

RALLYE

2015 Annual Results

Strong decrease of Rallye's cost of net financial debt, at €112m compared to €165m in 2014

Increase in Rallye's stake in Casino to 50.1% of share capital

Average maturity of credit lines extended to 4.6 years (vs. 4.1 years at the end of 2014), partly through the refinancing of Rallye's €725m syndicated credit facility.

The Board of Directors of Rallye, chaired by Mr. Jean-Charles NAOURI, met on March 8, 2016 in order to close the books for the year ended December 31, 2015.

The Statutory Auditors have completed their audit and are in the process of issuing their report.

2015 KEY P&L DATA

<i>Continuing operations (in €m)</i>	2014	2015
Net sales	49,155	46,832
EBITDA ⁽¹⁾	3,210	2,358
<i>EBITDA margin</i>	6.5%	5.0%
Current operating income (COI)	2,235	1,445
<i>COI Margin</i>	4.5%	3.1%
Net income, Group share	(32)	(168)
Net underlying income ⁽²⁾, Group share	52	30

Rallye consolidated net sales amounted to €46.8bn, up +1.6% at CER ⁽³⁾. Current operating income (COI) reached €1,445m.

Rallye's holding perimeter net financial debt stood at €2,968m as at December 31, 2015 compared to €2,798m at the end of 2014. This change is mainly linked to the increase of Rallye's stake in Casino during the second half of 2015, for a total of €126m.

Rallye's cost of net financial debt strongly decreased, at €112m, compared to €165m as at the end of December 2014. This improvement of €53m exceeds the guidance of €40m announced at the beginning of the year and reflects refinancing at lower cost conducted over the last semesters.

Rallye's net underlying income, Group share, stood at €30m as at December 31, 2015.

As at December 31, 2015 Rallye's financial covenants were comfortably respected. The consolidated EBITDA to consolidated net interest expenses ratio amounted to 3.44x (vs a covenant at 2.75x), and Rallye's unconsolidated net worth was €1,716m (vs a covenant at €1,200m). In addition, 18.5m of Casino shares were pledged as at December 31, 2015 out of 56.7m shares held.

⁽¹⁾ EBITDA = current operating income + current depreciation and amortization expense

⁽²⁾ 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)

⁽³⁾ At CER : at constant exchange rates

1. SUBSIDIARIES ACTIVITY

Groupe Casino

Organic and same-store evolutions are presented ex fuel and ex calendar effects.

Consolidated net sales of €46.1bn, up +1.6% at constant exchange rates. In France, marked recovery in activity in H2 2015 and continuous market share gains at Géant Casino and Leader Price. Internationally, Exito registered strong performances in Colombia, Uruguay and Argentina. In Brazil, good resilience of GPA Food and growth of the share of buoyant formats in the mix. Cnova gross merchandise volume experienced continuous growth thanks to the development of marketplaces. Casino's COI is at €1,446m, down compared with 2014, and underlying net profit, Group share, stands at €412m. Marked reduction in Casino in France's ⁽¹⁾ net financial debt at €6.1 billion. Announcement of a debt reduction plan amounting to around €4 billion, a significant initial stage of which has been implemented in the first quarter of 2016. Disposal proceeds will be dedicated to continuing the reduction in Casino net debt in France ⁽¹⁾

In 2015 like-for-like growth was driven by the recovery of business in France in H2, and by the international subsidiaries' rapid adjustment to the changing environment.

In France, organic growth of the food retail businesses amounted to 1.1% in 2015, driven by the strong recovery of Géant Casino and Leader Price, and the roll-out of new concepts, primarily at Franprix and Supermarchés Casino. Customer footfall rose by 1.9% in 2015.

Food sales in Latin America continued to increase, and rose by 5.8% on an organic basis. Exito continued its development, and registered strong performances in all countries. In Brazil, sales of GPA were driven by the premium and cash & carry retail banners.

The new management team at **Via Varejo** accelerated the cost-cutting plans and the competitiveness relaunch. The subsidiary ends the year with market share gains in Q4 2015.

Lastly, **the E-commerce business (Cnova)** registered a 16.4% increase in gross merchandise volume (GMV) at constant exchange rates in 2015. The marked increase of marketplaces continued, and their share of business volumes reached 20.5%. Traffic increased by 28.9% in 2015. Cdiscount market share reached 34.4 %⁽²⁾ in January 2016, i.e. +3.8 over one year.

In 2015, Casino's **EBITDA** amounted to €2,343m (€2,499m at constant exchange rates), while COI amounted to €1,446m (€1,553m at constant exchange rates).

In France, EBITDA and COI, which amounted to €726m and €337m respectively, suffered in the 1st half of 2015 from the last effects of the price cuts at Géant Casino and Leader Price. Monoprix and Franprix registered good operating performances. COI in France recovered sharply in H2 2015 (€390m), and was up 34.1% compared with H2 2014 (€291m). Casino carries out property development activities in France, as part of the implementation of its dual business model. These activities have generated similar EBITDA over the last two financial years: €167m in 2015 and €162m in 2014.

The **Latam Retail** segment's COI decreased compared with 2014, and amounted to €703m. In Brazil, cost inflation put pressure on the margin for the year against a backdrop of weak growth in net sales. The margin of food retail businesses in Latin America remained at a high level of 4.8%. The performances registered by Colombia, Argentina, and Uruguay were highly satisfactory.

The **Latam Electronics** segment's COI, which amounted to €271m, was down compared with 2014, as it was affected by the sharp contraction in business as from Q2 2015. Via Varejo has implemented extensive action plans aimed at reducing its operating cost base.

Current operating income in **Asia** amounted to €277m. Casino has announced the planned disposal of its activities in Thailand and Vietnam.

The **E-commerce** segment reported negative EBITDA in 2015. Cdiscount reported a satisfactory operating performance, including positive EBITDA in H2 2015. The performance in Brazil was affected by the macro-economic environment, and by a case of fraud identified at Cnova Brazil.

⁽¹⁾ *Casino in France: the scope includes Casino Guichard Perrachon, the parent company, the French business activities, and the wholly-owned holding companies*

⁽²⁾ *Source; GFK, technical goods market in France*

Underlying Net Profit, Group share, amounted to €412m.

Consolidated net financial debt amounted to €6,073m as at December 31, 2015. **Consolidated free cash flow before dividends** (€945m) covered financial investments (€217m), the dividends paid (€570m), and share buy-backs and other transactions (€64m).

Net financial debt of Casino in France⁽¹⁾ amounted to €6,081m as at December 31, 2015, a decrease of 20% due to the impact of the reorganisation of Casino's assets in Latin America. Cash flow from operations, after tax, from the French business activities amounted to €838m, while dividends received amounted to €194m. This cash flow covered net capex (€498m), financial expenses (€130m), and the dividends paid to shareholders and the holders of Casino's subordinated securities (€400m).

Casino has announced a **€4 billion debt reduction plan**, which specifically includes the planned disposal of Big C Thailand and Big C Vietnam. Casino announced the sale of its 58.6% interest in Big C Thailand for a total amount of €3.1 billion on February 7, 2016. This transaction values Big C at 1.7 x net sales and 16.8 x EBITDA. The closing will take place on March 31, 2016 at the latest.

Other assets

Rallye's investment portfolio is valued at €102m as at December 31, 2015 compared to €143m at the end of 2014. This follows €46m of net cash-in during the 2015 fiscal year.

Sales of **Groupe GO Sport** amounted to €680m in 2015 (compared to €655m in 2014), boasting growth of +3.2% on a like-for-like basis and constant exchange rates. Groupe GO Sport achieved strong business volume growth, in relation with the development of all store networks (integrated, affiliated, and e-commerce). Net business volume reached more than €830m in 2015, compared to €740m two years before.

GO Sport France's commercial momentum continued with renewed sales growth on a like-for-like basis during the fiscal year and an increase in both number of clients and volumes. **Courir's** sales were up for the sixth consecutive year. Highlights of the year include the gradual integration of 18 stores formerly under the Bata banner. GO Sport France and Courir's French franchise networks continued to expand at a fast pace (network of respectively 17 and 23 stores at the end of 2015, compared to 7 and none at the end of 2013). E-commerce websites for both banners showed strong growth and the cross-canal strategy was strengthened in 2015, notably via the setup of online purchasing terminals in GO Sport stores.

Finally, **Groupe GO Sport's EBITDA and COI** were up versus 2014.

At the end of 2015, Groupe GO Sport's **store network** comprises 515 stores, of which 74 abroad, compared to respectively 334 and 56 at the end of 2013.

⁽¹⁾ *Casino in France: the scope includes Casino Guichard Perrachon, the parent company, the French business activities, and the wholly-owned holding companies*

2. CONCLUSION AND PERSPECTIVES

Casino's **perspectives** are as follows:


- Significant deleveraging
- Strategy of assets' rotation
- Profitable growth in France
- In E-commerce, further growth and improvement of profitability
- Consolidation of leadership and growth in Latin America

Listed subsidiaries each have disclosed their objectives and outlook at the occasion of their annual results.

For France, Casino confirms the **following objectives** in 2016:

- o EBITDA of around €900m
- o Current operating income of more than €500m
- o Free cash flow⁽¹⁾ of at least €200m after financial expense and payment of the dividend ⁽²⁾

Rallye benefits from a strong liquidity position, with €1.5bn of confirmed, immediately available, and undrawn credit lines. The average maturity of these lines was extended to 4.6 years, notably following the refinancing of Rallye's syndicated credit facility during the first semester of 2015. Rallye will only face one bond redemption in 2016, limited to €389m, and the following will only be due in October 2018.



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

At the General Annual Meeting on May 18, 2016, Rallye will recommend a dividend of €1.83 per share, stable compared to 2014, which will be paid on May 27, 2016.

Investor Calendar:

Wednesday May 18, 2016: Annual General Meeting

For more information, please consult the company's website:
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⁽¹⁾ Casino Group holding company scope, which specifically includes the French business activities and the wholly-owned holding companies

⁽²⁾ Operating cash flow from the French business activities after tax - CAPEX of the French business activities and dividends received from international subsidiaries and equity associates minus dividends paid (including the coupon on the hybrid debt) - net financial expense

Disclaimer

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APPENDICES

RALLYE 2015 RESULTS (CONSOLIDATED DATA)

<i>(in €m)</i>	2014	2015
Net sales	49,155	46,832
EBITDA ⁽¹⁾	3,210	2,358
Current operating income	2,235	1,445
Other operational income and expenses	(501)	(478)
Cost of net financial debt	(812)	(686)
Other financial income and expenses	19	(238)
Income tax expense	(321)	(69)
Income from associated companies	76	73
Net income from continuing operations	697	46
Net income from continuing operations, Group share	(32)	(168)
Net income from discontinued operations	(2)	4
Net income	696	50
Net income, Group share	(33)	(166)
Net underlying income, Group share	52	30

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

RALLYE SIMPLIFIED 2015 BALANCE SHEET (CONSOLIDATED DATA)

<i>(in €m)</i>	2014	2015
Non-current assets	30,432	27,759
Current assets	16,790	13,770
TOTAL ASSETS	47,222	41,530
Equity	13,934	10,575
Non-current financial liabilities	11,611	11,772
Other non-current liabilities	3,262	2,883
Current liabilities	18,414	16,299
TOTAL EQUITY AND LIABILITIES	47,222	41,530

RECONCILIATION OF REPORTED PROFIT TO UNDERLYING PROFIT

Underlying profit corresponds to net profit from continuing operations adjusted for the impact of other operating income and expense (as defined in the “Significant Accounting Policies” section of the notes to the consolidated financial statements), non-recurring financial items and non-recurring income tax expense/benefits.

Non-recurring financial items include fair value adjustments to certain financial instruments at fair value through profit or loss whose market value may be highly volatile. For example, fair value adjustments to financial instruments that do not qualify for hedge accounting and embedded derivatives indexed to the Casino share price are excluded from underlying profit.

Non-recurring income tax expense/benefits correspond to tax effects related directly to the above adjustments 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.

<i>(in €m)</i>	2014	Restated	Underlying 2014	2015	Restated	Underlying 2015
Current operating income (COI)	2,235	-	2,235	1,445	-	1,445
Other operating income and expenses	(501)	501	-	(478)	478	-
Operating income	1,734	501	2,235	967	478	1,445
Cost of net financial debt	(812)	-	(812)	(686)	-	(686)
Other financial income and expenses ⁽¹⁾	19	(11)	8	(238)	309	71
Income tax expenses ⁽²⁾	(321)	(157)	(478)	(69)	(234)	(303)
Income from associated companies	76	-	76	73	-	73
Net income from continuing operations	697	333	1,030	46	553	599
Of which minority interests ⁽³⁾	729	249	978	214	353	568
Of which Group share	(32)	84	52	(168)	198	30

(1) The following are restated from other financial income and expenses: the impact of monetary discounting of tax liabilities in Brazil, as well as fair value changes of the Total Return Swaps on GPA and Big C shares, forwards and call options on GPA

(2) The following are restated from tax charges: tax items corresponding to the items restated above, as well as non-recurring income and charges

(3) The following are restated from minority interests: the amounts related to the items restated above