Paris, March 14, 2019

RALLYE

2018 Annual Results

Signing in September 2018 of a **€500m credit facility which does not benefit from any pledge on Casino shares** bringing Rallye's liquidity setup above €2.2bn

Investor put granted in the exchangeable 2020 bond was exercised by 99% of Bondholders for a nominal amount of €370m

Disposal by Groupe GO Sport of the whole business of Courir for an equity value of €283m closed on February 28, 2019

At Casino level:

- In 2018, Casino exceeded its objectives:
  - Growth in consolidated net sales of **4.7% on an organic basis** at **€36.6bn**;
  - Consolidated trading profit of **€1,209m, up 18.0% on an organic basis** excluding tax credits and 9.8% including tax credits (above the respective objectives of + 10 % and > 0) ;
  - Growth in France trading profit for the retail business of **15.7% on an organic basis**, above the initial objective of + 10 % ; France trading profit of €579m;
  - Pursuit of the excellent performance in Latin America driven by Cash & Carry and the revitalization of other formats;
  - Reduction in France net debt to **€2.7bn** (€3.7bn in 2017);
  - Execution of the €1.5bn asset disposal plan. In light of the plan's completion ahead of initial schedule and the indicative offers received for other non-strategic assets, **the new target has been raised to at least €2.5bn to be achieved by Q1 2020**.

- **After significantly transforming its operations in France over the past 4 years, the Group now draws on a model aligned with market trends and presents its perspectives for 2019-2021:**
  - Open 300 premium and convenience stores by 2021;
  - Increase in the contribution of buoyant formats with a reduced exposure to hypermarkets to 15% of gross sales under banner (vs. 21% in 2018);
  - Become the number one in organic products in 2021, with net sales of €1.5bn (vs. €1bn in 2018);
  - Increase the share of E-commerce sales to 30%[1] in 2021 (vs. 18%[1] at end-2018);
  - Leadership position in grocery home delivery thanks to the Ocado and Amazon Prime Now partnerships;
  - **Develop new service businesses around the Group's assets**: Energy (GreenYellow), Data (3W.relevanC), Data Center (ScaleMax).

- **In France, Casino has set the following financial targets for the next three years:**
  - Increase in the **EBITDA margin** and the **trading margin for the retail business** of **+0.2 pt per year**;
  - Growth **in trading profit for the retail business** of **+10% per year**
  - **Free cash-flow**[2] of **€0.5bn per year** with gross retail **CAPEX below €350m per year, in line with amortisations.**

The Board of Directors met on March 13, 2019 in order to close the books for the year ended December, 31 2018.

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

[1] Net sales under the banners and Cdiscount's GMV
[2] Before dividends paid to owners of the parent and holders of TSSDI deeply-subordinated bonds and before financial expenses
Note: Organic and same-store changes in sales exclude fuel and calendar effects

.

2018 KEY P&L DATA

In €m	**2017**	**2018**
Net Sales	**38,302**	**37,495**
EBITDA[1]	**1,910**	**1,879**
EBITDA margin	*5.0%*	*5.0%*
Trading profit	**1,207**	**1,209**
Trading profit margin	*3.2%*	*3.2%*
Net income from continuing operations, Group Share	**(99)**	**(218)**
Net income, Group Share	**(102)**	**(223)**
Net underlying income[2] from continuing operations, Group Share	**26**	**(14)**

Rallye consolidated net sales amounted to €37.5bn. Trading profit was steady in 2018 at €1,209m.

Rallye's holding perimeter net financial debt stood at €2,899m as of December 31, 2018, compared to €2,877m at the end of December 2018. Rallye's recurring cash-flow equation[3] was positive in 2018 at +€5m.

Rallye signed in September 2018 a €500m credit facility which does not benefit from any pledge on Casino shares bringing Rallye's liquidity setup above €2.2bn.

Investor put granted in the exchangeable 2020 bond was exercised by 99% of Bondholders for a nominal amount of €370m.

As at December 31, 2018 Rallye's financial covenants were met with ample headroom. The consolidated EBITDA to consolidated net cost of debt ratio amounted to 4.14x (vs a covenant at 2.75x), and Rallye's standalone shareholders' equity was €1,788m (vs a covenant at €1,200m).

1. SUBSIDIARIES ACTIVITY

- **Casino**

Consolidated net sales amounted to €36.6bn in 2018, representing an increase of 4.7% on an organic basis (excluding fuel and calendar) and a change of - 2.4% notably after taking into account the negative impact of currency effect.

In France, business was shaped by successful sales performances in all formats. Total gross sales under banner increased by 2.8%[4] .

E-commerce (Cdiscount) achieved strong momentum, with growth in gross merchandise volume ("GMV") of 9.3%[5] on an organic basis, driven by the growth contribution of the marketplace and by monetisation revenues.

Sales in **Latin America** were supported by a very good performance at Assaí (24% on an organic basis), an improvement at Multivarejo and the new momentum at Éxito.

[1] EBITDA = trading profit + current depreciation and amortization expense
[2] Definition provided on page 6
[3] Dividends paid by Casino, net of dividends paid by Rallye, net financial cost, and holding costs
[4] Gross sales under banner (food and non-food) and GMV Cdiscount
[5] The organic changes include sales and services at "corners" (stores-within-stores) but exclude sales made in Casino Group's hypermarkets and supermarkets, and 1001Pneus (acquired in October 2018). The overall impact of their exclusion represented -1.1 points and -1.7 points, respectively.
Note: Organic and same-store changes in sales exclude fuel and calendar effects.

Consolidated trading profit came at €1,209m, an increase of 9.8% on an organic basis and a change of -0.3% including the negative impact of currency effect. Excluding tax credits, consolidated trading profit was up 18.0% on an organic basis and 8.2% as reported.

In France, trading profit amounted to €579m, up 8.4% on an organic basis. This included €518m in trading profit for the retail business, for an organic increase of 15.7%. This performance was achieved thanks to:

- a €69m increase in trading profit for the retail business, i.e. a margin increase of +0.2pt, in line with the improvements achieved in previous years;
- the development of related businesses (GreenYellow, Data with 3W.relevanC);
- the optimisation of the store base, which will be ramped up in 2019;
- strong momentum from franchise business and new independent retailers joining the network.

Trading margin increased by 18bps to 3.0%.

E-commerce (Cdiscount) trading profit improved significantly, with an increase in the trading margin of 124bps and an increase in EBITDA of + €30m, driven by marketplace growth and monetisation revenues.

Trading profit from **food retail operations in Latin America** came to €644m, a year-on-year change of 7.1% on an organic basis and - 9.7% after taking into account the negative impact of currency effects. Excluding tax credits, trading profit was up + 22.3 % on an organic basis and 3.4% as reported. The segment's trading margin came to 4.1%.

Underlying net profit from continuing operations, Group share totalled €318m, compared with €351m in 2017, a change of -2,0% at constant exchange rates, due to the higher effective tax rate (27.0% versus 20.6% in 2017, when the Group benefited from the cancellation of the tax on dividends in France).

Consolidated cash flow from continuing operations came to €1,574m (versus €1,541m in 2017).

Casino Group consolidated net debt stood at €3.4bn at 31 December 2018 versus €4.1bn a year earlier.

For Casino in France[1] , net debt came to €2.7bn at 31 December 2018, versus €3.7bn a year earlier, due to the impact of the asset disposal plan.

The **ratio of net debt to EBITDA** of continuing operations was 1.8x versus 2.2x in 2017.

- ## Groupe GO Sport

Groupe GO Sport consolidated net sales of €885m, up 9.8 % versus 2017 and 4.9% on a same-store basis and at constant exchange rates.

Groupe GO Sport consolidated net sales excluding Courir of €494m, up 5.4% versus 2017 and 3.3% on a same-store basis and at constant exchange rates.

Same-stores net sales of **GO Sport France** grew by 6% for integrated stores. The relevant commercial positioning of the banner as a sports coach and reorganization of shoes' merchandizing in stores structured around a wall panel is bearing fruits with traffic increase by 3%.

GO Sport Poland opened two new stores in a context of intense competition and new regulation on store closing during Sundays. The opening of the e-commerce website marks the launch of the omni-channel strategy.

Last but not least, the disposal of the whole **Courir** business to Equistone for an equity value of €283m was closed on February 28, 2019.

In order to speed up Group's transformation, a new management has been appointed in early 2019 with Philippe Favre as President and Brice Garnier as General Manager – both belong to the consulting firm Prospheres. They both have a recognized expertise in managing transforming companies.

All networks combined, GO Sport operates a total of 328 stores of which 77 abroad.

[1] Casino Group holding company scope, including the French businesses and the wholly-owned holding companies.

2. CONCLUSION AND PERSPECTIVES

In light of the plans already carried out and the new initiatives under way, Casino has set the following financial perspectives for 2019:

- Retail France: 10% growth in trading profit for the retail business, €0.5bn in free cash flow[1] and a further reduction in net debt
- E-commerce (Cdiscount): a sharp improvement in EBITDA, driven by marketplace growth and monetisation revenues
- Latin America: an increase of more than +30 bps in the EBITDA margin in Brazil and an improvement in the EBITDA margin in Colombia.

For France, Casino has made the following financial projections for 2019-2021:

- A trading margin for the retail business and an EBITDA margin of + 0.2 point per year;
- Growth in trading profit for the retail business of + 10 % per year;
- Free cash flow[1] of €0.5bn per year;
- Gross retail CAPEX below €350m per year, in line with amortisations.

Rallye maintained a slightly positive recurring cash flow equation[2] in 2018 and **benefits from a strong liquidity position with over €1.3bn of undrawn credit lines as of December 31, 2018**.

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

The Board of Directors held on March 13, 2019 decided to recommend to the General Annual Meeting of May 15, 2019 a stable cash dividend of €1.00 per share, to be paid on May 22, 2019.

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

Rallye contact:

Franck HATTAB

+ 33 (0)1 44 71 13 73

Disclaimer

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

[1] Before dividends paid to shareholders and to TSSDI deeply subordinated notes and excluding finance costs
[2] Dividends paid by Casino, net of dividends paid by Rallye, of net financial cost, and holding costs

APPENDICES[1]

2018 ANNUAL RESULTS

(CONSOLIDATED DATA)

in €m	**2017**	**2018**
Net Sales	**38,302**	**37,495**
EBITDA[2]	**1,910**	**1,879**
Trading profit	**1,207**	**1,209**
Other operational income and expenses	(490)	(383)
Cost of net financial debt	(480)	(454)
Other financial income and expenses	(85)	(164)
Profit (loss) before tax	**152**	**207**
Income tax expense	(41)	(209)
Income from associated companies	10	14
Net profit (loss) from continuing operations	**121**	**13**
Of which Group Share	**(99)**	**(218)**
of which minority interests	*220*	*230*
Net profit (loss) from discontinued operations	47	(21)
of which Group share	*(4)*	*(5)*
of which minority interests	*51*	*(16)*
Net profit (loss)	**169**	**(8)**
Of which Group Share	**(102)**	**(223)**
of which minority interests	*271*	*215*

[1] The 2017 and 2018 financial statements reflect the application of IFRS 5 to take into account the plan to sell Via Varejo. Via Varejo's operations (including those of Cnova Brazil) have been classified as discontinued operations since 2016. Via Varejo's assets and liabilities are presented on a separate line in the statement of financial position. In light of the new standards applicable from 1 January 2018, the 2017 and 2018 financial statements are prepared in accordance with IFRS 15. The 2018 financial statements also reflect the application of IFRS 9, which relates to financial instruments, and IAS 29, which relates to hyperinflation in Argentina. The prospective application of the amendments to IFRS 2 resulted in the reclassification to non-controlling interests at 1 January 2018 of a €5 million debt in the Latam segment.

[2] EBITDA = trading profit + current depreciation and amortization expense

SIMPLIFIED BALANCE SHEET 2018

(CONSOLIDATED DATA)

In €m	**2017**	**2018**
Non-current assets	23,182	21,458
Current assets	16,594	17,711
Total assets	**39,776**	**39,169**
Equity	11,229	10,187
Non-current financial liabilities	9,559	9,477
Other non-current liabilities	2,139	2,044
Current liabilities	16,849	17,461
Total equity and liabilities	**39,776**	**39,169**

RECONCILIATION OF REPORTED PROFIT TO UNDERLYING PROFIT

Underlying net profit corresponds to net profit from continuing operations, adjusted for (i) the impact of other operating income and expenses, as defined in the "Significant accounting policies" section in the notes to the consolidated financial statements, (ii) the impact of non-recurring financial items, as well as (iii) income tax expense/benefits related to these adjustments.

Non-recurring financial items include fair value adjustments to equity derivative instruments (such as total return swaps and forward instruments related to GPA shares) and the effects of discounting Brazilian tax liabilities.

In €m	**2017**	**Restated items**	**2017 underlying**	**2018**	**Restated items**	**2018 underlying**
Trading profit	**1,207**	**-**	**1,207**	**1,209**	**-**	**1,209**
Other operating income and expenses	(490)	490	-	(383)	383	
Operating profit	**717**	**490**	**1,207**	**825**	**383**	**1,209**
Cost of net financial debt	(480)	-	(480)	(454)	-	(454)
Other financial income and expenses	(85)	(40)	(125)	(164)	54	(110)
Income tax expenses	(41)	(104)	(145)	(209)	(9)	(218)
Income from associated companies	10	-	10	14	-	14
Net profit (loss) from continuing operations	**121**	**346**	**468**	**13**	**428**	**441**
of which minority interests[1]	220	222	442	230	224	454
Of which Group share	**(99)**	**124**	**26**	**(218)**	**204**	**(14)**

[1] Minority interests have been restated for the amounts relating to the restated items listed above