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# RALLYE

Paris, October 19, 2016

## **Rallye launches an offering of non-dilutive cash-settled bonds due February 2022 exchangeable into Casino shares for EUR 200 million**

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Rallye SA (“**Rallye**”) announces the launch today of a EUR 200 million offering of non-dilutive cash-settled bonds due 2022 exchangeable for existing ordinary shares (the “**Shares**”) of Casino, Guichard-Perrachon S.A. (“**Casino**”) (the “**Bonds**”). Rallye will purchase cash-settled call options (the “**Call Options**”) to hedge Rallye’s economic exposure to the potential exercise of the exchange rights embedded in the Bonds. As the Bonds will only be cash-settled, the Bonds will not result in the delivery of Shares upon exchange.

The Bonds will be issued at par on October 26, 2016, the expected settlement date of the Bonds. The Bonds will bear interest at an annual nominal rate comprised between 4.50% and 5.25% payable semi-annually in arrear and will be reimbursed at par on February 1<sup>st</sup>, 2022. The Bonds may be subject to early redemption at the option of Rallye under certain conditions.

The Bonds will have a par value of EUR 100,000 per Bond. The initial exchange price (the “**Initial Exchange Price**”) will represent an exchange premium between 30%-35% over the Share Reference Price (as defined below). The share reference price of Casino (the “**Share Reference Price**”), will be determined as the arithmetic average of the daily volume-weighted average prices of the Shares in euros on the regulated market of Euronext in Paris over the 15 consecutive trading days commencing on (and including) October 20, 2016 (the “**Reference Period**”).

The final terms of the Bonds, except for the Share Reference Price and the Initial Exchange Price are expected to be announced later today.

Rallye intends to use the net proceeds of the issuance of the Bonds for general corporate purposes and for financing the purchase of the Call Options.

The Bonds will be offered via an accelerated book building process through a private placement to institutional investors only or otherwise not entailing a public offering, outside the United States of America, Australia, Canada, Japan and South Africa. No prospectus, offering circular or similar document will be prepared in connection with the offering.

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After the determination of the final terms of the Bonds, other than the Share Reference Price and the Initial Exchange Price, it is anticipated that the hedge counterparties to the Call Options will enter into transactions to hedge their respective positions under the Call Options through the sale, purchase of Shares or any other transactions, on the market and off-market, at any time, and in particular during the Reference Period and at or around the exchange or redemption of the Bonds.

The Share Reference Price and the Initial Exchange Price will be announced through a final press release at the end of the Reference Period, expected to take place on or around November 9, 2016.

Application will be made for the Bonds to be admitted to trading on the Open Market (*Freiverkehr*) segment of the Frankfurt Stock Exchange and such admission to trading is expected no later than 90 days following the expected settlement date.

This offering is managed by BNP Paribas and Crédit Agricole CIB acting as joint bookrunners.

## **DISCLAIMER**

### **Available information**

The issue of the Bonds was not subject to a prospectus approved by the French Financial Market Authority (*Autorité des marchés financiers*) (the “AMF”). Detailed information on Rallye, including its business, results, prospects and related risk factors are described in Rallye’s registration document, the French version of which was filed with the AMF on April 19, 2016 under number D.16-0368, Rallye’s interim financial statements for the period ending on June 30, 2016, which are available together with all the press releases and other regulated information about Rallye, on Rallye’s website (<https://www.rallye.fr>).

Detailed information on Casino, including the Shares, Casino’s business, results, prospects and related risk factors are described in Casino’s registration document, the French version of which was filed with the AMF on April 19, 2016 under number D.16-0367, Casino’s interim financial statements for the period ending on June 30, 2016, the press release dated October 13, 2016 relating to the third quarter 2016 sales which are available together with all the press releases and other regulated information about Casino, on Casino’s website (<https://www.groupe-casino.fr>).

### **Important information**

This press release may not be published, distributed or released directly or indirectly in the United States of America, Australia, Canada, Japan or South Africa. The distribution of this press release may be restricted by law in certain jurisdictions and

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persons into whose possession any document or other information referred to herein comes, should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

No communication or information relating to the offering may be transmitted to the public in a country where there is a registration obligation or where an approval is required. No action has been or will be taken in any country in which such registration or approval would be required. The issuance or the subscription of the Bonds may be subject to legal and regulatory restrictions in certain jurisdictions; none of Rallye, BNP Paribas and Crédit Agricole CIB (the “**Joint Bookrunners**”) assumes any liability in connection with the breach by any person of such restrictions.

The information contained in this press release is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this press release or its accuracy or completeness. The information in this press release is subject to change.

This press release is an advertisement and not a prospectus within the meaning of Directive 2003/71/EC of the European Parliament and the Council of November 4, 2003 as amended (the “**Prospectus Directive**”).

The Bonds will be offered only by way of a private placement in France to persons referred to in Article L.411-2-II of the French monetary and financial code (*Code monétaire et financier*) and outside France (excluding the United States of America, Australia, Canada, Japan and South Africa), without an offer to the public in any country (including France). This press release does not constitute a recommendation concerning the issue of the Bonds. The value of the Bonds and the Shares can decrease as well as increase. Potential investors should consult a professional adviser as to the suitability of the Bonds for the person concerned.

### **European Economic Area**

With respect to the Member States of the European Economic Area which have implemented the Prospectus Directive (the “**Relevant Member States**”), no action has been undertaken or will be undertaken to make an offer to the public of the Bonds requiring a publication of a prospectus in any Relevant Member State. As a result, the Bonds may only be offered in Relevant Member States:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive; or
- (b) in any other circumstances falling within Article 3(2) of the Prospectus Directive.

For the purposes of this paragraph, the expression “**offer to the public of Bonds**” in any Relevant Member States, means any communication, to individuals or legal entities, in any form and by any means, of sufficient information on the terms and conditions of the offering and on the Bonds to be offered, thereby enabling an investor to decide to purchase or subscribe for the Bonds, as the same may be varied in that Relevant Member State.

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These selling restrictions with respect to Relevant Member States apply in addition to any other selling restrictions which may be applicable in the Relevant Member States who have implemented the Prospectus Directive.

### **France**

The Bonds have not been and will not be offered or sold or cause to be offered or sold, directly or indirectly, to the public in France. Any offer or sale of the Bonds and distribution of any offering material relating to the Bonds have been and will be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d’investissement de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*) acting for their own account, as defined in, and in accordance with, Articles L.411-1, L.411-2 and D. 411-1 of the French monetary and financial Code (*Code monétaire et financier*).

### **United Kingdom**

This press release is addressed and directed only (i) to persons located outside the United Kingdom, (ii) to investment professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”), (iii) to people designated by Article 49(2) (a) to (d) of the Order or (iv) to any other person to whom this press release could be addressed pursuant to applicable law (the persons mentioned in paragraphs (i), (ii), (iii) and (iv) all deemed relevant persons (“**Relevant Persons**”). The Bonds are intended only for Relevant Persons and any invitation, offer of contract related to the subscription, tender, or acquisition of the Bonds may be addressed and/or concluded only with Relevant Persons. All persons other than Relevant Persons must abstain from using or relying on this document and all information contained therein.

This press release is not a prospectus which has been approved by the Financial Conduct Authority or any other United Kingdom regulatory authority for the purposes of Section 85 of the Financial Services and Markets Act 2000.

### **United States of America**

This press release may not be published, distributed or transmitted in the United States of America (including its territories and dependencies, any State of the United States of America and the District of Columbia). This press release does not constitute or form a part of any offer or solicitation to purchase for securities in the United States of America or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the US Securities Act of 1933, as amended (the “**Securities Act**”). The securities mentioned herein have not been, and will not be, registered under the Securities Act, the law of any state of the United States of America and may not be offered or sold in the United States of America or to, or for the account or benefit of, U.S. Persons, except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act or the law of the above states. The Bonds will be offered or sold only to non-U.S. persons in offshore transactions outside of the United States of America, in accordance with Regulation S of the Securities Act. Rallye does not intend to register any portion of

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the proposed offering in the United States of America and no public offering will be made in the United States of America.

**Australia, Canada, Japan and South Africa**

The Bonds may not and will not be offered, sold or purchased in Australia, Canada, Japan or South Africa. The information contained in this press release does not constitute an offer of securities for sale in Australia, Canada, Japan or South Africa.

The distribution of this press release in certain countries may constitute a breach of applicable law.

The Joint Bookrunners are acting exclusively on behalf of Rallye and no-one else in connection with the offering. They will not regard any other person as their respective client in relation to the offering and will not be responsible to anyone other than Rallye for providing the same protections as to any of their clients or to provide advice in connection with the offering, the Bonds, the contents of this press release or any other transaction, arrangement or other matter described in this press release.

In connection with the offering, the Joint Bookrunners and any of their respective affiliates, may take up a portion of the Bonds as a principal position and in that capacity may subscribe for, acquire, retain, purchase, sell, offer, offer to sell or negotiate for their own account such Bonds and other securities of Rallye or Casino or related investments in connection with the offering, the Bonds, Rallye, Casino or otherwise.

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