

- **Casino**

In H1 2018, Casino reported consolidated net sales of €17.8bn, representing organic growth of +4.1% and -3.4% after taking into account the negative impact of currency.

In France, growth stood at +1.3% on an organic basis and +1.5% on a same-store basis, with food sales up +2.3%. The increase reflected good performances by Monoprix, Casino Supermarkets and Franprix, and strong growth at Géant Hypermarkets. Same-store sales by the Convenience franchise network attested to the format's solid momentum over the semester. Leader Price continued to improve its level of same-store growth.

E-commerce (Cdiscount) GMV grew by +7.5% on an organic basis[1], sustained by the strong organic growth and contribution from Géant non-food sales. The marketplace has seen a sharp acceleration in business since the beginning of Q3 2017 and its contribution to GMV now stands at 34.4%. Cdiscount benefits from the rapid growth of B2C services including Cdiscount Energie and the acceleration of financial services.

The food retail business in **Latin America** delivered organic growth of +7.3% and same-store growth of +3.1% in the first half, reflecting the good performance of the cash & carry business, the return to growth of Multivarejo and organic and same-store growth at Exito.

Casino trading profit came to €439m, up +10.3% on an organic basis compared to H1 2017 and down -2.4% after taking into account the negative impact of currency. Excluding tax credits in Brazil, Casino trading profit amounted to €339m, an increase of +6.1% and +17.3% on an organic basis compared with H1 2017.

In France, trading profit totalled €136m, up +23.0% compared with H1 2017. Trading profit in France for the retail business amounted to €114m, an increase of +47.3% and +37.4% on an organic basis compared with H1 2017 (€78m). The significant increase reflected improved performances by the main banners and a favourable change in format mix.

The **E-commerce** segment posted a trading loss of -€23m. Gross margin improved by +31 bp, thanks to dynamic growth in the marketplace contribution and in revenue from data monetization initiatives. The controlled increase in costs, mainly related to deliveries, drove a +45.3% improvement in EBITDA on an organic basis compared to H1 2017.

Trading profit from **food retail operations in Latin America** came to €326m, up +6.8% on an organic basis compared to H1 2017. The total includes the tax credits recorded by GPA in H1 2018 for an amount of €100m versus €130m in H1 2017. Adjusted for these items, trading profit stood at €226m, reflecting organic growth of +14.8% that was attributable to the good performance of Assaí and the recovery of Multivarejo.

[1] *Data published by the subsidiary. The organic changes exclude sales of technical products and household equipment generated with customers of the Casino Group hypermarkets and supermarkets (impact of -6.4 pts and -8.9 pts on GMV and net sales, respectively), but include sales generated in corners*

Underlying net profit (loss) from continuing operations, Group share of Casino[1] was €48m, up +28.6% compared to H1 2017 (€37m).

Casino Group consolidated net debt at June 30, 2018 stood at €5,445m vs €5,594m at June 30, 2017, a decrease of -€149m;

Casino net debt in France[2] decreased by -€295m at €4,019m compared with H1 2017

The Group's objective is to complete half of the €1.5bn disposal plan (announced on 11 June 2018) this year, when taking into account:

- The definitive sale of 15 % of Mercialys equity through an equity swap with a bank for €213m,
- Indicative offers received in July 2018 for other Group's assets representing around half of the disposal plan.

Casino confirms this objective.

- **Groupe GO Sport**

Groupe GO Sport business volume over €486m as of June 30, 2018, up 3.4%. Net sales of €406m, up by +8.6% and by +4.2% 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 growth of net sales in a same-store basis which led to market share gains[3].

Market share gains[4] for **Courir**'s banner and further expansion of all distribution channels in France with the opening of 5 integrated stores and 8 affiliates. The banner also launched its internationalization with 2 openings in Spain and 2 openings in Poland.

At the international, **GO Sport Poland**'s banner opened 2 new stores in a context of intense competition and of the closing of stores every other Sunday since March

2. CONCLUSION AND PERSPECTIVES

Casino confirms its 2018 objectives, and updates them to take into account the asset disposal plan announced in June 2018:

Trading Profit:

- In France, it targets in food retail an organic[5] growth above 10% of trading profit excluding property development, led by growth in the most profitable formats, by improved hypermarket and convenience profitability
- In all, the Casino is aiming to deliver organic[5] growth of its consolidated trading profit and **above 10% excluding tax credits**

In France, a free cash flow[6] from continuing operations excluding exceptional items covering financial expenses and dividends and allowing to improve net financial debt.

A reduction of net financial debt in France by around **€1bn** at December 31, 2018 thanks to self-financing and the proceeds from the asset disposal plan announced in June.

A reduction in the consolidated net financial debt, with:

- The return to breakeven for Cdiscount's free cash flow
- Free cash flow[6] from continuing operations excluding exceptional items of over €1bn in total
- A CAPEX envelop of around €1bn
- And the effect from the sale of Via Varejo

[1] *See definition on page 6*
[2] *Scope France: the Casino, Guichard-Perrachon parent company, French businesses and wholly-owned holding companies*
[3] *Data provided by Banque de France - Commerce sport & Loisirs at the end of June 2018*
[4] *NPD data at the end of May 2018*
[5] *Excluding currency effect and scope impact*
[6] *Prior to dividends paid to shareholders of the parent company, TSSDI holders and excluding financial expenses*

Rallye benefits from a strong liquidity position, with more than €1.7bn of confirmed and undrawn credit lines. The average maturity of these lines is 3.6 years. Rallye issued a new CHF denominated bond maturing in February 2024. With 65% of the rights exercised in favor of the payment in share, Rallye comforts its positive recurring cash-flow equation[1] and increases its shareholders' equity by €33m.

Rallye reiterates its strategy to maximize its assets' value and confirms the strength of its financial structure, especially by maintaining a positive recurring cash-flow equation in 2018[1]

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

Rallye contact:

Franck HATTAB

+ 33 (0)1 44 71 13 73

[1] *Dividends paid by Casino, net of dividends paid by Rallye, net financial cost, and holding costs*

Disclaimer

This press release was prepared solely for information purposes and should not be construed as a solicitation or an offer to buy or sell securities or related financial instruments. Similarly, it does not give and should not be treated as giving investment advice. It has no connection with the investment objectives, financial situation or specific needs of any recipient. No representation or warranty, either express or implicit, is provided in relation to the accuracy, completeness or reliability of the information contained herein. It should not be regarded by recipients as a substitute for exercise of their own judgement. All opinions expressed herein are subject to change without notice.

APPENDICES

RALLYE H1 2018 RESULTS

(CONSOLIDATED DATA)

in €m	**H1 2017** *Restated*	**H1 2018**
Net Sales	**18,816**	**18,224**
EBITDA [1]	**795**	**766**
Trading profit	**441**	**425**
Other operational income and expenses	(277)	(138)
Cost of net financial debt	(246)	(211)
Other financial income and expenses	(39)	(101)
Profit (loss) before tax	(122)	(25)
Income tax expense	28	(26)
Income from associated companies	3	10
Net profit (loss) from continuing operations	**(90)**	**(41)**
Net profit (loss) from continuing operations, Group share	(132)	(130)
Net income from discontinued operations	(14)	48
Net income	**(105)**	**7**
Net underlying income, Group share	**(69)**	**(67)**

(1) EBITDA = trading profit + current depreciation and amortization expense

RALLYE SIMPLIFIED H1-2018 BALANCE SHEET

(CONSOLIDATED DATA)

In €m	**12/31/2017** Restated	**H1 2018**
Non-current assets	23,181	22,651
Current assets	16,591	15,666
TOTAL ASSETS	**39,772**	**38,317**
Equity	11,233	10,011
Non-current financial liabilities	9,559	9,971
Other non-current liabilities	2,131	2,073
Current liabilities	16,848	16,261
TOTAL EQUITY AND LIABILITIES	**39,772**	**38,317**

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.

Underlying financial income corresponds to financial income restated from fair value adjustments to equity derivative instruments for example Total Return Swap (TRS) and forward instruments related to GPA shares and effects of discounting tax liabilities in Brazil

In €m	**H1 2017**	**Restated items**	**H1 2017 Underlying**	**H1 2018**	**Restated items**	**H1 2018 Underlying**
Trading profit	**441**	**-**	**441**	**425**	**-**	**425**
Other operating income and expenses	(277)	277	-	(138)	138	-
Operating profit	**163**	**277**	**441**	**288**	**138**	**425**
Cost of net financial debt	(246)	-	(246)	(211)	-	(211)
Other financial income and expenses	(39)	(23)	(62)	(101)	45	(56)
Income tax expenses	28	(81)	(53)	26	(39)	(65)
Income from associated companies	3	-	3	10	-	10
Net profit (loss) from continuing operations	**(90)**	**174**	**83**	**(41)**	**144**	**103**
Of which minority interests[1]	41	111	152	89	80	169
Of which Group share	**(132)**	**62**	**(69)**	**(130)**	**63**	**(67)**

[1] *Minority (non-controlling) interests have been restated for the amounts relating to the restated items listed above*