RALLYE

Paris, July 30, 2015

INTERIM FINANCIAL REPORT

Article 222-4 of the AMF General Regulations

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1 - STATEMENT BY THE PERSON IN CHARGE OF THE INTERIM FINANCIAL REPORT

I hereby certify that, to my knowledge, the statements presented in the interim financial report have been prepared in accordance with the applicable accounting standards and that they present fairly the Rallye Group’s assets, financial position, and results of operations and that the interim business report presents fairly the material events that have occurred during the first six months of the fiscal year and their impact on the interim financial statements, the main risks and uncertainties for the remaining six months of the year, and the principal related-party transactions.

Paris, July 30, 2015

Franck Hattab,
Deputy Chief Executive Officer

2 – INTERIM BUSINESS REPORT

Highlights of the first half of 2015

Rallye

In the first half of 2015, Rallye increased the average maturity of its credit lines to 4.9 years (from 4.1 years at end-2014), following notably the refinancing of the €725 million Rallye syndicated credit facility in May 2015.

Rallye's cost of net financial debt also decreased significantly, from €91 million in the first half of 2014 to €57 million in the first half of 2015.

Casino

The first half was characterized by the following:

- In France, there was a return to organic growth in the second quarter of 2015, especially with the confirmed recovery of the two banners that underwent a major price repositioning (Géant and Leader Price).

- Internationally, the retail food segment performed well, particularly in Latin America, and sales declined for Via Varejo in a context of economic slowdown and base effect related to the World Cup (ending in July 2015); the banner continued to gain market share (+0.7pt[1]).

- E-commerce activities continued growing and Gross Merchandise Volume (GMV) rose +26.8% at constant exchange rates in H1 2015 due to the development of marketplaces.

There were also several highlights in early 2015 at Casino:

- On **January 6, 2015**, Géant Casino announced the launch of "Round Prices" (in the food and non-food segment). In the non-food segment, Géant Casino has revolutionized its offer and grabbed attention with its low and easy-to-read prices for 10,000 products with a renewed selection for each season. At the same time, the asortments have been refocused and concentrated on best sales, which has simplified the offer for the customers.

- On **January 9, 2015**, Leader Price opened its 1,001st store and announced the launch of the new Leader Price Express concept which simultaneously meets the demand for convenience stores and low-price discount stores. Leader Price Express is expanding the existing Leader Price commercial network and is strengthening its foothold in local retail.

- On **January 14, 2015**, Géant Casino announced the launch of the Finlandek private brand in homeware. Finlandek was founded in 2011 by Exito, the Columbian subsidiary of the Casino Group. Finlandek is a private brand with a strong identity, defined by quality homeware at affordable prices. Unique in the world of superstores, each collection is constantly renewed and offers a selection of exclusive models, sold at prices ranging from €1.50 to €80 maximum.

- On **January 20, 2015**, Cnova announced the opening of the Cdiscount site in Panama (cdiscount.com.pa) and in so doing, it continued its internationalization following the opening of sites in Brazil, Thailand, Vietnam, Colombia, Ecuador, Ivory Coast, Senegal, Cameroon and Belgium.

- On **May 4, 2015**, the Casino Group signed a unilateral purchase undertaking with Gastronome Group (Terrena Group) for the acquisition of its subsidiary Gastronome-Luché, which operates a

[1] *Independent institutes and panelists*

site in Luché-Pringé, Sarthe (north-western France). All 159 jobs are expected to be maintained. The transaction will enable the Casino Group to integrate a poultry subsidiary for very high-quality products and to gain expert knowledge of the entire supply chain.

- On **June 12, 2015**, Géant Casino announced an ambitious program for Fall 2015 including renovations of its storefronts based on new concepts and the deployment of synergies with the other subsidiaries of the Group (including Cdiscount in the multi-channel segment and Éxito for textile and homeware). Géant Casino will present to its customers a new visual identity, modernized commercial concepts and dynamic private labels.

- On **June 30, 2015**, Starbucks Coffee Company and Casino Restauration (a subsidiary of the Casino Group) signed a licensing partnership agreement. The agreement stipulates the opening of Starbucks coffee shops in Géant hypermarkets and Casino Supermarkets throughout France.

Business report

The comments in the Interim Business Report are based on the comparison with H1 2014 figures adjusted for the impact of the retrospective application of the IFRIC 21 interpretation.
Organic and same-storechanges exclude all gasoline and calendar effects.

Revenue

Rallye's consolidated revenue totaled €24.0 billion at June 30, 2015, up 1.9% compared to June 30, 2014. The breakdown by business operation is as follows:

(in € millions)	6/30/2015	6/30/2014 restated	Change
France Retail	9,136	9,248	-1.2%
Latam Retail	7,803	7,305	+6.8%
Latam Electronics	2,924	3,477	-15.9%
Asia	2,076	1,692	+22.7%
E-commerce	1,731	1,526	+13.4%
Other business*	325	308	+5.5%
Total	23,995	23,556	+1.9%

* Related to holding company, investment portfolio and Groupe GO Sport

In the first half of 2015, **Casino** recorded consolidated revenue of €23.7 billion, up +1.8%. Scope changes made a positive contribution of +1.7% (excluding gasoline which contributed -0.3%). Changes in exchange rate had a negative impact of -0.6%.

Revenue from food retail activities in France was €9,136 million in H1 2015 compared to €9,248 million in H1 2014. On an organic basis, sales were down -0.4% and returned to organic growth in Q2 2015 (+0.4%).

By format, the following should be noted for the half-year:

- At **Géant**[2], the half-year was marked by the return to growth with revenue up +0.3% organically. The banner posted same-store sales up +2.0% in Q2 2015, despite the carry forward effect of 2014 price cuts. Traffic and volume grew continuously during the half-year. In addition, in Q2 2015, the banner started a program for the renovation of stores combined with numerous commercial operations, contributing to achieving greater selection and to offering a better in-store experience.

- Total sales at **Leader Price** were up +2.2% overall for the half-year. Same-store sales were close to break-even in Q2 2015 (-0.9%), supported by the increase in traffic and volumes. Leader Price launched a commercial excellence plan to boost traffic in July. The banner has been winning market share year-to-date, including +0.2pt over the latest period for Kantar. Organic growth stood at +2.5% with a strong increase in the number of stores (totaling 1,225 including Leader Price Express and affiliates at end-June 2015).

- **Monoprix** posted good performance with +1.6% sales organic growth, driven by a very good expansion level (27 new store openings in H1 2015). Same-store sales rose for the entire six-month period. Volumes and traffic were up in Q2 2015. The banner continues with the accelerated development of its buoyant formats, Monop' and Naturalia. Naturalia inaugurated its 100th store at end-May.

- **Casino Supermarkets'** revenue was down -3.3% on an organic basis, impacted by the residual effect of price cuts. Traffic improved in Q2 2015. The banner continued to make its stores more attractive by expanding its offer and enhancing its loyalty program.

[2] *Primarily excluding the operations of Codim (4 superstores) in Corsica*

- **Franprix** posted better same-store sales due to its recovering traffic. The banner launched the new “Mandarine” concept which is expected to help it continue improving its sales over the coming quarters. The store disposals program requested by the Competition Authority ended as of June 30, 2015.

- **Convenience formats** sales were up +2.5% on an organic basis. Same-store sales were up over the half-year (+7.5% in Q2 after +5.4% in Q1 2015), driven by growing traffic and volumes. New concepts continue to be deployed. Renovation projects continued for integrated stores while franchise expansion kept up its momentum thanks to the attractiveness of banners.

Revenue for the Latam Retail segment was €7,803 million in H1 2015, up +6.8%. Sales of GPA food banners in Brazil were up, with organic growth remaining high (+7.2% for the half-year), improving traffic and stable volumes in the 2nd quarter. Exito’s sales recorded good growth on an organic basis for the half-year (+1.4%), supported by the premium and discount formats.

Revenue for the Latam Electronics segment was €2,924 million in H1 2015. In the 2nd quarter, Via Varejo’s sales were strongly impacted by the recession in Brazil and by the effect of the 2014 World Cup, which is ending in July 2015. In this context, the banner continued to win market share (+0.7pt year-on-year at end-May 2015[3]).

Revenue for the Asia segment was €2,076 million versus €1,692 million in H1 2014, a significant increase of +22.6%, driven by favorable foreign exchange effects. In Thailand, operational performance remained satisfactory with growing volumes and good traffic in Q2 2015. In Vietnam, revenue for Big C grew +26.4% to €312 million.

Gross Merchandise Volume (GMV) for e-commerce was €2,400 million, with a very strong growth of +26.8% at constant exchange rates due to the development of sites and the growth of marketplaces.

<u>Other assets</u>

Groupe GO Sport’s sustained growth in sales continued in the first half of the year, with a +5.3% improvement in same-store sales at constant exchange rates. GO Sport France maintained its commercial dynamic, with renewed same-store sales growth for the half-year and an increase both in the number of customers and in volumes. Courir accelerated its growth particularly with the gradual integration of 18 stores previously operating under the Bata banner. Finally, the affiliation formulas, both for GO Sport and for Courir, supported by their success, have been expanding in an accelerated manner (with 15 and 14 stores respectively at end-June 2015).

Groupe GO Sport’s EBITDA and COI were slightly up this half-year compared to H1 2014.

[3] *Independent panelists and institutes*

Current operating income

Rallye posted current operating income of €507 million, a decrease of -37.5% compared to 2014. The breakdown by business is as follows:

(in € millions)	6/30/2015	6/30/2014 restated
France Retail	(53)	106
Latam Retail	299	337
Latam Electronics	191	276
Asia	138	107
E-commerce	(55)	(10)
Other business*	(15)	(5)
Total	507	811

* Relating to holding company, financial investments portfolio and Groupe GO Sport

Casino's current operating income was down due to the price cuts in France, the economic slowdown in Brazil and the investments for the development of Cnova.

In France, COI was down compared to H1 2014. The price cuts of 2013 and 2014, primarily at Géant and Leader Price, continue to have a strong impact on the banners' gross margins. This effect will taper off in H2 2015. Supermarket and convenience stores performance is close to that of the previous fiscal year.

COI for Latam Retail was down -7.8% at constant exchange rates. In Brazil, the rapid price inflation (energy, salaries) weighed on the margin of the first half. Operational efficiency plans have been launched to offset this effect in the second half of the year. The other Latin American subsidiaries (Colombia, Uruguay and Argentina) are maintaining satisfactory margin levels.

COI for Latam Electronics was down -27.0% at constant exchange rates, impacted by the significant contraction in business activities which started in the 2nd quarter.

Asia posted a +6.4% increase in COI at constant exchange rates. The foreign exchange effect was beneficial in the half-year. In Thailand, the half-year was marked by good operational control and very good performance of shopping malls. In Vietnam, Big C continued to grow profitably.

COI for the E-commerce segment was down due to the impact of the investments needed for the expansion of Cnova (infrastructure, logistics, etc.) made during the half-year.

Operating income

Other operating income and expenses showed net income of €69 million in the first half of 2015 compared to a net expense of €179 million in the first half of 2014. This amount relates mainly to provisions for restructuring charges for €140 million, including €39 million in Brazil, provisions and expenses for disputes and contingencies for a provision reversal in the amount of €9 million, relating primarily to GPA in Brazil (€11 million), as well as net income related to consolidation transactions in the amount of €215 million, including €262 million related to the revaluation of the share of Disco due to its consolidation by the full consolidation method.

After the impact of other operating income and expenses, operating income was €576 million in the first half of 2015, compared with €633 million in the first half of 2014.

Net income attributable to equity holders of the parent

(in € millions)	6/30/2015	6/30/2014 restated
Current operating income	507	811
Other operating income and expenses	69	-179
Net cost of financial debt	-315	-405
Other financial income and expenses	-165	30
Net income from continuing operations	141	153
Net income from discontinued operations	4	0
Net income	144	153
Net income, Group share	-80	-112
Underlying net income, Group share	-79	-60

Net income, Group shareas of June 30, 2015 totaled -€80 million, compared to -€112 million as of June 30, 2014.
Underlying net income from continuing operations, Group share,was -€79 million at end-June 2015 versus -€60 million at end-June 2014.

Shareholders' equity

Shareholders' equity attributable to the parent totaled €1,047 million as of June 30, 2015, versus €1,334 million as of December 31, 2014, primarily reflecting:

- -€80 million in net income attributable to the parent for the half-year,
- dividend payments in the amount of -€89 million,
- recognition of -€118 million in negative translation adjustments

Financial structure of the holding company's scope of consolidation

Rallye's holding company scope of consolidation includes Rallye and its wholly owned subsidiaries that operate as holding companies and hold Casino and Groupe GO Sport shares and the investment portfolio.

- Net debt of the Rallye holding company's scope of consolidation

As of June 30, 2015, the restated net assets of the Rallye holding company's scope of consolidation totaled €3,990 million, consisting of €3,720 million in Casino shares and €270 million in other assets (such as Groupe GO Sport shares for €102 million and the investment portfolio for €127 million).

The net debt of the Rallye holding company's scope of consolidation totaled €2,783 million as of June 30, 2015 and is therefore covered 1.43 times by the revalued assets.

This debt is composed of bond and bank financing for a total gross amount of €2,334 million, plus commercial paper outstanding as of June 30, 2015, net of money-market investments and cash and cash equivalents recorded, interest accrued and IFRS restatements for a total amount of €448 million.

- Investment portfolio of the Rallye holding company's scope of consolidation

As of June 30, 2015, the investment portfolio amounted to €127 million versus €143 million as of December 31, 2014. It consisted of financial investments with a market value[4] of €99 million and real estate programs recognized at historical cost[5] for €27 million. The decline in the value of the portfolio during the first half of 2015 primarily reflects the €22 million in net cash-in[6] received during the period.

[4] The market value of financial investments is the carrying value used for the consolidated financial statements (fair value – IAS 39) and is generally based on outside valuations (the funds' General Partners) or pending transactions.
[5] Real estate developments are recorded at historic cost and not remeasured before the sale of investments (IAS 40).
[6] Receipts net of cash calls.

Parent company results

Rallye’s revenue totaled €0.3 million as of June 30, 2015 versus €0.6 million as of June 30, 2014.

Rallye’s net income totaled €63.3 million versus net income of -€28.9 million as of June 30, 2014.

Major related-party transactions

The related-party transactions are described in Rallye’s Registration Document for fiscal year 2014, which was filed with the French Financial Markets Authority (AMF) on April 16, 2015, under number D.15-0356. They mainly concern current transactions with companies over which the Group exercises notable influence or joint control and which have been consolidated by the equity method. The transactions are concluded at market price.
Transactions with related parties who are individuals (directors, executive officers, and members of their families) were not material, nor were transactions with the parent companies.

As of June 30, 2015, Foncière Euris owned 55.3% of Rallye’s capital and 70.4% of its voting rights.

The only transaction in the half-year between Rallye and Foncière Euris concerned the payment of the dividend for fiscal year 2014, which was paid in cash and amounted to €49 million.

Rallye benefits from the guidance of Euris, the Group’s parent company, under the terms of a strategic advisory services agreement signed in 2003.

More details on related-party transactions are available in Notes 3.2.3 and 12 to the financial statements.

Relationships with related parties, including the compensation methods applicable for company directors, have remained comparable to those in fiscal year 2014 and no unusual transactions, in nature or amount, occurred during the period.

Major risks and uncertainties for the second half of 2015

The Group’s business activities are exposed to certain risk factors described in the Rallye Registration Document related to fiscal year 2014, which is available on the Group’s website, and was filed with the French Financial Markets Authority on April 16, 2015, under number D.15-0356.

Trends and outlook

- In the second half of 2015, **Casino** will continue to implement its strategic priorities:
  - In France, return to growth and improved profitability
  - In Brazil, reinforcement of action plans
  - Maintained good performance of Exito and Big C
  - Continued strong growth at Cnova

- **Rallye** enjoys a very solid cash position, with close to €1.9 billion in confirmed lines of credit, undrawn and immediately available and with an average maturity increased to 4.9 years.

- Rallye confirms its strategy of maximizing its assets' value, especially Casino, as well as its goal to reduce its financial expense by at least €40 million in 2015.

Subsequent events

- Rallye and its parent company, Foncière Euris, announced on **July 15, 2015** the signing of an agreement on the sale of commercial center Riviera located in Gdynia, Poland.
  The actual sale of the center is scheduled for August 31, 2015, based on the real estate asset's appraised value at closing of €291 million; the sale will make it possible, among other things, for the share held by Rallye to record as of that date an inflow of close to €9 million.

- On **July 30, 2015**, Casino announced a new organization of its business activities in Latin America through the acquisition by Exito of 50% of GPA voting shares held by the Casino Group (i.e., approximately 18.8% of the capital) and 100% of the Libertad shares in Argentina, for a total amount of €1.7 billion. The Casino Group, which holds 54.8% of the capital of Exito, will continue to fully consolidate its subsidiaries Exito, GPA and Libertad. Exito will finance the transaction by using a portion of its excess cash and by new credit facilities. The operation is expected to be concluded by end of August 2015. The transaction is subject to the approval of Exito's shareholders at a general shareholders meeting which is convened for 18 August 2015.

Appendix: Reconciliation of published net income to underlying net income

Underlying net income corresponds to net income from continuing operations, adjusted for the effects of other operating income and expenses, as defined in the Accounting Principles section of the annual Notes to the consolidated financial statements and for non-recurring financial elements, as well as for 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 which do not qualify for hedge accounting and of embedded derivatives on the price of the listed Casino share are therefore adjusted for Underlying Net Income.

Non-recurring income and expenses represent the tax effects directly related to the previous adjustments and the direct effects of non-recurring taxes. Accordingly, the tax liability related to the normalized 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)	**H1 2014**	**Restated items**	**H1 2014 Underlying**	**H1 2015**	**Restated items**	**H1 2015 Underlying**
Current operating income (COI)	**811**		**811**	**507**		**507**
Other operating income and expenses	(179)	178	(1)	69	(70)	(0)
Operating income	**633**	**178**	**811**	**576**	**(70)**	**506**
Net cost of financial debt	(405)		(405)	(315)		(315)
Other financial income and expenses(1)	30	(18)	12	(165)	183	18
Tax liability(2)	(136)	(30)	(166)	10	(110)	(100)
Share of income of associates and joint ventures	31		31	35		35
Net income from continuing operations	**153**	**130**	**283**	**141**	**3**	**144**
of which minority interests(3)	265	79	344	222	1	223
of which Group share	**(112)**	**51**	**(60)**	**(81)**	**2**	**(79)**

(1) The following are adjusted for other financial income and expenses: the money market discounting effect of tax liabilities in Brazil, as well as the fair value fluctuations of the Total Return Swaps on GPA, Big C shares, GPA forwards and calls, as well as the financial instruments that do not qualify for hedge accounting

(2) The tax effects corresponding to the restated items above and the non-recurring tax income and liabilities are also adjusted for the tax liability

(3) The amounts associated with the restated items above are adjusted for minority interests

3 – INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2015

Group Consolidated Income Statement

(in € millions)	Note	H1 2015	H1 2014(1)
Continuing operations			
Revenue, excluding tax	5	23,995	23,556
Full cost of goods sold		(18,194)	(17,711)
Gross margin		**5,802**	**5,845**
Other income		262	218
Cost of goods sold	6.2	(4,722)	(4,440)
General and administrative expenses	6.2	(835)	(812)
Current operating income	5.1	**507**	**811**
Other operating income	6.3	383	103
Other operating expenses	6.3	(314)	(282)
Operating income		**576**	**633**
Income from cash and cash equivalents		103	93
Gross cost of financial debt		(418)	(498)
Cost of net financial debt	9.3.1	**(315)**	**(405)**
Other financial income	9.3.2	131	141
Other financial expenses	9.3.2	(296)	(111)
Profit before tax		**96**	**258**
Income tax expense	7	10	(136)
Share of income of associates and joint ventures	3.2.1	35	31
Net income from continuing operations		**141**	**153**
Company owners		**(81)**	**(112)**
Non-controlling interests		222	265
Discontinued operations			
Net income from discontinued operations		**4**	**(0)**
Company owners		2	(0)
Non-controlling interests		2	(0)
Consolidated net income		**144**	**153**
Company owners		**(80)**	**(112)**
Non-controlling interests	10.4	224	265

(in €)		
Net income attributable to company owners		
Net income from continuing operations		
Basic	(1.68)	(2.31)
Diluted(2)	(1.86)	(2.50)
Consolidated net income		
Basic	(1.64)	(2.31)
Diluted(2)	(1.83)	(2.50)

The statements previously published have been restated following the retrospective application of IFRS 21 (Note 1.3).

In accordance with IAS 33, the calculation of net income per diluted share includes the maximum dilutive effect related to the Monoprix ORAs issued December 27, 2013. Casino Group has a call option on the ORAs; the maximum dilution of €0.18 per share would be reduced to 0 if the option is exercised

Consolidated Statement of Comprehensive Income

(in € millions)	H1 2015	H1 2014[1]
Consolidated net income	**144**	**153**
Cash flow hedges	6	7
Translation adjustments[2]	(639)	805
Change in the fair value of financial assets available for sale		(1)
Share of associates and joint ventures in items to be reclassified	(10)	2
Income tax impact	(2)	(2)
Items to be reclassified subsequently to profit or loss	**(645)**	**813**
Actuarial gains and losses	2	(3)
Income tax impact	(1)	1
Items that will not be reclassified to profit or loss	**1**	**(2)**
Items of other comprehensive income net of taxes	**(644)**	**810**
Total comprehensive income	**(500)**	**963**
Company owners	**(198)**	**29**
Non-controlling interests	(302)	934

1. The statements previously published have been restated following the retrospective application of IFRS 21 (Note 1.3).

The negative difference in the amount of €639 million in the first half of 2015 resulted primarily from the depreciation of the Brazilian and Uruguayan currencies for respectively -670 and -40 million offset by the appreciation of the Thai currency for €68 million
In 2014, the positive difference of €805 million resulted primarily from the appreciation of the Brazilian and Colombian currencies in the amounts of €731 million and €85 million, respectively.

Statement of Consolidated Financial Position

ASSETS *(in € millions)*	Note	June 30, 2015	December 31, 2014
Goodwill	8	12,317	12,023
Intangible assets	8	4,195	4,330
Property, plant and equipment	8	9,621	9,678
Investment property	8	747	675
Investments in associates and joint ventures	3.2.1	750	913
Other non-current financial assets		2,327	2,443
Deferred tax assets		534	370
Total non-current assets		**30,492**	**30,432**
Inventories		5,489	5,471
Trade receivables		1,375	1,532
Other current assets		1,927	1,725
Current tax receivables		161	161
Other current financial assets		150	154
Cash and cash equivalents	9.1	4,246	7,680
Assets held for sale		64	67
Total current assets		**13,412**	**16,790**
Total assets		**43,904**	**47,222**

SHAREHOLDERS' EQUITY AND LIABILITIES *(in € millions)*		June 30, 2015	December 31, 2014
Capital	10.1	146	146
Reserves and share of income/loss attributable to company owners		900	1,188
Shareholders' equity attributable to company owners		**1,047**	**1,334**
Non-controlling interests	10.4	12,075	12,601
Shareholders' equity		**13,121**	**13,934**
Non-current provisions	11.1	936	1,019
Non-current financial liabilities	9.2.1	11,334	11,611
Other non-current liabilities		914	817
Deferred tax liabilities		1,404	1,426
Total non-current liabilities		**14,587**	**14,873**
Current provisions	11.1	170	172
Trade payables		6,994	8,412
Current financial liabilities	9.2.1	4,932	5,441
Tax liabilities payable		80	107
Other current liabilities		4,018	4,278
Liabilities related to assets held for sale			5
Total current liabilities		**16,196**	**18,414**
Total shareholders' equity and liabilities		**43,904**	**47,222**

Consolidated statement of cash flow

(in € millions)	**H1 2015**	**H1 2014[1]**
Net income attributable to company owners	(80)	(112)
Non-controlling interests	224	265
Consolidated net income	**144**	**153**
Amortization, depreciation, and provisions	467	530
Unrealized gains and losses related to changes in fair value	157	(39)
Calculated expenses and income linked to stock options and the like	6	11
Other calculated expenses and income	19	55
Amortization, depreciation, provisions and other non-disbursable items	**649**	**557**
Income from the disposal of assets	(16)	(11)
Losses/(profits) related to changes in interests in subsidiaries with gain/loss of control or non-controlling interests	(257)	
Share of income of associates and joint ventures	(35)	(30)
Dividends received from associates and joint ventures	33	38
Cash flow	**518**	**707**
Cost of net financial debt (excluding changes in fair value and amortization)	323	391
Tax liability (including deferred taxes)	(7)	137
Amortization, depreciation, provisions and other non-disbursable items	**834**	**1,235**
Taxes paid	(113)	(237)
Change in Working Capital Requirement (Note 4.1)	(1,826)	(1,530)
Net cash flow from operating activities (A)	**(1,105)**	**(532)**
Disbursements related to acquisitions of property, plant and equipment, intangible assets and investment properties	(721)	(700)
Sale of property, plant and equipment, intangible assets and investment property	31	26
Acquisition of financial assets	(18)	(8)
Sale of financial assets	5	154
Impact of changes in scope of consolidation with change in control (Note 4.2)	(121)	(58)
Change in loans and advances made	3	20
Net cash flow from investing activities (B)	**(821)**	**(566)**
Dividends paid to shareholders of the parent company	(89)	(89)
Dividends paid to minority shareholders of consolidated companies	(316)	(262)
Dividends paid to holders of perpetual super subordinated notes	(42)	(19)
Capital decrease/increase in cash	1	5
Transactions between the Group and non-controlling interests (Note 4.3)	(49)	(344)
Purchases and sales of treasury shares	9	(4)
Acquisitions and sales of financial investments	(5)	1
Bond issues	1,775	2,588
Bond redemptions	(2,184)	(1,986)
Net financial interest paid	(396)	(513)
Net cash flow from financing activities (C)	**(1,296)**	**(623)**
Impact of currency translation adjustments (D)	(187)	**216**
Change in cash (A+B+C+D)	**(3,409)**	**(1,505)**
Net cash and cash equivalents at the beginning of the period (F)	7,512	5,490
Net cash from activities held for sale		
Opening net cash on the balance sheet (Note 9.1)	7,512	5,490
Net cash at the end of the period	4,103	3,985
Net cash from activities held for sale €		
Closing net cash on the balance sheet (G) (Note 9.1)	4,103	3,985
Change in cash and cash equivalents (G-E-F)	**(3,409)**	**(1,505)**

1. The statements previously published have been restated following the retrospective application of IFRS 21 (Note 1.3).

Statement of changes in consolidated shareholders' equity

(in € millions)	Capital	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	Shareholders' equity attributable to owners[2]	Non-controlling interests[3]	Total shareholders' equity
As of January 1, 2014	**146**	**1,440**	**(9)**	**188**	**1**	**(15)**	**(365)**	**(15)**	**74**	**1,444**	**12,475**	**13,919**
Income and expenses recognized directly in equity					4		139	(1)	(1)	141	669	810
Consolidated net income as of June 30, 2014				(112)						(112)	265	153
Total income and expenses recognized				**(112)**	**4**		**139**	**(1)**	**(1)**	**29**	**934**	**963**
Capital transactions											3	3
Transactions in treasury shares			3	(1)						2	(1)	1
Dividends paid out[4]				(89)						(89)	(253)	(342)
Exercise of the call option on 3.4% of GPA				(9)			(26)			(35)	(280)	(315)
Other change in interests without gain or loss of control of subsidiaries				(2)						(2)	17	15
Other transfers				5						5	(23)	(18)
As of June 30, 2014[1]	**146**	**1,440**	**(6)**	**(20)**	**5**	**(15)**	**(252)**	**(16)**	**73**	**1,354**	**12,872**	**14,226**
As of January 1, 2015	**146**	**1,440**	**(19)**	**130**	**13**	**(15)**	**(399)**	**(16)**	**53**	**1,334**	**12,601**	**13,933**
Income and expenses recognized directly in equity					1		(119)			(118)	(526)	(644)
Consolidated net income as of June 30, 2015				(80)						(80)	224	144
Total income and expenses recognized				**(80)**	**1**		**(119)**			**(198)**	**(302)**	**(500)**
Capital transactions											1	1
Transactions in treasury shares			19	(6)						13	(1)	12
Dividends paid out[4]				(89)						(89)	(264)	(353)
Change in interests without gain or loss of control of subsidiaries[5]				(4)						(4)	(85)	(89)
Changes in interest relating to the gain or loss of control of subsidiaries [6]											154	154
Other transfers				(7)						(7)	(29)	(36)
As of June 30, 2015	**146**	**1,440**		**(56)**	**14**	**(15)**	**(518)**	**(16)**	**53**	**1,047**	**12,075**	**13,122**

1. The statements previously published have been restated following the retrospective application of IFRS 21 (Note 1.3).
2. Attributable to Rallye shareholders.
3. Note 10.4.
4. In 2015, Rallye paid out -€89 million in dividends to its shareholders (Note 10.2); the main subsidiaries Casino, Exito and Big C paid out respectively -€182, -€44 and -€24 million (Note 10.4).

   In 2014, the -€342 million included the annual Rallye distribution (-€89 million) and the distributions of the subsidiaries Casino, Exito, and Big C in the amount of -€182, -€44 and -€20 million, respectively.
5. The negative difference of €85 million corresponds for the most part to the effect of the put option on Disco shares (Note 3.1.1)
6. Note 3.1.1

Notes to the interim consolidated financial statements as of June 30, 2015

Rallye is a *société anonyme* (joint stock company) registered in France and listed on NYSE Euronext Paris, in Eurolist Compartment A. The company and its subsidiaries are hereinafter referred to as the "Group" or the "Rallye Group."

The condensed consolidated financial statements as of June 30, 2015 reflect the company's financial position and that of its subsidiaries and joint ventures, as well as the Group's interests in joint ventures and associates.

On July 29, 2015, the Board of Directors prepared and authorized the publication of Rallye's consolidated financial statements for the six-month period ended June 30, 2015.

General accounting principles

Reporting Standards

Pursuant to European Regulation 1606/2002 of July 19, 2002, the condensed consolidated financial statements of Rallye Group as of June 30, 2015 have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and adopted by the European Union as of June 30, 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_en.htm

The condensed consolidated financial statements were prepared in compliance with IAS 34 - Interim financial reporting. The accounting rules and methods applied in the preparation of the condensed interim financial statements are identical to those used for the consolidated financial statements for the fiscal year ended December 31, 2014, taking into account or with the exception of the new standards and interpretations listed hereafter.

The interim consolidated financial statements are to be read as a supplement to the consolidated financial statements for the fiscal year ended December 31, 2014, as they appear in the Registration Document filed with the French Financial Markets Authority (AMF) on April 16, 2015, under number D.15-0356.

The Rallye Group's consolidated financial statements as of December 31, 2014 are available on request from the company's financial department at 32, rue de Ponthieu in Paris' 8th arrondissement, or at the website www.rallye.fr.

The Group had applied early interpretation IFRIC 21 – Levies in the annual consolidated financial statements as of December 31, 2014. The impacts on the 2014 interim financial statements of the Group are presented in Note 1.3.

Standards, amendments to standards, and interpretations applicable in the European Union as of the fiscal year beginning January 1, 2015

The European Union has adopted the following texts with mandatory application for the Group for the fiscal year beginning on January 1, 2015:

Annual improvements to IFRS - 2011-2013 cycle: these amendments have prospective application. The standards concerned are:

IFRS 3 - Business Combinations:
This amendment clarifies that:
Creating any form of partnerships as defined in IFRS 11 - Partnerships (in other words, joint ventures and joint operations) 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;
This amendment clarifies that the IFRS 13 exception that allows the measurement of fair value for a group of financial assets and liabilities on a net basis applies to all contracts governed by IAS 39 - Financial instruments - Recognition and measurement or IFRS 9 - Financial instruments, regardless of whether they meet the definition of financial assets or liabilities under IAS 32 - Financial Instruments - Presentation.

IAS 40 - Investment Property:
This amendment clarifies that:
Judgment must be used to determine whether the acquisition of an investment property is the acquisition of an asset, a group of assets or a business combination falling under the application scope of IFRS 3 - Business Combinations;
Such judgment must be based on the provisions of IFRS 3 - Business combinations.

These amendments did not have a material impact on the Group's results of operations or financial position.

Basis for preparation and presentation of the consolidated financial statements

Measurement bases

The financial statements are expressed in millions of euros, the Group's functional and reporting currency. The tables contain data rounded off individually to the nearest million euros. Calculations based on rounded figures may differ from reported aggregates and sub-totals.

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.

When preparing these interim consolidated financial statements, the main judgments made by management, and the main assumptions used, were the same as those applied when preparing the consolidated financial statements for the fiscal year ended December 31, 2014.

The main judgments and estimates for the period concerned:
- impairment of non-current assets and goodwill (Note 8);
- financial assets available for sale;

Moreover, the judgments, estimates and assumptions used by the operating subsidiaries concern in particular:
- the revaluation of the previously held share in Disco and of the non-controlling interests (Note 3.1.1);
- impairment of non-current assets and goodwill (Note 8);
- the recoverable values of deferred tax assets;
- risk provisions (Note 11), including tax and employee-related risks, as well as the recoverable value of tax or fee credits (VAT and related);
- the determination of the fair values of derivatives (Note 9.4) ;
- the change in the depreciation schedule of certain property, plant and equipment (see below).

In application of IAS 16, Casino Group revised the depreciation schedule for certain categories of property, plant and equipment (including main structural works, refrigerating equipment and electrical equipment). Since there is a change in estimates, this revision was applied prospectively.

Restatement of comparative information

The table below presents the effect of the application of the interpretation of IFRIC 21 (note 1.1) on the consolidated income statement as of June 30, 2014, compared to the financial statements published in July 2014.

Impact on the principal aggregates of the consolidated income statement

(in € millions)	H1 2014 published	First-time application of IFRIC 21	H1 2014 restated
Revenue	23,556		23,556
Current operating income	875	(64)	811
Operating income	698	(65)	633
Profit before tax	323	(65)	258
Income tax expense	(157)	21	(136)
Share of income of associates and joint ventures	31		31
Consolidated net income	**197**	**(44)**	**153**
Attributable to the parent	*(90)*	*(22)*	*(112)*
Non-controlling interests	*287*	*(22)*	*265*

Significant events

Changes in the scope of consolidation

The main changes in the scope of consolidation in the first half of 2015 were:

- the acquisition of exclusive control of the Uruguayan subsidiary Disco (Note 3.1.1);
- the acquisition of control over another 29 Super Inter stores resulting from the exercise of a call option by Exito (Note 3.1.2);
- acquisition of control over Europrice and Leader Centre Gestion by Franprix-Leader Price (Note 3.1.3);
- the asset exchange agreement between Exito and Caja de Compensación Familiar - CAFAM (Cafam) (Note 3.1.4).

Moreover, the Exito Group acquired all the non-controlling interests of the Devoto sub-group (Note 3.1.5).

Consolidation scope transactions

Consolidation scope transactions in the first half of 2015

Takeover of the Uruguayan company Disco

Exito had joint control over the Disco sub-group in which it held a 62.49% stake. The sub-group was accordingly recognized under the equity method until December 31, 2014.

Following the signing of a contractual agreement granting it more than 75% of the voting rights and therefore exclusive control over strategic decisions, Exito took over the Disco sub-group as of January 1, 2015.

The transition from consolidation under the equity method at 62.49% (the percentage held by Exito) to the full consolidation method resulted, in accordance with IFRS 3, in the recognition of a revaluation income of the share previously held in the amount of €262 million, which is presented under "Other operating income" (see Note 6.3). Disco was evaluated by an independent expert based on a multi-criteria analysis (DCF and comparable-analysis methods).

The Disco sub-group balance sheet and the interim goodwill generated are as follows:

(in € millions)	**As of January 1, 2015[1]**
Property, plant and equipment	84
Investment property	3
Other non-current financial assets	6
Deferred tax assets	9
Inventories	37
Trade receivables	17
Other assets	25
Cash and cash equivalents	49
Assets	**230**
Other non-current liabilities	4
Deferred tax liabilities	1
Current financial liabilities	1
Trade payables	72
Other current liabilities	32
Liabilities	**112**
Identifiable assets and liabilities at 100%, net (A)[1]	**118**
Fair value of the 62.49% percentage previously held (B)[2]	**367**
Fair value of non-controlling interests (complete goodwill method) (C)[2]	**154**
Goodwill (B+C-A)	**404**

1. The values above correspond to the book values; the fair value measurement of identifiable assets and liabilities by an independent expert is in progress.
2. The fair value was measured by an independent expert. Non-controlling interests were measured at fair value. The fair value includes a discount for lack of control and for restrictions linked to the disposal of the shares.

The contribution of the Disco sub-group business activities to revenue and to consolidated net income (excluding income from the revaluation of the previously held stake) of the Casino Group for the period from January 1, 2015 to June 30, 2015 was respectively €223 and €18 million. Expenses associated with the takeover were immaterial.

Moreover, the family shareholders were granted a put option by Casino on 29.8% of Disco's share capital. The option may be exercised until June 21, 2021. Its price is based on the company's operating performance, with a minimum price of US$41 million, plus interest at the rate of 5% per year. The put option was valued at €85 million at June 30, 2015.

Exercise of a call option on the Super Inter stores

On April 15, 2015, Exito exercised a call option enabling it to acquire 29 Super Inter stores operated by Exito since October 2014 as well as the Super Inter brand. The acquisition price was 343,920 million Colombian Pesos (€124 million) of which 250,000 million Colombian Pesos (€90 million) were paid as of June 30, 2015.

On the date of takeover, 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)	**As of April 1, 2015**
Super Inter brand	34
Property, plant and equipment	7
Assets	**41**
Identifiable assets and liabilities at 100%, net (A)	**41**
Purchase price (B)	**124**
Provisional goodwill (B - A)	**83**

The €83 million tax deductible provisional goodwill is attributable to the access to a new customer base and to the economies of scale resulting from the combination of the operations of Exito and Super Inter. Expenses associated with the takeover were immaterial.

Takeover of Europrice and Leader Centre Gestion

On June 1, 2015, Franprix – Leader Price took over the following two sub-groups:

- The Europrice sub-group for which Franprix - Leader Price held a put option on 99.99% of the capital. The amount disbursed for this acquisition totaled €18 million and generated provisional goodwill of €11 million.
- The Europrice sub-group for which Franprix - Leader price held a put option on 51% of the capital. The amount paid for this acquisition was €14 million. The sub-group was previously equity-accounted in the consolidated financial statements of Casino Group and therefore the revaluation, in accordance with IFRS 3, of the previously held stake did not generate a material impact. The acquisition generated provisional goodwill of €18 million.

The contribution of the operations of these two sub-groups to the revenue and pre-tax net income of Casino Group for the period from June 1 to June 30, 2015 was respectively in the amount of €7.9 and -€0.5 million. If these acquisitions had been completed on January 1, 2015, the additional contribution to revenue and net income would have been €47 and -€1.7 million.

Expenses associated with the takeover were immaterial.

Asset exchange agreement between Exito and Cafam

An agreement was signed in September 2010 between Exito and "La Caja de Compensación Familiar – CAFAM," enabling, on the one hand, Exito to operate stores held by Cafam and, on the other hand, enabling Cafam to operate pharmacies held by Exito.

On February 23, 2015, an agreement was signed between the parties stipulating:

- The takeover by Exito of the stores held until then by Cafam and operated by Exito since September 2010. The amount paid for this acquisition was €44 million and generated tax deductible provisional goodwill of the same amount;
- The sale to Cafam of the pharmacies held by Exito, some of which were operated by Cafam since September 2010, for a total amount of €27 million recognized under "Other operating products;"
- The termination of the operation contract signed in September 2010.

Expenses associated with the takeover were immaterial.
The conditions precedent including that relative to the approval of the Competition Authority were met on May 27, 2015.

Acquisition of non-controlling interests in Lanin

On February 26, 2015, following the exercise of put options, the Exito Group acquired all the non-controlling interests in Lanin (i.e., 3.18%), a holding company wholly owning Devoto which operates stores in Uruguay.
The amount disbursed for this acquisition totaled €17 million (Note 4.3), generating an impact of -€1 million on Group shareholders' equity.

Investments in associates and joint ventures

Change in investments in associates and joint ventures

(in € millions)	Opening	Impairment	Share of income for the period	Retail	Change in scope of consolidation and foreign exchange	Closing
Associates						
Associates of the GPA group (FIC & BINV)	95		36	(8)		123
Banque du Groupe Casino	83		(3)			80
Mercialys[1]	561		34	(44)	(94)	457
Other	40	(1)	(7)	(8)	9	33
Joint ventures						
Disco	122		14	(7)		129
Other	146		2	(64)	7	91
Fiscal year 2014	**1,047**	**(1)**	**76**	**(131)**	**(78)**	**913**
Associates						
Associates of the GPA group (FIC & BINV)	123		19		(10)	132
Banque du Groupe Casino	80		(1)			79
Mercialys[2]	457		19	(33)	(16)	427
Other	33		(2)		(15)	16
Joint ventures						
Disco[3]	129				(129)	
Other	91			(1)	4	94
H1 2015	**913**		**35**	**(34)**	**(164)**	**750**

1. In 2014, the negative difference of €94 million over the period resulted from the neutralization of the capital gain on the sale of real estate assets by Casino to Mercialys in the amount of the share held in that entity.
2. The negative difference of €16 million resulted from the transactions described in Note 3.2.3 including -€38 million for the elimination of the internal margin in relation to the disposal of the five real estate properties and €22 million euros for the gain on disposal related to the Hyperthetis Participations transaction which had been previously eliminated.
3. See Note 3.1.1.

Share of contingent liabilities in associates and joint ventures

As of June 30, 2015, and as of December 2014, there were no material contingent liabilities in associates and joint ventures.

Related-party (associates and joint ventures) transactions

Under the partnership agreement between Casino and Mercialys and in line with the asset disposal transactions that had taken place in 2014, in the first half of the year, Casino sold to Mercialys five real estate properties for a total amount of €167 million.

Mercialys founded Hyperthetis Participations by combining six real estate properties resulting from the asset disposal transactions by Casino to Mercialys in 2014. The newly created company is 51% held by Mercialys and 49% held by a third-party investor. The transaction led to the recognition in "Other revenue" of an additional share of 49% of the gain on disposals, 40% of which had previously been eliminated. On the other hand, the dilution of the Mercialys group in Hyperthetis Participations was recognized as a share of income of associates and joint ventures.
Moreover, Casino Group has a call option at market price for 100% of the assets of this new entity exercisable as of September 30, 2020 until March 31, 2022 (Note 3.3).

Off-balance sheet commitments related to the scope of consolidation

As of June 30, 2015, the amount of put options on shares granted by the Casino Group was €37 million and concerned the Franprix - Leader Price sub-group.

The €126 million decline compared to December 31, 2014 can be attributed for the most part to the takeover of Disco (Note 3.1.1) and the exercise of put options on Leader Centre Gestion and Europrice (Note 3.1.3).

Furthermore, the Casino Group has a call option at market price for 100% of the assets of Hyperthetis Participations (Note 3.2.3).

Additional information regarding the cash flow statement

Change in WCR related to operating activities

(in € millions)	H1 2015	H1 2014 restated
Merchandise inventories	(14)	(128)
Real estate development inventories	(49)	(21)
Trade payables	(1,352)	(1,014)
Trade receivables and related accounts	58	52
Receivables related to credit activities	88	4
Financing of credit activities	(141)	(38)
Other receivables/payables	(417)	(385)
Change in Working Capital Requirement (WCR)	**(1,827)**	**(1,530)**

Impact on cash of changes in scope of consolidation with change in control

(in € millions)	H1 2015	H1 2014
Amounts paid for takeovers	(195)	(69)
Cash and cash equivalents/(bank overdrafts) of the companies acquired	47	2
Amounts paid for takeovers	27	10
(Cash and cash equivalents)/bank overdrafts related to loss of controlling interests		(1)
Impact of changes in scope of consolidation with change in control	**(121)**	**(58)**

As of June 30, 2015, the net impact of these transactions on the Group's cash position resulted primarily from the takeover of the Super Inter stores for up to -€90 million (Note 3.1.2), Europrice and Leader Centre Gestion by the Franprix-Leader Price sub-group for up to respectively -€18 and -€14 million (Note 3.1.3), Disco's cash acquired for up to €49 million (Note 3.1.1) and the exchange of assets under the agreement with Cafam for up to a net amount of -€17 million (Note 3.1.4).

As of June 30, 2014, the net impact of these transactions on the Group's cash position resulted primarily from the takeover of 46 Le Mutant stores for up to €32 million and various other companies in the amount of -€18 million by the Franprix – Leader Price sub-group.

Impact on cash of transactions with non-controlling interests

(in € millions)	H1 2015	H1 2014
Lanin/Devoto (Note 3.1.5)	(17)	
Exercise of the GPA call option[1]		(330)
Other	(32)	(14)
Impact of transactions with non-controlling interests	**(49)**	**(344)**

1. On April 4, 2014, the Casino Group had acquired 8,907,123 GPA preferred shares after exercising a call option subscribed in July 2012. The amount paid for that acquisition was €330 million.

Segment reporting

As required by the provisions of IFRS 8 - Operating Segments, segment reporting presented below is based on the internal reporting used by Executive Management (the main operational decision-maker) to assess performance and allocate resources.

Given the changes that occurred at Group level and in particular in the Casino Group through the creation of an e-commerce division within the "Cnova" entity, the presentation of internal reporting has been reviewed.

Segment reporting now includes two operating segments corresponding to:

- the "Food and general retail" division which reflects the various activities of the Casino Group, namely:

- France Retail: a segment combining all retail activities in France (primarily the Casino, Monoprix, Franprix-Leader Price and Vindémia banners)
- Latam Retail: a segment that combines all food retail activities in Latin America (mainly the banners of the GPA (food stores), Exito and Libertad Groups),
- Latam Electronics: a segment that combines all non-food retail activities in Brazil (Via Varejo Group banners: Casas Bahia and Ponto Frio),
- Asia: a segment that combines all retail activities in Asia (Big C Thailand and Big C Vietnam Group banners),
- E-commerce: a segment that combines the activities of the new Cnova entity (Cdiscount, its vertical and international sites and Cnova Brazil),
- and Other.

- The "Holding companies and other activities" division which combines the activities of holding companies, the sale of sporting goods and financial investments. Taken individually, these activities are immaterial at the Group level.

Key indicators per operating segment

	Food and general retail						Holding companies & other activities	Total
(in € millions)	France Retail	Latam Retail	Latam Electronics	Asia	E-commerce	Other		
H1 2015								
External revenue	9,136	7,803	2,924	2,076	1,730		328	**23,995**
Current operating income	(54)	299	191	138	(55)	1	(15)	**507**
H1 2014								
External revenue	9,248	7,305	3,477	1,692	1,526		309	**23,556**
Current operating income[1]	108	337	276	107	(10)	(1)	(5)	**811**

1. The statements previously published have been restated following the retrospective application of IFRS 21 (Note 1.3).

Key indicators by geographic area

(in € millions)	Food and general retail				Holding companies & other activities		Total
	France	Latin America	Asia	Other segments	France	Other segments	
External revenue for the first half of 2015	9,885	11,693	2,089	1	296	32	**23,995**
External revenue for the first half of 2014	9,927	11,627	1,694		282	27	**23,556**

(in € millions)	Food and general retail				Holding companies & other activities		Total
	France	Latin America	Asia	Other segments	France	Other segments	
Non-current assets as of June 30, 2015[1]	13,196	12,177	2,401	47	109	16	**27,945**
Non-current assets as of December 31, 2014[1]	13,238	12,231	2,264	55	111	15	**27,913**

1. Non-current assets include goodwill, property, plant, and equipment, and intangible assets, investment properties, interests in related companies, and long-term prepaid expenses.

Operating data

Seasonal nature of the business

For all activities combined, the seasonal nature of the business for the income statement does not have a strong effect on revenue (the first half of 2014 accounted for 48% of the total for 2014), but is more pronounced for current operating income (first half of 2014 compared to 2014: 36%).

Type of expenses by function

(in € millions)	Logistics[1]	Cost of goods sold	General and administrative expenses	H1 2015
Personnel expenses	(319)	(1,998)	(490)	(2,807)
Other expenses	(601)	(2,358)	(266)	(3,225)
Amortization and depreciation	(35)	(366)	(79)	(480)
Total	**(955)**	**(4,722)**	**(835)**	**(6,511)**

1. Logistics costs are included under “Full cost of goods sold.”

(in € millions)	Logistics[1]	Cost of goods sold	General and administrative expenses	H1 2014 restated
Personnel expenses	(304)	(1,930)	(460)	(2,693)
Other expenses	(548)	(2,152)	(260)	(2,960)
Amortization and depreciation	(30)	(358)	(92)	(480)
Total	**(882)**	**(4,440)**	**(812)**	**(6,133)**

1. Logistics costs are included under “Full cost of goods sold.”

Other operating income and expenses

(in € millions)	**H1 2015**	**H1 2014**
Total other operating income	383	103
Total other operating expenses	(314)	(282)
	69	**(178)**
Income/loss on asset disposals	**25**	**3**
Other operating income and expenses	**44**	**(181)**
Restructuring provisions and expenses[1]	(140)	(72)
Impairment losses[2]	(16)	(18)
Provisions and expenses for disputes and contingencies[3]	9	(36)
Net income/(expenses) related to consolidation scope transactions[4]	215	(52)
Other operating income and expenses	(24)	(3)
Other net operating income and expenses	**69**	**(178)**

1. This restructuring expense for the first half of 2015 represents primarily the France Retail and GPA segments in the amount of -€88 million and -€36 million, respectively. In the first half of 2014, it represented the France Retail and GPA segments in the amount of -€42 million and -€16 million, respectively.
2. The impairment loss recorded as of June 30, 2015 relates primarily to the individual assets in the France Retail and e-commerce segments. The impairment recognized as of June 30, 2014, relates to the Via Varejo stores in connection with the decision of the Brazilian competition authority on the mandatory sale of certain stores for -€5 million, the participation in Volta 10 for -€3 million and impairment losses on the private equity portfolio classified as AFS for €7 million.
3. The provisions for disputes and contingencies primarily concern Brazil for a gain of up to €11 million. In the first half of 2014, provisions and expenses for disputes related to Brazil amounted to €20 million.
4. A €215 million gain recorded as of the first half of 2015 resulted primarily from the revaluation of the previously held share in Disco in the takeover for €262 million (Note 3.1.1.). The expense of €52 million recorded in the first half of 2014 was mainly due to expenses related to operations with the scope of GPA (-€14 million), expenses related to the Cnova IPO (-€19 million) and takeover costs in the Franprix - Leader Price sub-group (-€6 million).

Taxes

The tax income as of June 30, 2015 was generated primarily by Casino Group. The tax income corresponds for Casino Group to an effective rate of -14.2% as of June 30, 2015 compared to 35% as of June 30, 2014. This difference in effective tax rate can be attributed for the most part to the income from the nontaxable revaluation recognized at the time of Disco's takeover which occurred in the first half of 2015.

Goodwill, intangible assets, property, plant, and equipment, and investment properties

In the first half of 2015, acquisitions of intangible assets, property, plant, and equipment, and investment property totaled €711 million versus €600 million for the same period of 2014.

As of June 30, 2015, the Group conducted a review of the impairment indicators as defined in the Notes to the 2014 consolidated financial statements relative to goodwill and to fixed assets.
In terms of goodwill at the level of Casino Group, tests carried out on the goodwill of the CGUs with indications of impairment focused on Franprix Leader-Price, Distribution Casino France, Casino Restauration and Vindémia; the tests did not lead to any impairment as of June 30, 2015.

For Franprix Leader Price, the value in use was updated to determine the recoverable value of this subsidiary. Projections were revised to reflect primarily the shift in time of the effects related to the price repositioning for the Leader Price brand since 2013, the other key assumptions having remained the same as those described in the Notes to the 2014 consolidated financial statements. Based on the update of this analysis, no impairment loss was recognized. According to the estimates of the management of the Casino Group, a change in a key assumption could result in the carrying value exceeding the recoverable value. Likewise, the table below presents the amount of the individual differences in the key assumptions that would be necessary so that the estimated recoverable value of the FPLP cash generating unit is equal to the carrying value (including €2,539 million in goodwill).

Difference needed for FPLP's carrying value to be equal to its recoverable value	June 30, 2015 [1]	December 31, 2014
Discount rate (5.5%)	+50 bp	+90 bp
Growth rate to infinity (0.0%)	-70 bp	-90 bp
EBITDA margin rate of normalized annual cash flow	-65 bp	- 90 bp

1. With a reasonable difference of a 50-point increase in discount rate and/or a 50-point decrease in the annual normalized cash flow EBITDA margin rate, the carrying value of the FPLP cash generating unit would exceed its recoverable value between €0 and €300 million.

Financial structure and financial costs

Net cash and cash equivalents

(in € millions)	June 30, 2015	December 31, 2014
Cash equivalents	2,555	4,527
Cash	1,692	3,152
Gross cash and cash equivalents	**4,246**	**7,680**
Current bank facilities	(143)	(167)
Net cash and cash equivalents	**4,103**	**7,512**

The Casino Group assigns receivables without recourse and without continued implication within the meaning of IFRS 7.

Borrowings and loans

Composition of the net financial debt

(in € millions)	June 30, 2015			December 31, 2014		
	Non-current share	Current share	Total	Non-current share	Current share	Total
Bond issues	9,249	977	10,226	9,797	1,974	11,770
Other financial debt	1,952	3,925	5,877	1,687	3,412	5,100
Lease contracts	85	17	102	87	18	105
Debt related to put options on non-controlling interests	37	10	47	38	24	62
Financial derivatives recognized as liabilities	10	4	14	2	12	14
Total financial liabilities	**11,334**	**4,932**	**16,266**	**11,611**	**5,441**	**17,051**
Financial derivatives recognized as assets	(348)	(118)	(466)	(452)	(136)	(589)
Other financial assets		(63)	(63)			
Investment and other securities		(33)	(33)		(18)	(18)
Cash and cash equivalents		(4,246)	(4,246)		(7,680)	(7,680)
Total financial assets	**(348)**	**(4,460)**	**(4,808)**	**(452)**	**(7,834)**	**(8,286)**
Net financial debt	**10,985**	**473**	**11,458**	**11,158**	**(2,393)**	**8,765**

Change in financial debt

(in € millions)	**June 30, 2015**	**December 31, 2014**
Financial debt at the beginning of the period	**16,463**	**14,208**
New borrowings [1]	1,804	4,606
Repayments (principal and interest) [2]	(2,344)	(2,466)
Changes in fair value (through profit or loss)	(15)	11
Translation adjustments	(101)	101
Changes in scope of consolidation	7	16
Changes in debt related to put options on non-controlling interests	(15)	(13)
Financial debt at the end of the period	**15,799**	**16,463**
Financial liabilities	16,266	17,051
Financial derivatives recognized as assets	(466)	(589)

1. The new loans for the first half of 2015 include primarily the transactions described below: (a) the net change in short-term commercial paper for €710 million, (b) the drawdown on the syndicated credit line for up to €500 million and other lines for a total amount of €125 million and (c) the new loans taken out on the Brazilian subsidiaries for an amount of €412 million.

2. The loan repayments in the first half of 2015 were related primarily to Rallye, Casino, Guichard–Perrachon and GPA for respectively €378, 737 and 644 million as well as to the repayment of the Alaméa loan for €300 million.

Net financial income

Net cost of financial debt

(in € millions)	**H1 2015**	**H1 2014**
Income from cash and cash equivalents	103	92
Income from cash and cash equivalents	**103**	**93**
Interest expense on financing activities after hedging[1]	(414)	(493)
Financial lease expenses	(4)	(5)
Gross cost of financial debt	**(418)**	**(498)**
Net cost of financial debt	**(315)**	**(405)**

1. In the first half of 2015, a supplemental agreement on the bonds redeemable for preferred Monoprix shares revised downward the interest rate (6 month Euribor +4.1%); income of €11 million was recorded.

Other financial income and expenses

(in € millions)	**H1 2015**	**H1 2014**
Foreign exchange gains (excluding financing activities)	34	20
Income from discounting and undiscounting calculations	1	1
Positive difference in the fair value of non-hedging derivatives[1]	10	42
Positive change in the fair value of financial assets measured at fair value	1	1
Other financial income	84	78
Total other financial income	**131**	**141**
Foreign exchange losses (excluding financing activities)	(39)	(11)
Expenses from discounting and undiscounting calculations	(8)	(9)
Negative difference in the fair value of non-hedging derivatives[1]	(182)	(23)
Negative change in the fair value of financial assets measured at fair value	(2)	
Other financial expenses	(65)	(68)
Total other financial expenses	**(296)**	**(111)**
Total other financial income and expenses	**(165)**	**30**

1. In June 2015, the net expense of €172 million primarily reflects the change in value of the BIG C Thailand (-€17 million) and GPA TRSs (-€74 million) and of the GPA forward (-€80 million), as well as of the Mercialys TRS (representing 1.37% of share capital) (€2 million) and other derivatives (-€4 million).
As of June 30, 2014, the net income of €19 million primarily reflects the change in value of the BIG C Thailand (€10 million), and GPA TRSs (€12 million) and of the GPA forward (€9 million), of the Mercialys TRS (representing 1.37% of share capital) (€2 million) and other derivatives (-€16 million).

Fair value of financial instruments

In relation to the fair value of financial assets and liabilities, there are no material elements to note for the first half of 2015, except for the fair value fluctuation of the TRSs and forwards indicated in Note 9.3.2.

Shareholders' equity

Share capital

As of June 30, 2015, share capital consisted of 48,778,526 shares representing a nominal value of €146 million.

Changes in capital

Share capital is composed of shares of common stock issued and fully paid up, with a par value of €3.

	June 30, 2015	December 31, 2014
Number of shares at opening	**48,721,948**	**48,740,974**
Exercise of stock subscription options	17,076	87,857
Bonus shares	39,502	
Cancellation of shares		(106,883)
Number of shares at closing	**48,778,526**	**48,721,948**

Dividend distribution

The Shareholders' Meeting of May 19, 2015 decided to distribute a dividend of €1.83 per share for fiscal year 2014.

Detail of non-controlling interests

(in € millions)	GPA	Exito[3]	Big C Thailand	Cnova	Casino	Other[4]	Total
As of January 1, 2015	5,607	1,310	459	68	4,692	465	**12,601**
% of non-controlling interests held[1]	*58.7%*	*45.2%*	*41.4%*	*41.9%*	*51.6%*		
% voting rights of non-controlling interests held[1]	*0.06%*	*45.2%*	*41.4%*	*3.4%*	*40.5%*		
Country	Brazil	Colombia	Thailand	Netherlands	France		
Net income	107	68	39	(35)	42	3	**224**
Items of other comprehensive income[2]	(408)	(14)	27	(6)	(127)	2	**(526)**
Sub-total	(301)	54	66	(41)	(85)	5	**(302)**
Dividends paid/to be paid	(7)	(48)	(24)		(182)	(3)	**(264)**
Other transfers	8	70	(2)		(36)	0	**40**
June 30, 2015	5,307	1,386	499	27	4,389	467	12,075
% of non-controlling interests held[1]	*58.7%*	*45.2%*	*41.4%*	*41.9%*	*51.6%*		
% voting rights of non-controlling interests held[1]	*0.06%*	*45.2%*	*41.4%*	*3.4%*	*39.5%*		

1. These percentages result from the direct holdings of Casino in its subsidiaries except for Cnova which also includes indirect holdings.
2. The items of other comprehensive income reflect for the most part the change in the currency translation reserve for the period (primarily the depreciation of the Brazilian currency with respect to the euro).
3. The other transfers relative to Exito result for the most part from the takeover of Disco (Note 3.1.1).

As of January 1, 2015, €420 million corresponded to the amount of bonds redeemable in Monoprix preferred shares in favor of CACIB.

Provisions

Breakdown and change

(in € millions)	As of January 1, 2015	Increases	Reversals used	Reversals unused	Changes in consolidation and transfers	Foreign currency changes	Other	As of June 30, 2015
Retirement	252	9	(5)	(10)		1	2	248
Seniority awards	32							32
Service bonus	12				1			12
Other disputes	51	10	(4)	(6)			1	51
Various risks and contingencies	821	116	(43)	(92)	(13)	(48)	(1)	741
Restructuring	23	7	(5)	(3)				22
Total provisions	**1,191**	**142**	**(57)**	**(112)**	**(12)**	**(47)**	**2**	**1,107**
of which non-current	1,019	13	(6)	(18)		(47)	(25)	936
of which current	172	128	(51)	(94)	(12)		27	170

The 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 works, disputed rents, tenant evictions, etc.), tax or economic matters (infringements, etc.).

More specifically, the other risks and contingencies amounted to €741 million and primarily represented the provisions relative to GPA (see table below).

(in € millions)	PIS/ Cofins/CPMF disputes *	Other tax disputes	Wage disputes	Civil disputes	Total
As of June 30, 2015	52	337	160	71	621
As of December 31, 2014	59	389	162	72	682

* VAT and similar taxes

Contingent liabilities

Contingent liabilities mainly concern the GPA group; these are summarized as follows:

in € millions and share	June 30, 2015	December 31, 2014
INSS (employer contributions to the Brazilian national social security program)	114	99
IRPJ - IRRF and CSLL (income tax)	489	425
PIS, COFINS, and CPMF (VAT and related taxes)	434	286
ISS, IPTU and ITBI (tax on services, tax on urban real estate ownership, and tax on real estate transactions)	106	102
ICMS (VAT)	1,419	1,334
Civil disputes	160	157
Total	**2,721**	**2,402**

GPA uses legal advisors in relation to its tax litigations; the fees paid to those firms are based on the resolution of the litigation in favor of GPA. As of June 30, 2015, their estimated amount was €26 million (€20 million as of December 31, 2014).

Related parties

Rallye is controlled by Foncière Euris, which is in turn held by Finatis, and then by Euris.

As of June 30, 2015, Foncière Euris held 55.34% of Rallye's capital and 70.39% of its voting rights.

Rallye Group benefits from the guidance of Euris, the Group's ultimate controlling company, under the terms of a strategic advisory services agreement signed in 2003.

Relationships with other related parties, including the methods for compensating company directors, have remained comparable to those of the 2014 fiscal year and no unusual transactions, in nature or amount, occurred during the period.

The principal transaction for the half-year between Rallye and Foncière Euris was the payment in cash of the dividend for €49 million.

Moreover, in the context of the 2014 real estate development transaction with a subsidiary of Foncière Euris, the Casino Group recognized additional income of €10 million for the six-month period.

Related-party transactions with associates and joint ventures are mentioned in Note 3.2.3.

Subsequent events

- Rallye and its parent company, Foncière Euris, announced on **July 15, 2015** the signing of an agreement on the sale of commercial center Riviera located in Gdynia, Poland.
  The actual sale of the center is scheduled for August 31, 2015, based on the real estate asset's appraised value at closing of €291 million; the sale will make it possible, among other things, for the share held by Rallye to record as of that date an inflow of close to €9 million.

- On **July 30, 2015**, Casino announced a new organization of its business activities in Latin America through the acquisition by Exito of 50% of GPA voting shares held by the Casino Group (i.e., approximately 18.8% of the capital) and 100% of the Libertad shares in Argentina, for a total amount of €1.7 billion. The Casino Group, which holds 54.8% of the capital of Exito, will continue to fully consolidate its subsidiaries Exito, GPA and Libertad. Exito will finance the transaction by using a portion of its excess cash and by new credit facilities. The operation is expected to be concluded by end of August 2015. The transaction is subject to the approval of Exito's shareholders at a general shareholders meeting which is convened for 18 August 2015.

4 –AUDITORS' REPORT ON THE 2015 INTERIM FINANCIAL REPORT

To the Shareholders,

In the performance of the engagement entrusted to us at your general meetings and in application of Article L. 451-1-2 III of the Monetary and Financial Code, we have carried out:

a review of Rallye's condensed interim consolidated financial statements for the period from January 1 to June 30, 2015, as attached herein;

a verification of the information provided in the interim business report.

The condensed interim consolidated financial statements are the responsibility of your Board of Directors. Our role is to express an opinion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with the auditing standards applicable in France. A review includes primarily making inquiries of company management in charge of accounting and financial matters and applying analytical procedures to data. A review is substantially less in scope than an audit conducted as required by the auditing standards applicable in France. Accordingly, the assurance, in the context of a review, that the financial statements taken as a whole are free of material misstatements is a moderate assurance, lower than that obtained in an audit.

Based on our review, we did not find any material misstatements that would call into question the compliance of the condensed interim consolidated financial statements with IAS 34 (IFRS) as adopted by the European Union for the purposes of interim reporting.

Without qualifying the conclusion expressed above, we draw your attention to Note 1.3 of the Notes regarding the restatement of comparable financial statements as of June 30, 2014, related to the early application of interpretation IFRIC 21.

2. Specific verification

We have also verified the information presented in the interim business report while commenting on the condensed interim consolidated financial statements upon which we performed our review.

We have no matters to report regarding its fair presentation and conformity with the condensed interim consolidated financial statements.

Paris-La Défense, July 30, 2015
The Statutory Auditors

ERNST & YOUNG et Autres	**KPMG Audit** A Division of KPMG S.A.
Pierre Bourgeois	Catherine Chassaing