RALLYE

ANNUAL REPORT 2014

This Registration Document was filed with the French Financial Markets Authority on April 16, 2015, in accordance with Article 212-13 of the general regulations of the Financial Markets Authority. It may be used in conjunction with a financial transaction only if accompanied by a transaction note approved by the Financial Markets Authority. This document includes all information relating to the Annual Financial Report. It was prepared by the issuer under the responsibility of the persons who signed it.

RALLYE

French Public Limited Company (SA) with share capital of €146,165,844

No. 054,500,574 in the Paris Company and Trade Register

Registered office: 83, rue du Faubourg Saint-Honoré -75008 Paris

Phone: +33 (0)1 44 71 13 73 – Fax: +33 (0)1 44 71 13 70

Web site: http://www.rallye.fr – E-mail: info@rallye.fr

Contents

RALLYE

AFR This information forms an integral part of the Annual Financial Report as provided for in Article L. 451-1.2 of the French Monetary and Financial Code.

CORPORATE BODIES
and auditors

–

| **JEAN-CHARLES NAOURI** Chairman of the Board of Directors

BOARD OF DIRECTORS

JEAN-CHARLES NAOURI (1)
Chairman of the Board of Directors

PHILIPPE CHARRIER (1)
Independent Director

JEAN CHODRON DE COURCEL (1)
Independent Director

JACQUES DUMAS (1)
Director

CATHERINE FULCONIS (1)
Independent Director

JEAN-MARIE GRISARD
Representing Finatis (1)

SOPHIE GUIEYSSE (2)
Independent Director

DIDIER LEVEQUE,
Representing Foncière Euris (1)

ODILE MURACCIOLE
Representing Saris (1)

GABRIEL NAOURI
Representing Euris (1)

CHRISTIAN PAILLOT (1)
Independent Director

ANDRÉ CRESTEY
Non-voting observer (advisor to the Board)

EXECUTIVE MANAGEMENT

DIDIER CARLIER
Chief Executive Officer

FRANCK HATTAB
Deputy Managing Director

STATUTORY AUDITORS

ERNST & YOUNG ET AUTRES
Represented by Pierre Bourgeois

KPMG AUDIT DEPARTMENT OF KPMG SA
Represented by Catherine Chassaing

(1) Reappointments proposed to the Ordinary General Shareholders' Meeting of May 19, 2015.
(2) Proposed appointments to the General Shareholders' Meeting of May 19, 2015.

CHAIRMAN'S
Message

Casino Group has moved up in the last five years to attain the rank of the 11th largest food retailer in the world. Revenue has increased by 67% in five years, giving Casino the highest growth rate among leading retailers (1). This growth was fueled by Casino's choice to prioritize the development of the most buoyant countries and formats. As such, the Casino Group is leveraged by a highly diversified portfolio of franchised outlets established in high-potential markets. The strongest growth drivers over the last five years have been the Brazilian subsidiaries, with 19.5% of average growth and e-commerce with 18.3%. Next are the Colombian and Thai subsidiaries with average revenue growth of 11.7% and 9.8% respectively over the period. In terms of formats, Casino continues to focus on mass retail franchised outlets (hypermarkets, discount and cash & carry stores), quality-oriented, convenience franchised outlets and e-commerce. These formats perfectly match changing consumer trends.

The Casino Group's results in 2014 confirm the soundness of this strategy. Revenues were up 4.7% on a same-store basis (2) compared to 2013, thanks to improved sales for a comparable number of stores in France, a steadily-expanding international presence and the outstanding performance of e-commerce. Current operating income was up 5.6% on a same-store basis. Normalized net income Group share was €556 million, down by 10% due to the impact of currency translation and the decision to cut prices in France.

Strengthened by a balanced, diversified profile in high-growth countries and formats, Casino is leveraged by a robust financial structure. Although the Group continued its development strategy in 2014 and made some significant investments, such as raising its stake in GPA and acquiring the Le Mutant discount stores in France and Super Inter in Colombia, its debt level remained under control. Thanks to significant free cash flow which covered the majority of net capital expenditure and dividend payouts, Casino managed to slow the pace of change in net financial debt at €5,822 million, or 1.8 times EBITDA.

In 2015, the Casino Group will face numerous challenges: strengthening its leadership on quality-oriented formats, accelerating the expansion of discount and proximity stores, maintaining the momentum of e-commerce and operational discipline. To do so, it relies on the strengths inherent in its new profile. Its international dimension opens up new opportunities to galvanize its teams, exchange best practices, manage evolving talents, and promote a caring management, while creating the right conditions for achieving excellence and improving customer service.

Rallye reported consolidated revenue of €49.2 billion, up +1.3% on 2013. Current operating income totaled €2,235 million in 2014, versus €2,323 million in 2013.

Rallye's holding scope reported net financial debt of €2,798 million, including €2,243 million of bond debt and €470 million of non-bond debt.

Rallye's investment portfolio was valued at €143 million at the end of 2014, following the disposal of some 15 lines, most of which had generated substantial returns on investment, in addition to two real estate assets.

Highlights in 2014 included the filing of a simplified public offering on September 30, 2014 by Rallye to buy Groupe GO Sport shares not yet included in its direct or indirect holdings. The offering, which was declared compliant on October 14, 2014 by the French financial markets authority, was completed at a price of €9.10 per share. It was followed by a squeeze-out implemented on November 5, 2014. Since that date, Rallye holds 100% of the capital and voting rights of Groupe GO Sport.

The consolidated revenues of Groupe GO Sport for 2014 amounted to €655.1 million, up by 2.9% on a same-store basis and constant currency basis, with a sequential acceleration during the year.

Rallye's liquidity position is highly robust, with almost €1.9 billion in undrawn confirmed credit lines available for immediate use. Bond debt maturity was extended to 4.5 years (versus 3.1 years as at December 31, 2013).

Rallye's financial expenses will drop mechanically in upcoming years, following refinancing well below historic cost. In 2015, Rallye expects its financial expenses to improve by at least €40 million.

Rallye confirmed its asset valuation strategy, for Casino in particular, together with its goal of reducing its financial expenses.

The Board of Directors will propose to the General Meeting of May 19, 2015, a dividend payout of €1.83 per share, stable compared to 2013, which will be paid on May 29, 2015.

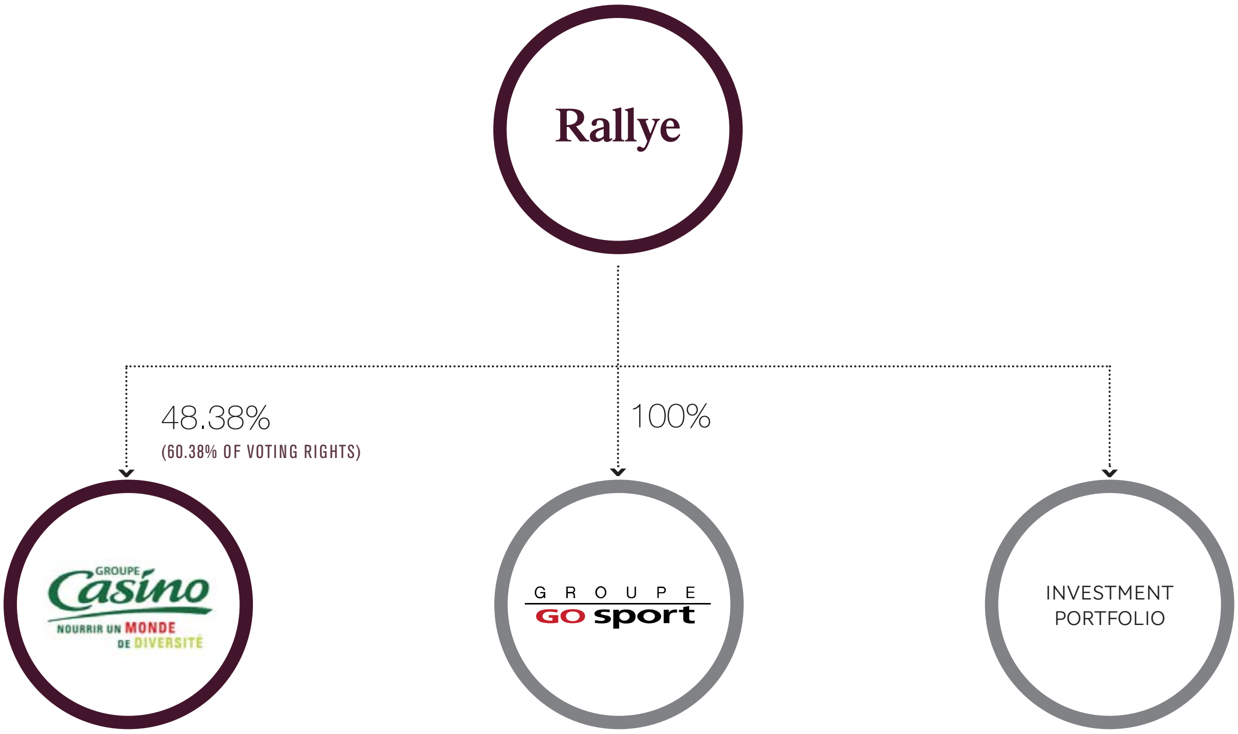
JEAN-CHARLES NAOURI

(1) Growth rate of +11.1% per annum for the Group between 2008 and 2013. Source: Cabinet Deloitte - "Global Powers of Retailing" study published in January 2015.
(2) Excluding fuel and calendar effects.

SIMPLIFIED GROUP ORGANIZATIONAL CHART

As at December 31, 2014

–



LISTED COMPANIES

KEY INCOME STATEMENT ITEMS

Continuing operations *(in € millions)*	2013 restated (3)	2014	2014 at current exchange rates
Net sales	**48,519**	**49,155**	
EBITDA (1)	**3,299**	**3,210**	
Current operating income (COI)	**2,323**	**2,235**	
Net profit, Group share	**175**	**(32)**	
Net underlying profit (2), Group share	**75**	**52**	**71**

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

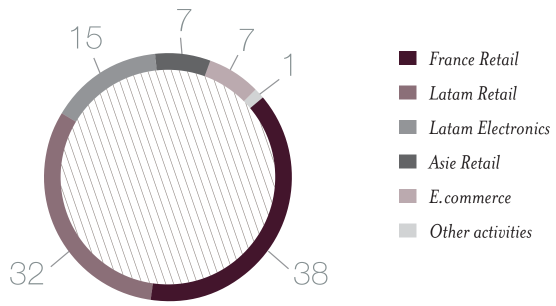
(2) Underlying net income corresponds to net profit from continuing operations adjusted for the impact of other operating income and expense, non-recurring financial items and non-recurring income tax expense/benefits.

(3)The financial statements previously published have been restated following the retrospective application of IFRS 11 and IFRIC 21 as well as the amendments mainly concerning the fair value measurement of Monoprix's acquired assets and liabilities.

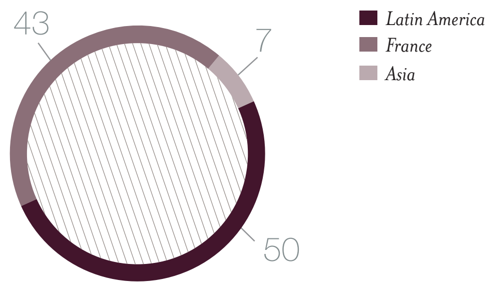
KEY FIGURES

As at December 31, 2014

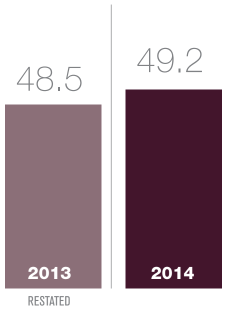
NET SALES BY LINE OF BUSINESS (IN %)



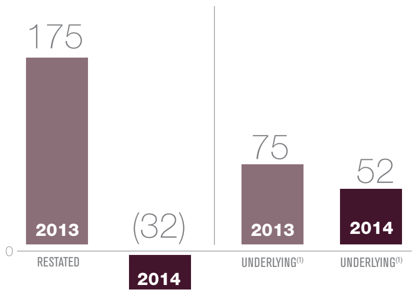
NET SALES BY GEOGRAPHIC AREA (IN %)



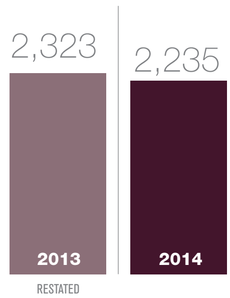
CONSOLIDATED REVENUE (IN € BILLIONS)



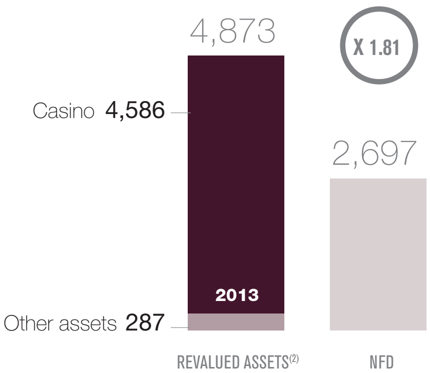
NET PROFIT, GROUP SHARE (IN € MILLIONS)

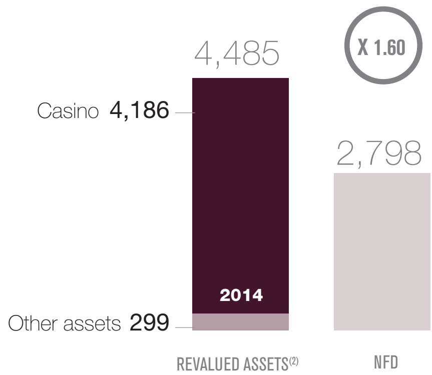


CURRENT OPERATING INCOME (IN € MILLIONS)



NET DEBT COVERAGE BY ASSETS (IN € MILLIONS)





(1) Underlying net income corresponds to net profit from continuing operations restated for the impact of other operating income and expense, non-recurring financial items and non-recurring tax income and expenses.
(2) Listed assets valued at the closing price at December 31, unlisted assets valued at fair value at December 31.

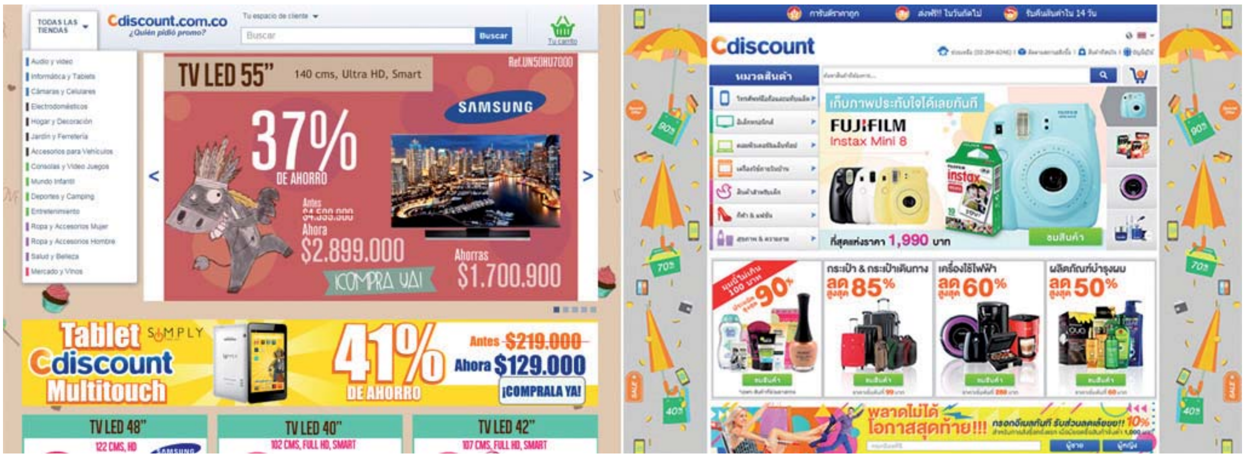
MANAGEMENT REPORT
Highlights

CASINO

- On **January 15, 2014**, the Group announced the launch of three new sites under the Cdiscount banner in Thailand, Vietnam and Colombia. These businesses complement already existing websites within its international subsidiaries and will ultimately facilitate the establishment of a strong position in markets where e-commerce is beginning to grow.
- On **February 10, 2014**, Casino subsidiary Exito announced the signature of an acquisition and management contract for 50 stores of the Colombian banner Super Inter. Exito acquired 19 stores in 2014 and signed a lease-management contract for the remaining 31 stores, for which Exito holds a purchase option that can be exercised in 2015. Super Inter is an independent chain established in the Cali and Coffee regions. This operation consolidates Exito's status as a consumer retail leader in Colombia. It also creates a growth vector for Exito in the fast-growing discount format through a banner that complements Surtimax.
  The transaction was financed with Exito cash and had a positive impact on Exito's net income right from the first year. The transaction was approved by the Colombian competition authorities in September 2014 (subject to the sale of four stores to a competitor).
- On **February 28, 2014**, Casino successfully completed a bond tender offer launched on February 21, 2014, allowing the redemption of bonds maturing in April 2016 and February 2017 for €214 million and €336 million respectively. This redemption, combined with a 10-year €900 million bond issue placed on Friday February 21, extends the average bond debt maturity from 4.8 years at the end of December 2013 to 5.4 years as of the date of the transaction.
- On **February 28, 2014**, Casino also announced the signature of a confirmed five-year credit facility of €1.2 billion with a pool of 18 banks. This transaction strengthened the Group's liquidity and extended the average maturity of confirmed credit facilities from 2.6 years at the end of December 2013 to 4.3 years as at the date of the transaction.
- On **April 4, 2014**, Casino acquired 8,907,123 preferential shares from GPA after exercising a call option subscribed in July 2012. Following this transaction, Casino's equity stake in GPA's capital was raised to 41.4% from 38% previously, without altering the total economic exposure of 46.5% (which reflects other derivative instruments).
- On **May 6, 2014**, the Casino Group announced a project to create an e-commerce business division that includes Cdiscount websites in France, Colombia and Asia as well as Nova websites in Brazil (a company jointly owned by GPA and Via Varejo). This transaction created a specialized global player, with a combined business volume of USD4.1 billion in 2013.
- On **June 4, 2014**, the Casino and Bolloré Groups announced the signing of a strategic partnership with the objective of developing an e-commerce business in Africa. Cdiscount Afrique and Bolloré Africa Logistics will create a joint venture that will build on their respective strengths: the expertise of the e-commerce leader in France and the competences of the logistics leader in Africa.
  A first Cdiscount banner website will be launched in the Ivory Coast.

EXITO, Sincelejo, Colombia

PÃO DE AÇÚCAR, Sao Paulo, Brazil



CDISCOUNT: International development

GÉANT CASINO, Montpellier, France

LEADER PRICE, advertising campaign

MONOPRIX, Paris, France

- On **June 4, 2014**, the Boards of Directors of Casino, CBD, Via Varejo and Exito approved the principal terms of the creation of a global e-commerce division and the establishment of the new Cnova entity. A registration application for a possible listing on the US market has been filed.
- On **June 30, 2014**, the Casino Group signed a purchase commitment for the acquisition of 63 stores operated under the “Mutant Express, Point Coop, C. Express and Le Mutant” banners with Coopérateurs de Normandie-Picardie and Mutant Distribution in return for an exclusive commitment. The transaction was finalized in October 2014.
- On **July 30, 2014**, Casino successfully placed a bond issue of €900 million with a 12-year maturity. This was the first 12-year euro-denominated bond issue placed by an issuer with a BBB- credit rating. The new bond carries a 2,798% coupon. The transaction strengthens the Group’s liquidity and extends Casino’s average bond debt maturity from 5.5 to 6.3 years.
- On **September 3, 2014**, Cnova N.V. (Casino Group’s e-commerce division) announced the availability of Cdiscount.com for Belgian online customers. Cdiscount.com can now process deliveries in Belgium and respond to rising demand in online shopping from numerous Belgian customers.
- On **September 24, 2014**, Cnova launched Cdiscount in Senegal: Cdiscount.sn, in line with the Group’s expansion into Africa.
- On **October 8, 2014**, the Casino Group and Intermarché announced their plan for purchasing cooperation starting from 2015 negotiations. This peer-to-peer cooperation is limited to France and allows the two partners to optimize their purchases and accordingly improve the service offering to national brand suppliers. Intermarché and Casino Group will continue to manage and develop their commercial approaches and outlets separately to maintain total differentiation of their respective banners.
- On **October 23, 2014**, Cnova launched Cdiscount in Brazil. Cdiscount.com.br completes the offers already proposed by Cnova Brazil websites: extra.com.br, pontofrio.com, casasbahia.com.br.
- On **October 31, 2014**, Cnova announced the launch of its initial public offering (IPO) in the United States comprising 26,800,000 common shares. All the shares are offered by Cnova. Furthermore, Cnova gave financial intermediaries an over-allocation option which allows them to acquire up to 4,020,000 additional common shares. As at December 19, 2014, this option had been exercised for 2,357,327 shares which were settled on December 24, 2014.
- On **November 20, 2014**, Cnova announced that it had set its share price at $7.00 for the IPO comprising 26,800,000 common shares, resulting in total funds raised of $188 million. Cnova’s common shares began trading on the same day on NASDAQ Global Select under the “CNV” ticker.
- On **December 1, 2014**, Cnova announced the opening of a Cdiscount website in Cameroon (Cdiscount.cm), in line with its globalization strategy.
- On **December 2, 2014**, Casino successfully placed a bond issue of €650 million with a maturity above 10 years. The new bond will carry a 2.33% coupon which is the lowest ever achieved by the Group. The transaction strengthens the Group’s liquidity and extends Casino’s average bond debt maturity from 5.9 to 6.3 years.
- On **December 23, 2014**, Casino announced the opening of a new Géant hypermarket in the newly-built Yas Mall, the largest shopping mall in Abu Dhabi and the second largest in the United Arab Emirates. Franchise’s dynamic development is fueled by arrangements made with local partners.

FRANPRIX, Paris, France

CASINO SUPERMARCHÉ, Marseille, France

CASINO SHOP, Lyon, France

BIG C, Binh Duong, Vietnam

RALLYE

SUCCESSFUL SEVEN-YEAR €500 MILLION BOND ISSUE AND SUCCESSFUL TENDER OFFER FOR BONDS MATURING IN JANUARY 2015 AND NOVEMBER 2016

On **March 17, 2014**, Rallye announced the successful placement of a bond issue in the amount of €500 million with a seven-year maturity. This bond was heavily oversubscribed by a diversified base of investors. It posted a yield of 4%, well below the yield on bonds issued at year-end 2009 (8.5% for the bond maturing in January 2015 and 7.7% for the November 2016 bond), which will mechanically reduce Rallye's financial expenses in upcoming years.

Simultaneously with this bond issue, the Group launched a tender offer for bonds maturing in January 2015 and November 2016. On **March 25, 2014**, it allowed the redemption of €110.6 million of each of the two bonds. Following this transaction, the principal amount of both bonds was reduced to €389.4 million. This redemption, combined with the new issue, extends Rallye's average bond debt maturity from 3.1 years (at the end of December 2013) to 4.5 years.

RALLYE LAUNCHES A SIMPLIFIED PUBLIC OFFERING FOR GROUPE GO SPORT SHARES FOLLOWED BY A SQUEEZE-OUT

On **September 8, 2014**, Rallye notified Groupe GO Sport of its intention to submit a simplified public offering for Groupe GO Sport shares at a price of €9.10 per share, followed by a squeeze out, if the conditions are met. This price was examined and subsequently validated by the independent valuer appointed by Groupe GO Sport, Farthouat Finance, represented by Marie-Ange Farthouat. On **September 30, 2014**, Rallye filed a simplified public offering with the French Financial Markets Authority (AMF) to buy the Groupe GO Sport shares not yet included in its direct or indirect holdings. The AMF declared the offer compliant on **October 14, 2014**. The squeeze-out was effectively implemented on **November 5, 2014**, at a price of €9.10 per share.

COURIR, Paris-Rivoli, France

GO SPORT, Paris-La Défense, France

OTHER ASSETS

SIGNING OF A MEMORANDUM OF UNDERSTANDING BETWEEN GROUPE GO SPORT AND TWINNER FRANCE

On **August 14, 2014**, in order to develop its affiliated stores in France, Groupe GO Sport signed a memorandum of understanding (MOU) with Twinner France, a cooperative. The signing of this MOU gives each member of the Twinner network (153 stores at the end of 2013) the opportunity to materialize their membership by signing an affiliation agreement with Groupe GO Sport. The MOU allows Groupe GO Sport to take over the purchasing negociations of the Pros du Sport network, up to then handled by Twinner France. The two networks (Twinner and Pros du Sport) reported pre-tax revenue in France of €171 million in 2013.

RALLYE LAUNCHES A SIMPLIFIED PUBLIC OFFERING FOR GROUPE GO SPORT SHARES FOLLOWED BY A SQUEEZE-OUT

See Rallye highlights.

MANAGEMENT REPORT

Business review

–

Rallye Group is present in the food retail business and in non-food e-commerce through its majority stake in Casino Group:

- Casino, Rallye's main asset, which represents 99% of Rallye's consolidated revenue, is a global leader in the food retail sector. In France, its sales performances are based on a mix of banners and formats adapted to the economic environment, and to profound and lasting changes in society; internationally, its growth is focused on emerging markets with high growth potential, primarily in Latin America and Southeast Asia, where its subsidiaries benefit from strong local roots and leadership positions;
- furthermore, Rallye manages other assets:
  - a diversified investment portfolio composed of financial investments held directly or through specialized funds, as well as commercial real estate programs,
  - Groupe GO Sport, a wholly-owned subsidiary, specializes in the retailing of sporting goods and trendy sneakers through its GO Sport and Courir banners.

CASINO

In France, 2014 was characterized by the end of the price repositioning cycle for discount banners (Géant and Leader Price) and the satisfactory development of premium and convenience stores. Furthermore, all international subsidiaries as well as e-commerce posted robust performances throughout the year.

- In France, price cuts allowed Géant and Leader Price to reposition their banners among the cheapest on the market (independent panelists). The year was also marked by the solid operating performance of Casino stores and a good profitability level for Monoprix and Franprix.
- Internationally, the fiscal year was characterized by a sharp increase in profitability driven by the implementation of operational efficiency plans.
- Lastly, the e-commerce business posted very good results in 2014.

Casino now communicates on five segments:

- France Retail: Casino, Monoprix, Franprix-Leader Price and Vindémia banners;
- Latam Retail: GPA banners (food banners), Exito and Libertad;
- Latam Electronics: Viavarejo group banners (Casas Bahia and Ponto Frio);
- Asia: Big C Thaïlande and Big C Vietnam groups' banners;
- E-commerce: Cdiscount and Nova Pontocom.

FRANCE RETAIL

(In € millions)	2013 restated	2014	Organic change *(%)*
Net sales	18,308	**18,848**	-2.3%
Current operating income	544	**396**	-31.6%
Current operating margin	*3.0%*	***2.1%***	

Food retail revenue in France amounted to €18,848 million in 2014, up 2.9% from €18,308 million in 2013. In organic figures, excluding petrol and calendar, sales were down -2.3% with positive traffic and volumes since the fourth quarter.

By format, we note the following for the year:

- Sales dipped slightly for **Franprix-Leader Price** (-1.4%) from €4,288 million in 2013 to €4,227 in 2014.
  Total sales for **Leader Price** were up for the year driven by expansion and the acquisition of Le Mutant and Norma stores. Customer traffic and volumes have rallied since the beginning of the fourth quarter. The banner's market share remained stable in 2014. Furthermore, the Leader Price Express concept, combining convenience and discount, was launched in 2014.
  Franprix continued to roll out the banner's new concept. Sales volumes for own brand products increased in the year. The banner's market share remained stable in 2014.
- **Monoprix's** organic sales excluding petrol and calendar were down -0.7% despite the closing of some stores at 9 p.m., and the mandatory disposals of stores required by the French Competition Authority. Food sales recorded solid performance levels with steadily increasing volumes for the full year. The Group maintained a buoyant expansion rate with 67 stores opened in 2014 (excluding Naturalia).
- For **Géant**, organic revenue excluding petrol and calendar dropped by -1.4% in 2014. The banner is now co-leader in price on the hypermarkets segment (independent panelists) with food sales up since the fourth quarter. Traffic is positive and volumes rallied sharply with robust performances at the end of the year. Furthermore, the banner introduced numerous innovative commercial initiatives (round Prices, synergies with Cdiscount, palettisation, etc.).
- Revenue for **Casino Supermarkets** shrank by -2.9% on an organic basis excluding petrol and calendar, impacted by price investments. For the year, sales rallied gradually with stable traffic in the fourth quarter.
- **Convenience** stores reported a downturn in sales for the year. Like-for-like sales began rallying in the fourth quarter and the uptrend intensified in the first quarter of 2015. Expansion in franchise maintained its momentum and the banner observed the first success stories of the transformations of stores integrated into the new Petit Casino and Casino Shop concepts.

France Retail's current operating income stood at €396 million, down compared with 2013, penalized by the substantial price cuts implemented by Leader Price in particular. In Casino stores, operational efficiency plans were implemented to offset price investments. Monoprix and Franprix maintained a satisfactory profit level.

The current operating margin of the food retail business in France stood at 2.1% in 2014.

LATAM RETAIL

(In € millions)	2013 restated	2014	Organic change *(%)*
Net sales	15,477	**15,422**	+8.8%
Current operating income	872	**895**	+11.9%
Current operating margin	*5.6%*	***5.8%***	

Revenue for the Latam Retail segment shrank slightly by 0.4% to €15,422 million in 2014 from €15,477 million in 2013. In organic terms, excluding petrol and calendar, sales were up 8.8% thanks to Brazilian sales.

Latam Retail's current operating income climbed +11.9% in organic terms (+2.7% total) boosted by the robust performance in Brazil of the Assai and Pao de Acucar banners which improved their profitability. Latam Retail continued to expand steadily with the net opening of 108 new stores in 2014 (including 9 Assai and 92 convenience stores).

The Exito banner's margin was stable in Colombia and profitability continued to be high in Uruguay. The Exito Group overall reported steady growth momentum in 2014, especially in the discount formats through expansion of the affiliated networks. Lastly, Super Inter was consolidated from the fourth quarter and does not yet have a significant impact on earnings for the period.

LATAM ELECTRONICS

(In € millions)	2013 restated	2014	Organic change *(%)*
Net sales	7,576	**7,245**	+4.0%
Current operating income	546	**677**	+35.7%
Current operating margin	*7.2%*	***9.3%***	

Revenue for the Latam Electronics segment dropped 4.4% from €7,576 million in 2013 to €7,245 million in 2014. On an organic basis, excluding calendar, sales were up 4.0% with a fourth quarter improving significantly over the third quarter.

Latam Electronics current operating income was up significantly and offsets the negative exchange effect. Viavarejo posted an excellent performance in 2014 despite the economic downturn in Brazil in the second semester. The banner continued to benefit from the success of the operational excellence plans and achieved commercial and logistical synergies between its networks.

Viavarejo continued its steady expansion with the gross opening of 88 stores.

ASIA

(In € millions)	2013 restated	2014	Organic change *(%)*
Net sales	3,561	**3,513**	+4.2%
Current operating income	264	**255**	+1.5%
Current operating margin	*7.4%*	***7.2%***	

Revenue for the Asia segment dipped slightly by 1.3%, from €3,561 million in 2013 to €3,513 million in 2014. On an organic basis, excluding petrol and calendar, sales were up by 4.2%.

In Thailand, operational performance remained very satisfactory in a sluggish local context and like-for-like sales became positive again in the fourth quarter.

In Vietnam, Big C continued the organic growth of sales against a backdrop of macroeconomic slowdown.

Asia's current operating income increased +1.5% in organic terms in 2014. Big C Thailand's profitability remained high, especially in the food formats and thanks to the significant contribution of shopping malls in Thailand.

Lastly, expansion was dynamic in 2014 with the opening in Thailand of four hypermarkets, seven Big C Markets and 19,000 sq.m. of shopping malls. Furthermore, five hypermarkets were opened in Vietnam in high-potential towns and cities with the creation of shopping malls at the same time (27 shopping malls in Vietnam at the end of 2014).

E-COMMERCE (CNOVA)

(In € millions)	2013 restated	2014	Organic change *(%)*
Net sales	2,884	**3,465**	+25.4%
Current operating income	31	**7**	-64.9%
Current operating margin	*1.1%*	***0.2%***	

This segment includes Cdiscount's operations in France, those of its subsidiaries launched globally during the year as well as those of Cnova Brazil.

Revenue for e-commerce grew sharply to €3,465 million in 2014 compared with €2,884 million in 2013. In organic terms, sales jumped +25.4%, driven by the highly buoyant own sales of Cdiscount and Nova websites as well as the accelerated development of marketplaces in France and in Brazil.

Current operating income for e-commerce was almost stable compared with 2013 excluding the impact of the launch of new international websites during the year.

Cnova generated net cash of €203 million [1] in 2014, sharply up by x3.6 compared with 2013.

(1) Data published by Cnova, excluding revenue from the initial public offering.

CASINO'S KEY FIGURES

Casino's key figures for 2014 compared to 2013 are as follows:

(In € millions)	2013 restated (1)	2014	Change	Organic change (2)
Net sales	47,870	**48,493**	+1.3%	+4.7% (3)
EBITDA (4)	3,284	**3,191**	-2.8%	+3.5%
Current operating income	2,326	**2,231**	-4.1%	+4.9%
Current operating margin	4.9%	**4.6%**		
Income before corporate income tax	1,872	**1,059**	-43.4%	
Net income				
• continuing operations, Group share	856	**253**		
• discontinued operations, Group share	(2)	**(2)**		
Net income, Group share	855	**253**		
Underlying net income, Group share (5)	619	**556**	-10.3%	
Net financial debt	5,502	**5,822**		

(1) The comments are based on comparing 2014 to restated 2013 figures. The financial statements previously published have been restated following the retrospective application of IFRS 11 and IFRIC 21 as well as the amendments mainly concerning the fair value measurement of Monoprix's acquired assets and liabilities.
(2) On a like-for-like basis and at constant exchange rates, excluding the impact of property disposals (OPCI).
(3) Excluding petrol and calendar effects.
(4) EBITDA is defined as current operating income plus current depreciation and amortization expense.
(5) Underlying net income corresponds to net profit from continuing operations, adjusted for the impact of other operating income and expenses as defined in the Accounting Principles in the notes to the consolidated financial statements and the impact of non-recurring financial items, as well as non-recurring tax income and expenses.

Casino Group's consolidated net sales edged up 1.3%, boosted by the improved revenue trend in France confirmed in the fourth quarter and the robust performances of international subsidiaries. Scope changes made a positive contribution of +0.6% (excluding petrol). Changes in exchange rates had a negative impact of 5.0%, mainly due to the depreciation of the Brazilian real.

Excluding petrol and calendar, sales growth in organic terms totaled +4.7%.

Current operating income was up 4.9% in organic terms for 2014 (-4.1% in total).

The current operating margin was slightly down in reported data at 4.6% (-26 bp in total) but up in organic terms by +4 bp. In comparison with 2013 restated figures:

- the current operating margin of the France Retail segment shrank to 2.1%;
- the current operating margin of the Latam Retail segment improved to 5.8%;
- the current operating margin of the Latam Electronics segment rose sharply at 9.3%;
- the current operating margin of the Asia segment shrank at 7.2%;
- the current operating margin of the e-Commerce segment stood at 0.2%.

Net income Group share from continuing activities totaled €253 million in 2014 (versus €856 million in 2013), primarily due to movements on other operating income and expenses.

Underlying net income Group share from continuing operations amounted to €556 million at the end of December 2014 versus €619 million at the end of December 2013, down by -10.3%.

As at December 31, 2014, Casino Group's net financial debt was €5,822 million, versus €5,502 million at December 31, 2013.

The price of Casino's shares as at December 31, 2014 was €76.46, with a market capitalization of €8.7 billion. Rallye owned 48.4% of Casino shares and 60.4% of its voting rights as at December 31, 2014.

OTHER ASSETS

INVESTMENT PORTFOLIO

Rallye's investment portfolio was valued at €143 million at December 31, 2014, compared with €212 million at December 31, 2013, a decline of €69 million. This change can mainly be explained by asset disposals and net cash-in [(1)] for a total of €74 million and by a portfolio revaluation of €5 million in 2014. In 2014, Rallye disposed of around 15 lines from its financial investment portfolio which had mostly generated high returns on invested capital, as well as two real estate assets.

At the end of 2014, the portfolio comprised financial investments on one hand, for a market value [(2)] of €116 million (vs. €166 million at the end of 2013) and real estate programs on the other hand, recorded at historic cost [(3)] for €27 million (vs. €46 million at the end of 2013).

In 2014, the financial investment portfolio contributed €30 million to Rallye's current operating income, compared to €36 million in 2013.

GROUPE GO SPORT

Highlights in 2014 included the filing of a simplified public offering on September 30, 2014 by Rallye to buy Groupe GO Sport shares not yet included in its direct or indirect holdings. The offering, which was declared compliant on October 14, 2014 by the AMF, was completed at a price of €9.10 per share. It was followed by a squeeze-out implemented on November 5, 2014. Since that date, Rallye holds 100% of the capital and voting rights of Groupe GO Sport.

The consolidated revenue of Groupe GO Sport for 2014 amounted to €655.1 million, up by +2.9% on a same-store basis and at constant exchange rates, with a sequential acceleration during the year. GO Sport France's commercial momentum picked up, with an acceleration in the fourth quarter. Courir posted excellent sales growth, confirming the popularity of the banner.

(1) Receipts net of cash calls.
(2) The market value of financial investments is the book value used in the consolidated financial statements (fair value – IAS 39) and is based on the most recent valuations available (General Fund Partners) adjusted where applicable to reflect the latest known information.
(3) Real estate developments are recorded at historic cost and not remeasured before the sale of investments (IAS 16).

MANAGEMENT REPORT

Financial overview

–

CONSOLIDATED FINANCIAL STATEMENTS

MAIN CHANGES TO THE SCOPE OF CONSOLIDATION

- Equity method consolidation of Mercialys since June 21, 2013
- Full consolidation of Monoprix since April 5, 2013
- Acquisition of Le Mutant (46 stores including 40 under operation) in March 2014
- Consolidation of Super Inter since October 2014
- Equity method consolidation of Distridyn, Geimex and Disco in 2014 with retroactive effect to January 1, 2013

RESULTS

Rallye posted net consolidated revenue of €49.2 billion versus €48.5 billion in 2014, up +1.3%. Revenue is broken down in detail under the business overview for each operating subsidiary.

Revenue by activity in the last two years was as follows:

(In € millions)	2013 restated		2014	
	Amount	%	Amount	%
France Retail	18,371 (1)	37.9	**18,848**	**38.3**
Latam Retail	15,477	31.9	**15,422**	**31.4**
Latam Electronics	7,576	15.6	**7,245**	**14.7**
Asia Retail	3,561	7.3	**3,513**	**7.1**
E-commerce	2,884	5.9	**3,465**	**7.0**
Other activities (2)	649	1.3	**661**	**1.3**
TOTAL	**48,519**	**100.0**	**49,155**	**100.0**

(1) Including Mercialys.
(2) Corresponds to the holding activity, the investment portfolio and Groupe GO Sport.

Revenue by geographical region in the last two years was as follows:

(In € millions)	2013 restated		2014	
	Amount	%	Amount	%
France	20,376	42.0	**21,041**	**42.8**
Latin America	24,530	50.6	**24,539**	**50.0**
Asia	3,561	7.3	**3,523**	**7.2**
Other	52	0.0	**52**	**0.0**
TOTAL	**48,519**	**100.0**	**49,155**	**100.0**

Current operating income totaled €2,235 million in 2014, versus €2,323 million in 2013. Changes in current operating income are analyzed for each operational subsidiary in the business overview.

Other operating income and expenses amounted to -€501 million, compared to €240 million in 2013.

The cost of net financial debt was -€812 million, down by -2.1% over 2013. Other financial income and expenses amounted to €19 million, versus -€89 million in 2013.

Income before tax thus totaled €941 million compared to €1,645 million in 2013.

The share of income from affiliated companies was €76 million, compared to €42 million in 2013.

Net income Group share was -€33 million in 2014.

Underlying net income [1], Group share, amounted to €52 million in 2014, compared to €75 million in 2013. At constant exchange rates, underlying net income1, Group share amounted to €71 million in 2014.

(1) Underlying net income corresponds to net profit from continuing operations, adjusted for the impact of other operating income and expenses as defined in the Accounting Principles in the notes to the consolidated financial statements and the impact of non-recurring financial items, as well as non-recurring tax income and expenses (cf. notes).

FINANCIAL STRUCTURE

Equity capital attributable to the Company's shareholders was €1,332 million as at December 31, 2014, compared to €1,444 million as of December 31, 2013. This decrease was due, in particular, to:

- the recognition of positive currency translation adjustments for €5 million;
- the distribution of dividends by Rallye in the amount of -€89 million;
- changes in percentages held without acquisition or loss of control of subsidiaries for €21 million;
- net loss, Group share of €33 million for 2014;
- transactions on treasury shares for -€16 million.

As at December 31, 2014, the ratio of coverage of financial expense by EBITDA (current operating income adjusted for current operating depreciation and amortization) was 3.96 versus 4.05 in 2013.

Rallye Group's net financial debt was €8,765 million as at December 31, 2014 compared to €8,286 million as at December 31, 2013, broken down among the following entities:

- Casino, whose net financial debt is €5,822 million compared with €5,502 million at the end of 2013;
- the Rallye holding company scope, with net financial debt of €2,798 million versus €2,697 million at the end of 2013;
- debt tied to other Rallye assets, which stood at €145 million (versus €87 million in 2013).

The ratio of net financial debt to consolidated equity (gearing) was 63% in 2014 compared with 60% in 2013 and can be analyzed as follows:

(In € millions)	**2013 restated**	**2014**
Net financial debt	8,286	8,765
Consolidated equity	13,919	13,932
Gearing	60%	63%

In addition, the financial structure of the Rallye holding perimeter, defined as Rallye plus its wholly-owned subsidiaries that act as holding companies and which own Casino shares, Groupe GO Sport shares and the investment portfolio, is best understood by looking at the coverage of the net financial debt of the Rallye holding company scope by the market value of the assets.

At December 31, 2014, the restated net assets of companies within the Rallye holding company scope (1) totaled €4,485 million. These comprised €4,186 million of Casino shares and €299 million of other assets (including the €143 million investment portfolio and €102 million of Groupe GO Sport shares). At December 31, 2014, the net financial debt of the Rallye holding scope was €2,798 million; thus, the revalued Rallye assets cover the net financial debt of the Rallye holding company scope 1.60 times. This ratio was 1.81 at December 31, 2013.

NOTE: TRANSITION FROM PUBLISHED NET INCOME TO UNDERLYING NET INCOME

Underlying net income corresponds to net profit from continuing operations, adjusted for the impact of other operating income and expenses as defined in the Accounting Principles in the notes to the consolidated financial statements and the impact of non-recurring financial items, as well as 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 not classified as hedging instruments and of embedded derivatives on the price of the Casino share are therefore restated for the underlying net income.

Non-recurring income and expenses represent the tax effects directly related to the preceding restatements and the direct effects of non-recurring taxes. As a result, the tax liability related to underlying 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)	**2013**	**Restated items**	**2013 underlying**	**2014**	**Restated items**	**2014 underlying**
Current operating income	**2,323**		**2,323**	**2,235**		**2,235**
Other operating income and expenses	240	(240)		**(501)**	**501**	
Operating income	**2,563**	**(240)**	**2,323**	**1,734**	**501**	**2,235**
Net cost of financial debt	(829)		(829)	**(812)**		**(812)**
Other financial income and expenses (1)	(89)	77	(12)	**19**	**(11)**	**8**
Tax liability (2)	(394)	(96)	(490)	**(321)**	**(157)**	**(478)**
Share of income from associates and joint ventures	42		42	**76**		**76**
Net income from continuing operations	**1,294**	**(259)**	**1,035**	**697**	**333**	**1,030**
Of which minority interests (3)	1,119	(158)	960	**729**	**249**	**978**
Group share	**175**	**(101)**	**75**	**(32)**	**84**	**52**

(1) The following are restated for other financial income and expenses, mainly the money-market discounting effect of tax liabilities in Brazil (-€25 million in 2013 and -€25 million in 2014), fair value changes in Total Return Swaps related to the GPA and Big C shares, GPA forwards and calls (-€89 million in 2013 and -€63 million in 2014), other changes (€15 million in 2013 and -€38 million in 2014).
(2) The tax effects corresponding to the restated items above and the non-recurring tax income and liabilities are also restated for the tax liability.
(3) The amounts associated with the restated items above are restated for minority interests.

(1) Unlisted assets valued at fair value at December 31, 2014. Listed assets valued at the closing price at December 31, 2014, including Rallye: €29.10.

RALLYE FINANCIAL STATEMENTS

RESULTS

Rallye reported an operating loss of €29.1 million compared to a loss of €29.7 million as at December 31, 2013.

Rallye employed 25 people as at December 31, 2014.

Rallye also recorded a financial loss of €15.1 million, compared to financial income of €81.7 million as at December 31, 2013.

This can be analyzed as follows:

> INCOME

- Dividends from Casino: €83.4 million.
- Reversals of provisions and impairment, primarily representing:
  - the reversal of the provision for foreign exchange losses of €11.9 million;
  - the reversal of the provision on fixed income financial instruments for €18.3 million.

> EXPENSES

- Allocations to financial provisions for:
  - impairment of equity investments and other securities for an amount of €72.3 million;
  - the amortization of the redemption premiums on bonds for €3 million.

The extraordinary loss amounted to €2.4 million.

Net losses for the year amounted to €49.3 million, compared to net income of €47.7 million as at December 31, 2013.

FINANCIAL STRUCTURE

Shareholders' equity totaled €1,749.5 million as at December 31, 2014 compared with €1,887.1 million as at December 31, 2013. This drop can be explained in particular by the loss of €49.3 million for the fiscal year as well as the 2013 dividend payout of €89.2 million.

TERMS OF PAYMENT FOR SUPPLIERS

The terms applied by the Group to the payment of suppliers are compliant with Article L. 441 of the French Commercial Code.

Unless otherwise stated in the terms of sale or in the event of disputes, the sums owed to suppliers are paid within thirty days of receipt of the invoice. The sums owed to suppliers by Rallye are immaterial and are therefore not covered by a payment schedule.

DIVIDEND

Rallye's balance sheet for the fiscal year ended December 31, 2014 shows a loss of €49,260,762.56.

The Board of Directors proposed the allocation of the fiscal year's loss of €49,260,762.56 to "Retained earnings", which will then be brought from €136,129,093.30 to €86,868,331.34.

The Board of Directors noticed the existence of distributable sums representing an overall amount of €147,253,350.48 of which €86,868,331.34 as the balance for "Retained earnings" and €60,385,019.14 for amounts under "Other Reserves", comprised of the former tax reserve for long-term capital gains, that can be fully assigned to distributable profit.

The Board of Directors proposes to distribute to shareholders a total divided of €89,233,453.50 by clearing the "Retained earnings" item for the sum of €86,868,331.34 and by taking €2,365,122.16 from "Other Reserves".

(In €)	
Loss for the year	(49,260,762.56)
Retained earnings	136,129,093.90
Net income available for distribution	**86,868,331.34**
Other reserves	2,365,122.16
Distributable profit and reserves	**89,233,453.50**
Dividend paid to shareholders (1)	(89,233,453.50)
RETAINED EARNINGS	**0**

(1) The amount of the dividend to be paid to shareholders is calculated on the basis of the number of shares making up the capital at December 31, 2014 and will be adjusted according to the number of shares issued, if any, between January 1, 2015 and the dividend payment date following the exercise of stock options and the award of bonus shares.

Thus, the proposed dividend payment is €1.83 per share.

For individuals who are tax residents in France, this dividend is eligible for the reduction of 40% provided for in Article 158-3-2 of the General Tax Code.

This dividend would be paid on May 29, 2015 and, since the shares of Rallye stock held by the Company on the dividend payment date will not receive the dividend, the corresponding sums would be transferred to the "Retained earnings" account.

A table comparing net income for the past year and the four preceding years appears on page 186 of this report.

DIVIDEND DISTRIBUTION POLICY

The amount of the maximum dividend distribution for the last five years is as follows:

	31/12/2010	31/12/2011	31/12/2012	31/12/2013	31/12/2014 (1)
Net dividend *(in €/share)*	1.83	1.83	1.83	1.83	**1.83**
Number of shares	44,300,003	46,466,160	48,691,578	48,740,974	**48,761,450**
Maximum distribution *(In €)*	80,068,118	84,357,280	87,904,209	89,195,982	**89,233,454**

(1) In accordance with the resolutions recommended to the Shareholders' Meeting of May 19, 2015.

Rallye's dividend distribution policy is based on its financial positions and its projected financial needs.

No guarantees can be made as to the amount of dividends that will be paid out in respect of a given year.

The dividend per share has been stable at €1.83 over the last five years, representing a return for the shareholders on the basis of the market price on December 31 of 5.7%, 8.6%, 7.2%, 6% and 6.3% for the years 2010 to 2014 respectively.

Dividends not claimed within five years from the payment date are time-barred and revert to the Public Treasury under Articles L. 1126-1 and 1126-2 of the General Code on the Property of Public Entities.

INCENTIVES AND PROFIT-SHARING CONTRACT

Most of the Rallye subsidiaries benefit from incentives and profit-sharing contracts pursuant to the regulations in force. The Rallye parent company does not have such a contract because of the small number of its employees.

STOCK MARKET INFORMATION

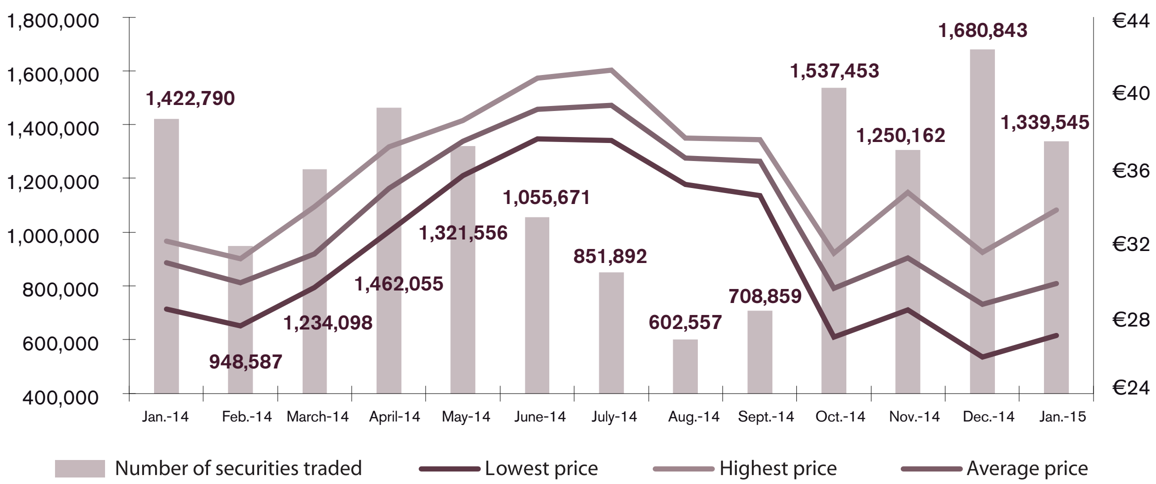
The Rallye share is listed for trading on the NYSE-Euronext Paris market, compartment A.

Code: ISIN: FR0000060618

High (July 4, 2014)	€41.18
Low (December 16, 2014)	€25.94
Share price at December 31, 2014	€29.10
Trading volume in 2014 (number of shares)	14,129,766
Trading volume in 2014 (value)	€469 million

As at December 31, 2014, Rallye had a stock market capitalization of €1,418 million.

RALLYE SHARE - STOCK PRICE 2014 AND START OF 2015



MANAGEMENT REPORT

Recent trends and outlook

(Unaudited data)

CASINO

Casino Group will continue rolling out its five strategic priorities:

- after their price repositioning, development of discount banners in France and accelerated deployment internationally;
- strengthened leadership on premium formats;
- boosted expansion in convenience formats;
- continued strong growth and cash-flow generation for Cnova;
- continued improvement of operational efficiency, optimization of purchases and costs.

In 2015, Casino sets the following objectives:

- France [1]:
  - an organic growth of annual sales,
  - annual current operating income higher than the previous year;
- International [1]:
  - sustained organic growth of the business,
  - higher growth in current operating income than in sales;
- overall, organic growth of the current net income;
- improvement of the Net Financial Debt/EBITDA ratio close to 0.2x.

RALLYE

Rallye benefits from a very strong liquidity situation, with close to €1.9 billion of confirmed, undrawn and immediately available credit lines. Bond debt maturity was extended to 4.5 years (versus 3.1 years at December 31, 2013) and Rallye continued to refinance at a significantly reduced cost.

Rallye's financial expenses will drop mechanically in upcoming years, following refinancing operations well below historic cost. As a result of refinancing arrangements in 2014, Rallye's financial expenses should improve by at least €40 million in 2015.

Rallye confirmed its strategy to maximize its assets value, especially Casino, as well as its objective to reduce its financial cost of debt.

To the Company's knowledge, as at January 31, 2015 [2], there were no elements that could represent a significant change in the Group's financial or commercial position since December 31, 2014.

(1) Excluding e-commerce.
(2) The closest cut-off date to the Rallye Board of Directors' meeting that approved the 2014 financial statements.

MANAGEMENT REPORT
Capital and shareholding structure

–

SHARE CAPITAL

Rallye's share capital as at December 31, 2014 totaled €146,165,844, divided into 48,721,948 shares with a par value of €3 each. As at December 31, 2013, it was €146,222,922, divided into 48,740,974 shares with a par value of €3 each.

The change reflects the exercise of options that resulted in the creation of a total of 87,857 shares and the cancellation of 106,883 treasury shares.

SHAREHOLDING STRUCTURE

As of December 31, 2014, Foncière Euris held 55.41% of the capital and 71.10% of the voting rights.

Rallye held, as at December 31, 2014, 554,631 shares representing 1.14% of the capital, of which 418,250 shares under the liquidity agreement with the French Association of Financial and Investment Firms (AMAFI, Association Française des Marchés Financiers).

To the Company's knowledge, no other shareholder held more than 5% of the capital or voting rights as at December 31, 2014.

The following instances were declared in which thresholds were crossed in 2014:

Informant	Date threshold crossed	Manner in which threshold crossed	Number of shares declared	% of capital	% of voting rights
Financière de L'Echiquier	01/24/2014	below	911,750	1.87	1.21
Bank of America Merrill Lynch	04/03/2014	above	737,796	1.51	0.99
Bank of America Merrill Lynch	05/21/2014	below	-	-	-
Financière de L'Echiquier	05/12/2014	below	735,170	1.51	0.98
Financière de L'Echiquier	06/06/2014	below	400,000	0.96	0.62

TREASURY SHARES - AUTHORITY FOR THE COMPANY TO BUY BACK SHARES

As at December 31, 2014, the Company held 136,170 shares acquired over previous fiscal years to cover stock option plans and bonus share allotments made to employees and the employees of its affiliated companies, which represent 0.28% of the Company's share capital, for a total acquisition cost of €4.8 million and a par value of €408,510.

As at December 31, 2014, these shares were all allocated to cover the bonus shares and stock option plans.

Moreover, Rallye implemented a liquidity agreement with Rothschild & Cie Banque to encourage trading on the stock in the market. At December 31, 2014, the account showed a balance of 418,250 shares.

In 2014, 1,190,350 shares were bought and 772,100 were sold under the purchase program at an average price of €34.24 and €34.68 respectively.

The Shareholders' Meeting on May 19, 2015 will be asked to renew the authority granted to the Board of Directors to purchase the Company's shares pursuant to Article L. 225-209 of the French Commercial Code, in order to:

- cover stock options plans granted to employees and to the employees of its affiliated companies pursuant to Articles L. 225-177 *et seq.* of the French Commercial Code, as well as any company savings plan or any shareholding plan;
- award bonus shares to its employees and the employees of its affiliated companies pursuant to Articles L. 225-197-1 *et seq.* of the French Commercial Code;
- ensure active trading of the Company's shares under the liquidity agreement signed with an investment services firm, in accordance with the Code of Conduct issued by the AMAFI and approved by the AMF;
- hold shares for delivery to holders of Company securities who exercise their right to receive shares through redemption, conversion, exchange, presentation of a warrant or any other instrument entitling them to receive existing shares;
- hold shares in reserve to use at a later date as a means of exchange or payment in mergers or acquisitions in accordance with the market practices authorized by the AMF;
- cancel shares, up to a maximum of 10% of share capital over a period of 24 months, as part of a capital reduction plan.

The maximum purchase price is set at €75 per share.

The Board of Directors, however, may adjust the aforesaid maximum purchase price if there is a change in the par value of the share, a capital increase through the capitalization of reserves and a bonus share allotment, a stock split or reverse split, an amortization or reduction of capital, a distribution of reserves or other assets, or any other operation on equity, in order to reflect the impact of such transactions on the value of the share.

The aforementioned shares may be acquired, sold, transferred or exchanged by any means and at any time, on the stock market or off-market, between trading parties or over the counter, including as blocks of shares or through the use of derivatives such as call options. The maximum share of capital that may be transferred in the form of blocks of shares may be as high as the entire amount of the repurchase program.

The shares may also be loaned, in accordance with the provisions of Articles L. 211-22 *et seq.* of the French Monetary and Financial Code.

Under the terms of the authorization, the Company may hold no more than 10% of its share capital as at December 31, 2014, i.e. 4,872,194 shares corresponding to a theoretical maximum investment of €365,414,550 calculated on the basis of the maximum purchase price of €75 stipulated in the twenty-second resolution to be submitted for a vote at the Shareholders' Meeting of May 19, 2015. It is specified that when the Company's shares are purchased under a liquidity agreement, the number of those shares included in the calculation of the 10% threshold could equal the number of such shares purchased, minus the number of shares sold under the liquidity agreement during the period of the authorization.

This authority to purchase shares is given for a period that will expire at the General Shareholders' Meeting convened to approve the 2015 financial statements and management report, and no later than November 19, 2016.

The Company will not be able to continue to conduct its buyback program in the event of public tender offers for purchases or exchange of the shares or securities issued by the Company or initiated by the Company.

AUTHORIZED AND UNISSUED CAPITAL

To allow the Company to raise money on the financial market, if necessary, to pursue its development and strengthen its financial position, the Shareholders' Meeting of May 14, 2013 delegated certain authorities to the Board of Directors. All the authorities and delegations given to the Board of Directors which could result in the issuance of equity securities are as follows:

Type of issue	ESM	Duration of the authority	Expiration of the authority	Nominal amounts authorized (1)
Delegation of authority to increase the share capital through the capitalization of reserves, profits, premiums or other sums which may be capitalized	05/14/2013	26 months	07/14/2015	€66 million
Delegation of authority to issue shares or securities giving the right to the allotment of new or existing shares, or of existing shares of any company in which the Company directly or indirectly holds more than 50% of the capital, or to debt securities with maintenance of the preemptive subscription right in the event of an issue of new shares (2)	05/14/2013	26 months	07/14/2015	€66 million (3) €1 billion (4) (5)
Delegation of authority to issue shares or securities giving the right to the allotment of new or existing shares, or of existing shares of any company in which the Company directly or indirectly holds more than 50% of the capital, or to debt securities with cancelation of the preemptive subscription right in the event of an issue of new shares (2)	05/14/2013	26 months	07/14/2015	€30 million (3) €1 billion (4) (5)
Delegation of authority to issue shares or securities giving the right to the allotment of new or existing shares or existing shares of any company in which the Company directly or indirectly holds more than 50% of the capital, or to debt securities with cancelation of the preemptive subscription right, via an offer made to the persons defined in Article L. 411-2,II of the French Monetary and Financial Code	05/14/2013	26 months	07/14/2015	10% of the capital/year
Delegation of authority to issue securities giving rights to capital in the event of a public tender offer initiated by Rallye for the securities of another traded companies, with cancelation of the preemptive subscription right	05/14/2013	26 months	07/14/2015	€30 million (3) €1 billion (4) (5)
Delegation of powers to issue shares or securities giving rights to capital in order to remunerate in-kind contributions made to the Company consisting of capital stock or equity securities	05/14/2013	26 months	07/14/2015	10% of the capital
Allotment of stock options for new or existing shares to employees of the Company and employees and officers of the companies or groups defined in Article L. 225-180 of the French Commercial Code	05/14/2013	26 months	07/14/2015	3% of the total number of shares at the time of the allotment
Bonus allotments of new or existing shares to employees of the Company, or to certain categories of employees or of economic interest groups related to the Company under the conditions stipulated in Article L. 225-197-2 of the Commercial Code	05/14/2013	26 months	07/14/2015	2% of the total number of the Company's shares at the time of the allotment
Capital increase for employees participating in a company savings plan (PEE) of the Company or of its affiliated companies	05/14/2013	26 months	14/07/2015	3% of the total number of the Company's shares at the time of the issue

(1) Amounts authorized equal to residual amounts in the absence of utilization.
(2) The Board of Directors may increase the number of securities to be issued up to a maximum of 15% of the initial issues, at the same price as said issues.
(3) For issues of securities giving rights to capital.
(4) For borrowing.
(5) For debt securities.

None of the authorizations granted have been used, with the exception of those for the allotment of bonus shares. At its meeting on July 29, 2014, the Board of Directors awarded 57,500 bonus shares (cf. section "Securities giving rights to capital" below).

The Board of Directors is also authorized to reduce share capital by cancelling treasury shares held, up to a limit of 10% of the share capital on the date of the cancellation, for each 24-month period.

Pursuant to this authority, granted for a period of 36 months, from May 23, 2012 to May 23, 2015, 262,364 shares were cancelled.

All the authorizations coming to maturity, it is suggested to the General Shareholders' meeting of May 19th, 2015 renewing the set of authorizations.

SECURITIES GIVING RIGHTS TO CAPITAL

As part of the Group's employee promotion and merit policy, Rallye grants stock options and/or bonus shares to its employees.

Pursuant to Articles L. 225-180 and L. 225-197-2 of the French Commercial Code, as authorized by the General Meeting of Shareholders, shares are also awarded to employees at the parent companies, Euris and Foncière Euris. These companies belong to the same group and in particular, participate in consultation assignments on strategic and development issues, and provide legal and administrative assistance to Rallye.

STOCK OPTIONS

The Extraordinary Shareholders' Meetings of May 19, 2010 and May 14, 2013 authorized the Board of Directors to award stock options to Rallye employees and the employees of affiliated companies.

As at December 31, 2014, there were 87,795 options outstanding conferring the right to subscribe to 87,795 shares under the following stock option plan:

Grant date	Date after which options may be exercised	Expiration date	Initial number of beneficiaries	Subscription price (1)	Number of options granted		Number of options exercised as at December 31, 2014	Number of options (2) not exercised at December 31, 2014
					To corporate officers	To top ten employee beneficiaries		
09/06/2010	03/05/2013	03/05/2016	12	26.44	42,263	37,439	**22,954**	**87,795**

(1) Options are granted based on the undiscounted market price.
(2) This is the number of options initially awarded minus options cancelled and exercised (13,736 options were cancelled and 22,954 options were exercised in 2014).

BONUS SHARES

The Extraordinary Shareholders' Meetings of May 4, 2011 and May 14, 2013 authorized the Board of Directors to allot bonus shares to Rallye employees and employees of affiliated companies.

As at December 31, 2014, there were 303,333 unvested bonus shares relating to the following plans:

Grant date	Vesting date of bonus shares granted	Date from which the acquired shares can be sold	Initial number of beneficiaries	Number of shares granted		Total number of shares granted at Dec. 31, 2014 (2)
				To corporate officers	To top ten employee beneficiaries	
05/23/2012	05/23/2015 (1)	05/23/2017	58	40,381	55,000	**175,883**
12/17/2013	12/17/2016 (1)	12/17/2018	29	12,630	24,192	**69,963**
07/29/2014	07/29/2017 (1)	07/29/2019	31	9,788	18,362	**57,487**

(1) Vesting of 100% of the bonus shares granted is subject to the condition that the employee's employment in the Group on the shares vesting date, and to two performance criteria: 50% depends on coverage of financial expenses by EBITDA and 50% depends on the level of cost of debt.
(2) This corresponds to the original number of shares granted, less rights cancelled due to the departure of beneficiaries (6,250 rights were cancelled in fiscal year 2014).

POTENTIAL CAPITAL AS OF JANUARY 31, 2015

The potential capital as of January 31, 2015 can be analyzed as follows:

Number of shares at January 31, 2015:	48,721,948
Exercise of stock options	87,795
Bonus shares to be issued	166,952
Number of potential shares	48,976,695

The maximum dilutive effect amounted to 0.5% for a shareholder who holds 1% of the capital at January 31, 2015.

CHANGE IN CAPITAL OVER THE LAST FIVE YEARS

Date	Change in capital	Changes			New capital (€)	Total number of shares
		Number of shares	Capital (€)	Share premium (€)		
12/31/2010					**132,900,009.00**	**44,300,003**
2011	Payment of the 2010 dividend balance in shares	1,321,416	3,964,248.00	35,162,879.76		
	Payment of the 2011 interim dividend in shares	793,939	2,381,817.00	14,108,296.03		
	Exercise of options	50,802	152,406.00	571,014.48		
12/31/2011					**139,398,480.00**	**46,466,160**
2012	Payment of the 2011 dividend balance in shares	774,497	2,323,491.00	14,304,959.59		
	Payment of the 2012 interim dividend in shares	1,501,723	4,505,169.00	27,286,306.91		
	Cancellation of shares	(74,505)	(223,515.00)	(854,378.39)		
	Exercise of options	23,703	71,109.00	266,421.72		
12/31/2012					**146,074,734.00**	**48,691,578**
2013	Cancellation of shares	(50,976)	(152,928.00)	(480,782.13)		
	Exercise of options	100,372	301,116.00	1,128,181.28		
12/31/2013					**146,222,922.00**	**48,740,974**
2014	Cancellation of shares	(106,883)	(320,649.00)	(1,107,963.25)		
	Exercise of options	87,857	263,571.00	1,391,631.48		
12/31/2014					**146,165,844.00**	**48,721,948**
01/31/2015					**146,165,844.00**	**48,721,948**

DISTRIBUTION OF CAPITAL AND VOTING RIGHTS

AMOUNT OF CAPITAL

- Share capital as at December 31, 2014 and at January 31, 2015: €146,165,844.
- Number of shares at December 31, 2014 and at January 31, 2015: 48,721,948.

The shares have a par value of €3, are paid in full and belong to the same category.

Shareholders may choose to register their shares or carry them in bearer form, subject to applicable legal or regulatory provisions.

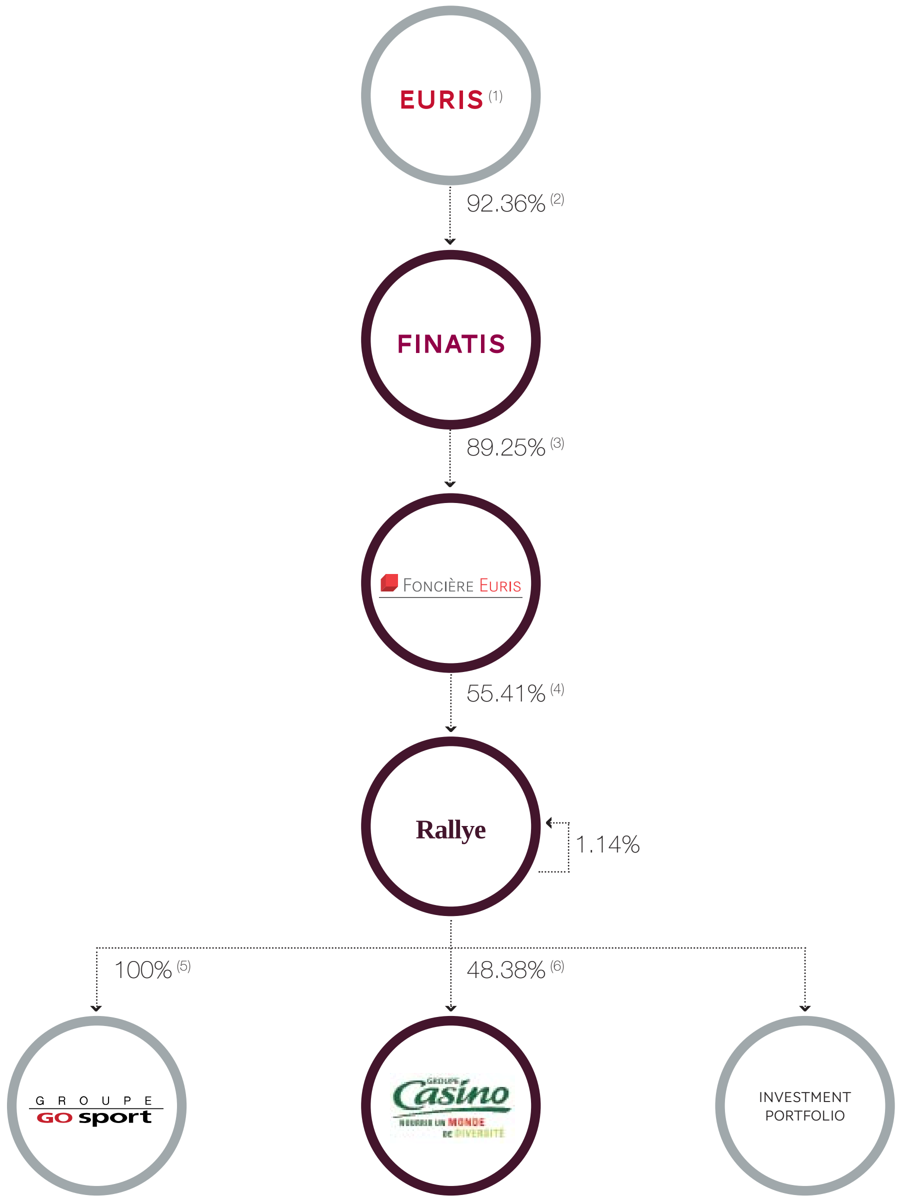
The Company keeps track of its shareholders, in compliance with applicable legislation.

The shares are freely negotiable, except as otherwise stipulated by law or regulations.

Double voting rights are granted to shares that have been held as registered shares by the same person for over two years. As of January 31, 2015, a double voting right had been granted to 27,780,310 shares, and the total number of voting rights was 75,932,877 for 48,721,948 shares.

GROUP ORGANIZATIONAL CHART AS OF JANUARY 31, 2015

Rallye is controlled, directly and indirectly by Euris. The organizational chart below shows, on January 31, 2015, the Company's position within the Group:



LISTED COMPANIES

(1) Euris is controlled by Jean-Charles NAOURI.
(2) 92.40% of voting rights.
(3) 94.37% of voting rights.
(4) 71.11% of voting rights.
(5) 100% of voting rights.
(6) Shares held directly or indirectly, excluding treasury stock, by Rallye, its subsidiaries and parent companies representing 60.39% of voting rights.

The Rallye Group's current structure results from restructuring operations undertaken in 1992 and 1993, which included:

- the contribution of all the hypermarket, supermarket and cafeteria business lines to the Casino Group;
- the consolidation via merger of the parent companies Rallye SA and Coficam and of SMPO and Record Carburants, following these operations, the acquiring company, Genty-Cathiard, changed its name to Rallye;
- a transfer of property assets by Foncière Euris.

This structure was completed by the public exchange offer for Casino shares, initiated in September 1997 and by the merger-absorption of GO Sport by Courir, now known as Groupe GO Sport, on December 27, 2000.

CHANGE IN THE DISTRIBUTION OF CAPITAL AND VOTING RIGHTS OVER THE LAST THREE YEARS

The distribution of capital and voting rights has changed over the last three years as follows:

Shareholders	Position at 12/31/2014			Position at 12/31/2013			Position at 12/31/2012		
	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights
Foncière Euris	26,996,291	55.41%	71.10%	26,996,291	55.39%	70.41%	27,296,291	56.06%	71.11%
Treasury stock	554,631	1.14%	-	380,170	0.78%	-	567,431	1.17%	-
Control	12,000	0.02%	-	-	-	-	-	-	-
Other shareholders	21,159,026	43.43%	28.90%	21,364,513	43.83%	29.59%	20,827,856	42.77%	28.89%
TOTAL	**48,721,948**	**100.00%**	**100.00%**	**48,740,974**	**100.00%**	**100.00%**	**48,691,578**	**100.00%**	**100.00%**

The distribution of capital and voting rights at January 31, 2015 is as follows:

Shareholders	Shares	% capital	Voting rights	% voting rights
Foncière Euris	26,996,291	55.41%	53,992,582	71.11%
Other companies of Euris Group	1,275	0.00%	2,217	-
Other members of the Board of Directors	147,638	0.30%	222,982	0.29%
Sub-total	**27,145,204**	**55.72%**	**54,217,781**	**71.40%**
Treasury stock (1)	557,381	1.14%	-	-
Control	12,000	0.02%	-	-
Other shareholders (2)	21,007,363	43.12%	21,715,096	28.60%
- registered shares:	*1,004,776*	*2.06%*	*1,712,509*	*2.26%*
- bearer shares:	*20,002,587*	*41.05%*	*20,002,587*	*26.34%*
TOTAL	**48,721,948**	**100.00%**	**75,932,877**	**100.00%**

(1) Allocated to cover bonus share and stock option plans.
(2) To the Company's knowledge, none of the "Other shareholders" holds directly or indirectly or in concert more than 5% of the share capital or voting rights.

PLEDGED SECURITIES

In the context of the credit facilities it has established, Foncière Euris pledged Rallye shares on the basis of the amount of the facilities or current draws, as applicable. Shares pledged as collateral by beneficiary at December 31, 2014, were as follows:

	Start date of the pledge (1)	Due date of the pledge (1)	Condition for discharging pledge	Number of issuer's shares pledged	% of issuer's capital pledged
Bank of China	August 2014	August 2019	(2)	433,334	0.89%
BNP	February 2013	February 2018	(2)	975,000	2.00%
CACIB	June 2011	January 2019	(2)	4,495,018	9.23%
CM - CIC Group	April 2014	Dec. 2018	(2)	1,773,534	3.64%
HSBC	February 2013	February 2018	(2)	1,475,523	3.03%
Natixis	October 2011	July 2017	(2)	3,690,183	7.57%
RBS	June 2014	February 2019	(2)	995,100	2.04%
Société Générale	July 2014	Dec. 2019	(2)	3,591,551	7.37%
TOTAL				**17,429,243**	**35.77%**

(1) The start dates and maturities are the extremes stated on the currently valid credit facilities.
(2) Repayment or maturity of the facility.

SHAREHOLDERS' AGREEMENT AND SHARES HELD IN CONCERT

To the Company's knowledge, there is no shareholders' agreement nor persons or group of persons exercising, or who could exercise control over the Company other than Foncière Euris.

MAJOR CONTRACTS

During the course of the last three years and at the date of this Registration Document, the Group has not entered into any major contracts, other than those that are part of its normal course of business, which might create a significant obligation or commitment for the Group as a whole.

Off-balance sheet commitments are explained in Notes 3.4.2, 6.10, 7.3, 7.6 and 8.5 of the notes to the consolidated financial statements.

RELATED-PARTY TRANSACTIONS

Rallye has entered into a consulting and advisory agreement with Euris for strategic support.

Under the agreement, Euris draws on its structures and resources to provide Rallye with continuous support in determining strategy and managing and developing its business. It also provides technical assistance on legal and administrative matters.

No loans or guarantees have been set up or granted by the Company to Members of the Board of Directors, who are individuals.

Corporate officers or members of their family own none of the assets required for operations.

Information on related-party transactions is provided in Note 14 to the consolidated financial statements.

Pursuant to the provisions of Article 223-22 of the AMF's General Regulations governing transactions in Rallye shares conducted by corporate officers or related persons, shareholders are notified of the following:

Informant	Financial instrument	Date	Type of transaction	Average weighted price	Amount
Saris (1)	Shares	09/27/2014	Acquisition	€37.00	€12,321.00
Didier CARLIER (2)	Shares	04/23/2014	Exercise of stock options	€14.24	€34,176.00
Jacques DUMAS (1)	Shares	09/11/2014	Exercise of stock options	€26.44	€116,917.68
	Shares	09/11/2014	Sale	€36.76	€162,552.72
	Shares	09/12/2014	Exercise of stock options	€26.44	€20,781.84
	Shares	09/12/2014	Sale	€37.00	€29,082.00
Franck HATTAB (3)	Shares	03/27/2014	Exercise of stock options	€14.24	€56,960.00
	Shares	03/27/2014	Sale	€32.65	€130,600.00
	Shares	04/14/2014	Exercise of stock options	€14.24	€48,017.28
Didier LEVEQUE (4)	Shares	04/16/2014	Exercise of stock options	€14.24	€121,638.08
	Shares	09/09/2014	Sale	€37.25	€111,750.00
	Shares	09/09/2014	Sale	€37.2098	€37,060.96
Odile MURACCIOLE (5)	Shares	05/07/2014	Exercise of stock options	€14.24	€47,988.80
	Shares	05/07/2014	Sale	€36.95	€124,521.50
	Shares	09/10/2014	Exercise of stock options	€14.24	€47,988.80
	Shares	09/10/2014	Exercise of stock options	€26.44	€365,427.24
	Shares	09/10/2014	Sale	€36.8057	€508,691.58

(1) Director.
(2) Chief Executive Officer.
(3) Deputy Managing Director.
(4) Permanent representative of Foncière Euris, Director.
(5) Permanent representative of Saris, Director.

Declarations of the above share transactions have been posted online on the AMF's website.

To the Company's knowledge, no other corporate officer traded company shares in 2014.

STOCK OPTIONS AND BONUS SHARES

The stock option plans and bonus share plans currently valid for Rallye employees and employees of affiliated companies are as follows:

Meeting Date	ESM of 05/19/2010	ESM of 05/04/2011	ESM of 05/14/2013	ESM of 05/14/2013	Total
Date of Board meeting	09/06/2010	05/23/2012	12/17/2013	07/29/2014	
Type of plan (Stock option/Bonus shares)	Stock option	Bonus shares	Bonus shares	Bonus shares	
Initial number of beneficiaries	12	58	29	31	
Total number of options/shares initially awarded	**124,485**	**185,883**	**69,963**	**57,487**	**437,818**
Total number of options/shares awarded to corporate officers	*42,263*	*40,381*	*12,630*	*9,788*	*105,062*
Total number of options/shares awarded to top ten employees	*37,439*	*55,000*	*24,192*	*18,362*	*134,993*
Start date for option exercise period	03/06/2013	na	na	na	
Expiration date of options/shares	03/05/2016	05/23/15	12/17/2016	07/29/2017	
Exercise price, in euros	26.44	na	na	na	
Number of options exercised at January 31, 2015	**22,954**	-	-	-	**22,954**
since January 1, 2014	*22,954*	-	-	-	*22,954*
Options/shares cancelled at January 31, 2015 (1)	**13,736**	**10,000**	**-**	**-**	**23,736**
since January 1, 2014	*12,000*	*6,250*			*18,250*
Options/shares remaining at January 31, 2015	**87,795**	**175,883**	**69,963**	**57,487**	**391,128**
Residual number of shares that may be vested or subscribed at January 31, 2014	**87,795**	**175,883**	**69,963**	**57,487**	**391,128**

(1) Following departure of beneficiaries.

STOCK OPTIONS AND BONUS SHARES AWARDED DURING THE YEAR BY THE ISSUER AND BY ANY COMPANY OF THE GROUP TO TEN OF THE ISSUER'S EMPLOYEES WITH THE LARGEST NUMBER OF OPTIONS

Granting company	Grant date	Expiration date	Type	Numbers of options granted	Numbers of corresponding shares	Exercise price *(In €)*
Rallye	07/29/2014	07/29/2017	Bonus shares	18,362	18,362	n.a.

OPTIONS HELD ON THE ISSUER OR ON ANY COMPANY OF THE GROUP EXERCISED DURING THE YEAR BY THE TEN EMPLOYEES WITH THE HIGHEST NUMBER OF OPTIONS EXERCISED

Granting company	Grant date	Expiration date	Numbers of options granted	Numbers of corresponding shares	Exercise price *(In €)*
Rallye	04/27/2009	10/26/2014	11,784	11,784	14.24

INVESTMENT POLICY

Rallye's investment portfolio is discussed on page 14 of the management report.

Annual investment by operating subsidiaries for the past two years was as follows:

(In € millions)	2014	2013
Casino	1,563	1,622
Other	17	9
TOTAL	**1,580**	**1,631**

Investments by operating companies are detailed in the "Business Review" section of the Management Report. For more information about Casino Group's strategy, please refer to its Registration Document.

MANAGEMENT REPORT
Risk factors and insurance

–

Risk management is an integral part of the operational and strategic management of the Group. Like every company, it is necessarily exposed to risks which, if they occur, could have a negative impact on its activities, financial position and assets. This section presents the major risks to which the Group considers itself exposed: those specific to Rallye's holding activity, risks specific to its majority stake in Casino Group in addition to legal risks, and which are presented in detail in the Casino Registration Document.

Given these risks, Rallye has implemented an Internal Control process to prevent and control them. The Internal Control and risk management procedures are described in the Chairman's report as stipulated by Article L. 225-37 of the French Commercial Code (cf. pages 69 of this Registration Document).

However, a complete absence of risk cannot be guaranteed. Moreover, other risks of which the Group is presently unaware of, or does not consider to be significant on the date of this report, could have a negative impact.

Risks to which the Group believes it is exposed:

- risks related to Rallye's holding activity;
- risks specific to its majority stake in Casino Group;
- Legal risks.

RISKS RELATED TO RALLYE'S HOLDING ACTIVITY

MARKET RISK

Market risks are independently managed by Casino Group and by Rallye as the parent company.

Within each of these entities, cash, currency and interest rate risks are managed centrally, under the responsibility of the finance department, which has the necessary tools and expertise and reports to senior management.

These risks, as well as the tools used to manage them, are described in further detail in Note 11.6 "Financial risk management policies and objectives" to the consolidated financial statements closed on December 31, 2014.

In addition, certain credit documents include clauses giving lenders the option to demand immediate repayment of the outstanding amounts due and, where appropriate, the cancellation of the credit commitments made to the Company, in the event of a change of control over Rallye.

> LIQUIDITY RISKS

At any time, the Rallye Group must have the financial resources necessary for its current operations. Liquidity risk is managed through constant monitoring and optimization of financing duration and conditions, the permanence of available credit lines, and the diversification of resources, both at the level of the holding company and the operating subsidiaries.

— *Casino*

Casino Group's approach to managing liquidity risk is to ensure by a permanent strategy of anticipation that it will always have sufficient liquidity to honor its liabilities when due, under normal market conditions or in a degraded environment.

The majority of the Group's debt is held by Casino Guichard-Perrachon. Resources are managed by the Corporate Finance department. The Group's main subsidiaries (GPA, Big C Thailand, Monoprix, Exito) also have their own financial resources.

The Group's bank loans and bonds contain the standard commitment and default clauses found in such contracts: maintaining the loan at the same level ("pari passu"), limiting the securities allocated to other lenders (negative pledge) and cross-default.

For the case where the Company's majority shareholder changes, the Casino, Guichard-Perrachon line of credit contracts include an obligatory early redemption clause.

Furthermore, bonds issued by Casino Guichard-Perrachon carry an early redemption clause at the discretion of investors in the event that Casino Guichard-Perrachon's senior long-term debt rating is downgraded to "non-investment grade," but only if this downgrade is the result of a change in the Company's majority shareholder.

As at December 31, 2014, the Casino Group's liquidity appeared to be highly satisfactory: cash, cash equivalents and confirmed and undrawn credit lines were sufficient to cover any financial liability repayments due in the short term and seasonal changes in Working Capital Requirement.

Casino's liquidity risk management policy primarily seeks to:

- secure refinancing through a monthly projection of cash surpluses and needs obtained by comparing commitments received and forecasts of outstanding receivables;
- gradually bringing the bank into compliance with the new Basel III liquidity ratios by extending the duration of transactions to guarantee the solid backing of flows between assets and liabilities.

More details on Casino's liquidity position are available in the 2014 Casino Group Annual Report, in Note 11.6.4 to the consolidated financial statements.

— *Rallye*

Rallye's holding consolidated scope had net financial debt of €2,798 million at December 31, 2014, composed primarily of €2,243 million in bond debt and €470 million in non-bond debt, subject to recurring financing needs.

Rallye regularly refinances it maturities and searches for new liquidity sources for the Group. In this context, Rallye has nearly €1.9 billion in undrawn, confirmed and immediately available credit lines contracted with twenty different banks in order to reduce the counterparty risk. Rallye also has an EMTN program capped at €4 billion, with €1,100 million used as at December 31, 2014. Lastly, since October 2013, the holding has a commercial paper program for a maximum amount of €750 million, with €390.4 million used at year end 2014, which offers an additional source of short-term liquidity for Rallye.

The liquidity risk is also covered by the financial assets owned by the Rallye holding scope, including the Casino shares and the investment portfolio, the market value of which covers all of the net financial debt. More details on the Group's financial structure are provided on page 16 of this Registration Document.

Rallye is also subject to covenants for its bank debt. There are two types of such covenants: the first is the ratio of consolidated EBITDA to the cost of the consolidated net financial debt, which must exceed 2.75; and the second is for the corporate shareholders' equity of Rallye SA, which must exceed €1.2 billion. As at December 31, 2014 both covenants were met at 3.96 and €1.75 billion respectively.

Liquidity risk is carefully managed within the entire Rallye Group, both at the level of the holding company and the main subsidiary, which gives the Group a very solid liquidity position that allows it to calmly cover its financial maturities. More information on the Group's liquidity management can be found in Note 11.6 to the consolidated financial statements.

> INTEREST RATE RISK

— *Casino*

Detailed information on this risk can be found in Note 11.6 to the Casino Group's consolidated financial statements. As part of its management of its exposure to the risk of fluctuating interest rates, Casino Group uses various derivative instruments, including interest rate swaps in particular. Although they are not systematically recognized as hedge instruments, all interest rate instruments are subscribed under the interest rate risk management policy, with the Group's strategy based on a dynamic management of debt. This entails monitoring, and adjusting if necessary, its hedge ratio in line with interest rate trend forecasts, with the goal of managing its exposure to interest rate fluctuation risks and optimizing its financing cost.

Sensitivity to interest rate risk is analyzed in Note 11.6 to the Casino Group's consolidated financial statements.

— *Rallye*

Because of the nature of its financial liabilities, the Rallye Group is exposed to interest rate risk. The Group's policy is to protect itself against rate fluctuations and optimize its financing costs by establishing a mix of fixed rate and variable rate debts. In this context, the Group has contracted a number of swaps, under the terms of which Rallye has made a commitment to exchange at specific dates the difference between the fixed rate and variable rate, on the basis of a given notional.

Based on anticipated changes in the debt (new debt or repayment) and expected changes in interest rates, the Group sets targets for the distribution of fixed rates/variable rates. At the end of December 2014, the distribution of the debt between fixed rate and variable rate was 65% for fixed rate debt and 35% for variable rate debt.

> FOREIGN EXCHANGE RISK

Rallye is indirectly exposed to foreign exchange risk through its majority stake in Casino Group.

Through the geographic diversification of its businesses, the Casino Group is exposed to currency translation risk, i.e., the fact that its balance sheet and income statement, and consequently its financial structure ratios, are sensitive to changes in exchange rate parities while consolidating the financial statement of its non-eurozone foreign subsidiaries. The Casino Group is also exposed to trading risk for non-euro transactions. Casino Group's operating foreign exchange risk policy seeks to hedge highly probable budget exposures, linked primarily to monetary flows resulting from purchases in a currency other than its functional currency, such as goods purchased in US dollars hedged by forward purchases and foreign exchange currency swaps. Sensitivity analysis of net exposure to foreign exchange risk after hedging is presented in Note 11.6.2 to the consolidated financial statements.

RISKS RELATED TO THE VALUATION OF INVESTMENTS

Rallye holds a portfolio of financial and real estate investments that are currently being sold. The assets in the portfolio are valued using a defined process that reduces the risks of this valuation. Real estate programs are not revalued before they are sold pursuant to IAS 16. They are therefore recognized at historic cost.

The private equity portfolio is marked to market: its valuation is based on the latest valuations received from General Partners in the context of a strict review of the portfolio's assets.

Rallye monitors both the geographic and sector diversification of the portfolio in order to optimize its sale depending on changes in the macroeconomic climate. The diversification of financial investments is not limited to geography and sector, but also includes the type of investment, partner and scale, generating a strong spreading of risks which is further enhanced by the large number of investments and their small size.

More details on the composition of the investment portfolio can be found on page 14 of this Registration Document.

RISKS SPECIFIC TO ITS MAJORITY STAKE IN CASINO GROUP

As a majority shareholder of Casino Group, Rallye is indirectly exposed to the specific risks incurred by the latter.

The main risks likely to impact the monetization of the investments in question, are described below.

RISKS LINKED TO COMPETITION AND TO THE BUSINESS ENVIRONMENT

As the controlling holding company of an operational company with predominant operations mainly in the food retail sector, Rallye is unrivaled and has no peer. Casino's positions are presented in detail in its 2014 Registration Document.

Casino Group is present on the highly competitive markets of in-store shopping and e-commerce. Competition is particularly ferocious in France, which is a mature market. Internationally, the Group, a leader in most of its markets, competes with international and local operators trying to strengthen their positions. As a result, the Casino Group may have to lower its prices to defend its market share, which could have a negative impact on the Group's earnings. Monitoring and responding to the competitive environment and its changes are performed at the level of each country and banner, primarily by managing price grids and promotional and loyalty programs as well as the identification and execution of growth or arbitrage transactions.

Furthermore, unfavorable economic conditions may affect the operations and financial performance of the Casino Group. Indeed, an economic downturn on one or several markets or all of its markets could have a negative impact on the financial position, earnings or capacity to implement strategic decisions.

RISKS RELATED TO PRODUCT QUALITY, COMPLIANCE AND SAFETY

Guaranteeing the safety of products and compliance with health and safety standards in Casino Group stores is a major challenge that could seriously impact the reputation and financial performance of the Group and, potentially, incur its liability.

A comprehensive system guarantees the sale of safe, healthy and quality products from the drawing up of specifications through to store operations. The Group Quality department coordinates regular exchanges with the Quality departments of the different entities which are individually responsible for guaranteeing the quality standards of own-brand products and ensuring consumer safety for all products sold.

STORE NETWORK RISK

The Casino Group stores operate through affiliated networks and/or franchises in France and internationally. Accordingly, the Group is particularly exposed, first to an image risk in case the practices of franchise holders are not compliant with regulations, standards or values of the Group and secondly, to a risk of payment default. Each of the networks establishes steady relations with its franchisees/affiliates, with regular dialogue and support for sales advisors.

RISK LINKED TO BRANDS AND CHAINS

The Casino Group owns almost all of its brands and is not particularly dependent on patents or licenses, with the exception of the "Spar" brand, for which it holds an operating license in France that was renewed for ten years in 2009. In addition, the Group implements a preventive protection policy for all the brands it operates or distributes, and believes that the risks of a violation of regulations in respect of the brands should not materially affect the Group's business and/or results.

RISKS RELATED TO SUPPLIERS

Casino Group has no specific dependence on industrial and commercial supply contracts. The Group operates with a list of over 30,000 suppliers and may have to source from suppliers located in countries likely to present risks in terms of non-compliance with manufacturing labor laws and non-compliance with the values stated in the Universal Declaration of Human Rights and the ILO Declaration on fundamental principles and rights at work. As a signatory of the United Nations Global Compact since 2009, the Group reaffirms its values and takes actions to promote compliance with human rights throughout its international subsidiaries and its suppliers.

RISK LINKED TO LOGISTICS

Casino Group's various activities, both in-store shopping and e-commerce, are backed by logistical structures tailored to ensure smooth supplies to all outlets, including integrated and franchised stores, or smooth delivery to e-commerce customers. Changes in the Group's logistical structures or the malfunction of one or several of them can lead to temporary or prolonged disruption of its business operations and negatively impact its image and financial earnings. The logistical organization is defined locally (at country level) rather than internationally and may differ depending on the activity.

IT SYSTEMS AND DATA PROTECTION RISKS

The day-to-day management of Casino Group's activities which include in particular purchases, supplies, distribution, online sales, invoicing operations, reporting and consolidation as well as exchanges and access to internal information relies on the smooth operation of all technical infrastructures and IT applications. Casino Group considers the protection and continuity of the operational capacity of its IT systems as highly important. This is guaranteed through the direct or indirect use of a variety of information systems (servers, networks, applications, websites, databases) critical to the implementation and smooth operation of its activities.

OTHER OPERATING RISKS

> RISKS LINKED TO FRAUD, CORRUPTION AND THEFT

Fraud, corruption and theft are risks that may impact the Group's earnings and image. The internal control process implemented by the Casino Group's various entities aim at limiting the occurrence of these risks. Casino Group wishes to exercise its activities in compliance with ethics and has accordingly implemented a framework, tools and control bodies tailored to its activities and corporate culture. The anti-corruption policies and ethical whistleblowing systems deployed by the Group are presented in the section on "Corporate Social Responsibility" of Casino's Registration Document.

> GEOGRAPHICAL RISK

A portion of the activities of the Casino Group is exposed to the risks and uncertainties resulting from commercial operations conducted in countries that could experience, or have recently experienced a period of economic or political instability especially in Latin America and Asia. The occurrence of such risks may influence business operations with, potentially, an impact on the Group's financial position and on the valuation of its underlying assets, especially goodwill. The Group develops action plans and implements measures designed to reduce the effects of these risks and ensure business continuity.

> RISKS LINKED TO NATURAL DISASTERS

Casino Group may be exposed to natural disasters in countries where it is established with direct or indirect impacts on its activities, assets and its employees and potential consequences on the Group's financial position. The Casino Group develops action plans and implements measures designed to reduce the effects of these risks and ensure business continuity.

> INDUSTRIAL AND ENVIRONMENTAL RISK

The Casino Group's commitment to sustainable development has been in place since 2002 with the creation of a dedicated unit. Given the internationalization of its operations, the Group joined the United Nations Global Compact in 2009. In order to develop its Corporate Social Responsibility (CSR) progress initiative with its French and international subsidiaries, a Group CSR department was created in 2010 with the specific objectives of accelerating the implementation of CSR commitments in its subsidiaries. The analysis and management of environmental risks are described in the section on "Social and Environmental Data" in Casino's Registration Document.

LEGAL RISK

REGULATORY RISKS

Given the nature of its activities and international presence, the Casino Group is required to comply with various regulations especially in terms of labor law, competition law, consumer law, urban planning law, stock market law, health law and environmental law. Changes to these laws, especially through more stringent legal provisions may have an impact on the Group's activities and earnings. For example, in France and internationally, the Casino Group must comply with all laws and regulations governing the operation of establishments open to the public, especially with respect to hygiene and safety and classified establishments (service stations). The same applies to product compliance and safety.

In addition, new stores and store expansions may be subject to administrative permit procedures. Moreover, in the different countries where Casino Group operates, the expansion of its operations through acquisitions may be subject to control by the Competitive Authorities in the relevant countries which may lead to the sale of certain outlets. Some of the Group's activities are subject to special regulations for which the legal structures and processes required at the appropriate levels have been implemented to ensure compliance with said regulations.

TAX AND CUSTOMS RISKS

Through its geographic spread, Casino Group is subject to the regulations in force in the various countries in which it operates and which apply to the business sectors of its various entities. The Group's Tax department and the tax departments of its different entities are in charge of identifying, curbing, tracking and controlling tax risk.

LITIGATION

At the filing date of this Registration Document, there was no governmental, legal or arbitration proceeding, including any proceedings of which the Company is aware, either unresolved or pending, that is likely to have, or has in the past 12 months had, a significant effect on the financial position or profitability of the Company and/or Group.

As part of its normal operations, the Casino Group is involved in various legal and administrative proceedings and may be the subject of various government inspections. Provisions are recorded for these disputes and arbitrations if there is a legal, contractual or constructive obligation to a third party as of the closing date, if it is probable that an outflow of resources without compensation will be required to settle the obligation, and if a sufficiently reliable estimate can be made of the amount of the obligation.

Information on disputes is provided in Note 13 to the consolidated financial statements.

- As regards the Geimex company, the owner of the Leader Price brand in the international segment, and 50% held by the Casino Group and 50% by the Baud family, the disputes between the two shareholders particularly concern the sale of Leader Price Polska by Casino in 2006, and the activities in Switzerland of the Baud family for which commercial and criminal court actions are still in progress.
- As regards Via Varejo (formerly Globex Utilidades SA), it should be noted that, in June 2009, GPA, through one of its subsidiaries, acquired the controlling block of Globex Utilidades SA, the leader in the distribution of electronic products and household appliances under the "Ponto Frio" brand. The previous majority shareholder (Morzan Empreendimentos) judged that GPA, jointly with its controlling shareholders, including GPA's majority shareholders, included Wilkes, but also Casino, Guichard-Perrachon and three of its other sub-holding companies, had breached the provisions of the agreement relating to the payment conditions for the share payable in GPA shares. Morzan Empreendimentos thus initiated an arbitration proceeding before the International Chamber of Commerce via a petition dated May 30, 2012. This petition for damages is seeking around 160 million reals (around €62 million).

The arbitration tribunal is currently examining the case. In any event, both GPA and its controlling shareholders consider that the request is unfounded. Furthermore, with the exception of GPA and Wilkes, which are parties to the share disposal agreement, none of the other parties named as defendants are bound by the provisions of the said agreement. This was confirmed by the arbitration tribunal on July 9, 2013. The case was heard on the merits on June 9 and 12, 2014 and a brief submitted to the arbitration tribunal on September 30, 2014. The verdict is expected at the beginning of the second quarter of 2015.

INSURANCE

COVERAGE OF RISKS LIKELY TO BE INCURRED BY THE COMPANY

The Rallye Group manages its insurance and risks as part of a wider policy framework designed to protect the Group's balance sheet while monitoring certain objectives, including the following:

- to protect the assets and liabilities incurred by the Group,
- to defend shareholders' interests,
- to take account of regulations applying to establishments open to the public in France (known as the ERP rules).

Analysis of random insurable risk, as well as subscription and management of insurance policies, and monitoring of losses are handled independently by Casino and its parent company, Rallye.

INSURANCE SUBSCRIBED

The main insurance policies maintained by the Rallye Group are as follows:

- property damage and resulting operating losses,
- civil liability.

For risks other than those mentioned above, the Group has taken out insurance cover whenever required by law. It has also done so whenever the nature of the risks in question makes insurance coverage useful and necessary and insofar as the insurance market adequately provides the desired coverage.

LEVEL OF COVERAGE

The Group strengthened its insurance policy in 2014 with the goal of maintaining or improving the protection of its assets, customers and employees, while keeping costs under control. To do so, Casino Group relies on internationally-reputed insurance brokers and buys insurance from first-rate solvent companies, recognized for their coverage of major risks.

> PROPERTY DAMAGE AND OPERATING LOSSES

The purpose of this insurance is to protect the Group's assets.

Casino's policy covers the risks traditionally covered, such as fire, water damage, explosion, natural disasters, collapse, electrical damage, operating losses, rental risks. The cap for the property damage cover is €250 million per loss and per year, with guarantee sub-limits for certain named perils, depending on the geographical region. This program was renewed normally on its maturity date of July 1, 2014 as all the previously insured risks were replaced.

On the date of writing of this document, no major and/or material loss had occurred in 2014 which was likely to alter the current guarantee terms or the overall amounts of the ongoing insurance premiums and/or self insurance.

> CIVIL LIABILITY INSURANCE

This program covers the financial consequences (bodily, material and immaterial) as a result of the Group's civil liability due to a fault, error, omission or negligence in the performance of a service and/or operation of its activities.

The civil liability insurance program is capped at €75 million per loss and per year.

> OTHER INSURANCE (MANDATORY OR OPTIONAL)

Given the nature of its business operations, the Group has mandatory insurance policies, such as civil liability insurance, so-called fleet insurance for its motorized vehicles; construction insurance: structural damage/ non-developer builder /construction all-risks, etc.; environmental impact civil liability insurance; property trustee and/or property management professional civil liability policy; a travel agent policy; professional civil liability insurance; policies covering damages and losses to carried goods and civil liability covering all logistics operations of shipped goods and civil liability policies for corporate executives.

> CRISIS PREVENTION AND MANAGEMENT

Regarding property damage risks, Casino Group's operational, technical and support departments handle prevention and management and also receive support from the engineering departments of insurers (regular inspections of insured capital-intensive sites including in particular, hypermarkets, shopping malls and warehouses; joint monitoring of inspection and prevention reports for sites; monitoring of protection per site depending on needs and priorities; monitoring of property damage risk mapping including natural events and risks of strikes, riots, civil uprising and more generally political risks both in France and abroad).

Concerning risk linked to the civil liability of products, Casino Group maintains and continues the quality and preventive initiative launched several years ago, upstream of sales outlets for both retail brands and other brands.

Similarly, in the event of a crisis and/or major loss, Rallye and Casino have the appropriate technical and human resources as well as advisors which, depending on the circumstances, would allow it to respond rapidly to protect human lives, safeguard properties and maintain the continuity of its operations and services.

Rallye has reviewed its risks and believes that there are no significant risks other than those described in this document.

MANAGEMENT REPORT

Social, Environmental and Societal Responsibility

–

Corporate social responsibility (CSR) is defined as the responsibility of companies with respect to their impact on society. The Group embraces this responsibility by ensuring compliance with applicable laws and collective bargaining agreements. Rallye seeks to fully address all CSR issues by working closely with stakeholders in a process designed to incorporate social, environmental, ethical, human rights and consumer concerns into business activities and fundamental strategy.

This document presents the organization of CSR within Rallye as well as the most relevant CSR indicators at the Group level. All other CSR indicators are provided in detail in the CSR report of the Casino Group.

ORGANIZATION OF CSR (CORPORATE SOCIAL RESPONSIBILITY) WITHIN RALLYE

CSR PROCEDURE

Rallye specializes in the food and sporting goods retailing sector through its majority stakes in the Casino Group and Groupe GO Sport. Rallye continues to sell off assets in its diversified investment portfolio. The breakdown of this portfolio is available in the management report of this Registration Document in the chapter entitled "Business Review".

As part of the overall analysis of risks relating to the Company's business, Rallye applies good governance practices designed to ensure the longevity of the business and which are described in the Chairman's report on corporate governance and internal control procedures on page 75 of this Registration Document.

As part of the day-to-day management of the Group, Rallye is involved in normal business relationships with all its subsidiaries. The prevention of conflicts of interest is described in the Management Report on page 66 of this Registration Document.

At December 31, 2014, no provision had been recognized in Rallye's financial statements for environmental reasons.

In each company in which Rallye is a shareholder; Casino (listed company in the sector based on food retail) and Groupe GO Sport (sporting goods retail); Corporate Social Responsibility issues are managed directly by the management teams. Nevertheless, in its role as shareholder, Rallye makes sure that each of its subsidiaries focuses on the most relevant issues with respect to their own activities and that the CSR commitments made by its subsidiaries and presented in their respective reports are compliant with regulations.

Due to its size and business, Rallye's exchanges with its stakeholders mainly involve communication with the financial community. Rallye leaves its subsidiaries with the responsibility of organizing dialogue with their own stakeholders.

CSR REPORTING METHODOLOGY

Rallye's CSR officer liaises directly with the CSR officers of its Casino and Groupe GO Sport subsidiaries. The CSR officer is in charge of coordinating the overall CSR initiative, collecting social, environmental and societal data and consolidating all CSR indicators.

SCOPE

Every year, the Casino Group publishes a corporate social responsibility report which presents the major CSR indicators, measures and objectives of the Group's subsidiaries. The report is available on: www.groupe-casino.fr.

In France, Monoprix publishes its CSR performance in a report available on www.monoprix.fr. Cdiscount and Vindémia also publish information in their Management Report.

Internationally, GPA, Grupo Exito, and Libertad, members of the Global Compact, also publish an annual CSR report which is available on their websites: www.gpari.com.br, www.grupoexito.com.co, and www.libertadsa.com.ar.

Except in specifically mentioned exceptions, the social, societal and environmental data presented below relates to all businesses under the operational control of the Casino Group or its majority-owned subsidiaries in France and abroad. The data does not include affiliates, franchises and lessee managers. All data is fully consolidated (100% consolidated).

Prepared in accordance with financial reporting, data is reported on the following scopes of consolidation:

- the "France" scope of consolidation includes activities under the Casino, Monoprix, Cdiscount, Franprix, Leader Price banners and support functions (logistics, purchasing, human resources, etc.);
- the "Latin America" scope of consolidation includes GPA (including Multivarejo, Viavarejo, Assai, CNova Brasil), Libertad SA, Grupo Exito, and Disco Devoto;
- the "Asia/Indian Ocean" scope of consolidation includes Big C Thailand, Big C Vietnam, and Vindémia;
- the "Group" scope includes consolidated data.

The Casino Group mainly operates in France and in emerging markets. Each subsidiary deploys local policies and initiatives in compliance with the Group's CSR policy.

These countries present however significant economic, social and cultural differences. These specific traits explain the significant differences observed in certain indicators between the different geographic regions of business. Furthermore, the definition of certain social indicators may vary depending on local regulations or practices. More details are provided in the methodological note on the preparation of non-financial data: www.groupe-casino.fr/fr/Nos-engagements.html.

For Groupe GO Sport, the information provided below covers all of its consolidated subsidiaries: Groupe GO Sport, GO Sport France, Courir France and GO Sport Poland (excluding training).

RALLYE'S BUSINESS AND ITS IMPACT ON THE ENVIRONMENT

Rallye only has three office buildings which have no particular impact on the environment. The impact of the Group's business is mainly indirect as it exists at the subsidiary level. For this reason, implementing a specific environmental policy within its own scope is not particularly relevant.

For example, Rallye is committed to selective waste sorting. All employees at its head office have been made aware of this policy. Paper used by the teams, printer cartridges and used batteries, plastics, cardboard and metals (mainly cans) are collected for recycling. To print its Registration Document, Rallye selects service providers who offer a selection of PEFC / FSC certified recycled paper. Lastly, numerous meetings are held via teleconference in order to reduce the need for travel.

RALLYE'S HUMAN RESOURCES POLICY

In order to attract and retain talent, Rallye strives to recruit employees for whom the Company implements the best possible work environment.

At December 31, 2014, Rallye had a workforce of 25 employees who were all based in France. The percentage of women occupying managerial positions remains stable at nearly 52%. Under 30s accounted for 8% of the workforce, while 52% were between 30 and 50 and 40% were over 50.

Part-time workers accounted on average for 4% of the workforce and the rate of absenteeism due to illness was 4.8% in 2014.

Apart from the investment team and the management team, the majority of the workforce held support roles within the Finance department and the Legal department.

The Company also uses external service providers to run its premises (security, maintenance, reception, etc.). It strives to build strong, high-quality ties with these service providers to ensure long-lasting and secure relationships.

Improving the employability of its employees is a priority for the Company. It offers training to ensure that all employees have the required level of know-how at all times to successfully carry out their duties. During 2014, six employees received training, with the average number of training hours per employee at 7.7 hours (some training courses span 2014 and 2015).

It also seeks to optimize work conditions and relations by holding regular meetings with employees and encouraging dialogue. Lastly, Rallye ensures that all recruitment, career development (training and promotion) and compensation decisions are made on a non-discriminatory basis, according to the employee's capabilities and without any other criteria than their skills.

COMPENSATION POLICY

At Rallye, all employees undergo an annual review with the aim of encouraging individual and collective performance. This review system allows the regular adjustment of the different fixed and variable components of pay to reflect each employee's position, skills, performances and potential. It also allows clear and transparent communication on the rules used to determine compensation.

Persuaded of the importance of employee shareholding as key to a successful long-term partnership with its employees, Rallye has always promoted its development through company savings plans or through the allocation of bonus shares or stock options.

PROMOTING HEALTH AND SAFETY IN THE WORKPLACE

Rallye complies with health and safety legislation and regulations (keeping premises clean and properly heated and lit, maintenance of equipment, fire prevention, etc.). No workplace accidents occurred in 2014.

Considering the nature of Rallye's business, no specific exchanges took place with employees in terms of health and safety.

ORGANIZATION OF CSR (CORPORATE SOCIAL RESPONSIBILITY) WITHIN RALLYE'S SUBSIDIARIES

Rallye is the majority shareholder of Casino and Groupe GO Sport. The financial statements of these companies are accordingly fully consolidated in the Group's consolidated financial statements. The highlights of their Corporate Social Responsibility are presented in the chapters below. Further details on this information can be found in their own CSR reports.

Within its main subsidiaries, CSR issues are managed by dedicated teams at Casino and by the HR department at Groupe GO Sport.

CASINO

The Casino Group's commitment to sustainable development has been in place since 2002 with the creation of a dedicated unit. Taking into account the increasingly international dimension of its activities, the Group joined the United Nationals Global Compact in 2009 and gave a new momentum to its pre-existing procedure. In order to roll out and manage its CSR (Corporate Social Responsibility) progression with all its subsidiaries both in France and abroad, the Group set up, in 2010, a Corporate CSR Department with the specific goal of accelerating the implementation of its CSR commitments in its subsidiaries. Casino Group's CSR initiative is rolled out in countries and stores through actions implemented locally by the CSR departments of each of the subsidiaries.

The Casino Group is listed in the following socially responsible investment (SRI) indices: FTSE4GOOD, Vigeo Eurozone 120, Ethibel and Dow Jones Sustainability Index World, ECPI Indices / EMU Ethical Equity (ECPI Group). Grupo Exito is listed on the "Dow Jones Sustainability for emerging countries" index. These indices comprise companies with the best ratings in social, environmental and governance criteria.

Casino Group has responded to the Carbon Disclosure Project (CDP) since 2013 and its score increased this year from 75 C to 87 B.

Casino Group receives regular awards in recognition of its initiatives. In 2014, Casino Group received the responsible retailing award Grand Prix ESSEC for the second consecutive year, in addition to several other Awards for measures taken to promote diversity in France, such as the LSA press Award. Subsidiaries abroad also receive awards for their CSR strategy: Disco in Uruguay received the 2014 National Energy Efficiency prize awarded by the Uruguay ministry of industry and energy, Big C Thailand received for the third consecutive year, a special prize in recognition of its pro-workers with disabilities initiative. The "Monitor Empresarial de Reputación Corporativa" (MERCO) awarded Grupo Exito, based on a questionnaire verified by KPMG (ISAE 3000), the Human Capital award in the retail sector.

GROUPE GO SPORT

Groupe GO Sport chose to place CSR issues under the responsibility of its Human Resources department. The CSR strategy is mainly overseen by the Group's HR department and implemented by the Groupe GO Sport communication department.

Groupe GO Sport is committed to its CSR procedure and promotes its sustainable development measures by communicating information of an ethical or civic nature, and by asking its suppliers to comply with all the ethical rules established by the various bodies concerned.

SOCIAL RESPONSIBILITY

One of the key elements of the Company's economic and social performance is the development of men and women.

WORKFORCE AND ORGANIZATION OF WORK TIME

— *Casino*

The number of working hours of the Group's employees is defined in accordance with the strict legal framework of each entity and with the local regulations of the country in which the Group operates. Most Casino Group employees (92%) are employed on permanent contracts. The Group uses fixed-term contracts mainly to replace absent employees and to cope with seasonal peaks in activity. Most of the Group's employees (87%) are on full-time contracts.

— *Groupe GO Sport*

At Groupe GO Sport, the workforce trend between 2013 and 2014 reflects the increase in the sales force to improve in-store customer assistance at GO Sport France, the opening of a new point of sale in Poland and a sharp increase in the revenue and the opening of four Courir outlets. The stores mainly hire athletic young people interested in selling sports goods.

As required by the provisions of the "Aubry Act", Groupe GO Sport SA and its French subsidiaries have implemented the shortened working hours agreement since June 1, 2000. This working time organization is still in force in the GO Sport network stores in France. The July 2000 agreement on shorter working time and its amendments sought to reconcile the individual constraints of employees and the commercial challenges linked to the store's needs, according to fluctuations in employee workload.

GO Sport France signed a collective company agreement on February 10, 2010 on Sunday work pursuant to the provisions of Articles L. 3132-25-1 of the Labor Code. This agreement is consistent with the legislation on Sunday work.

PROMOTING SOCIAL DIALOGUE

— *Casino*

The Casino Group's human resources policies are built on regular dialogue between management and labor in France and internationally.

To take the pulse of its social climate and address employee concerns, Casino Group, through its Human Resources departments, conducts employee surveys based on specific topics and/or using internal or external metrics. It also deploys mechanisms that allow employees to express their opinions and submit suggestions.

— *Groupe GO Sport*

Groupe GO Sport has pledged to observe and ensure its suppliers observe the eight fundamental conventions of the International Labor Organization.

SUPPORT FOR THE COMPANY'S DEVELOPMENTS

In compliance with legal provisions, the human resources departments support the Company's organizational changes. These changes may be submitted to employee representative bodies for their opinion and if necessary, lead to individualized assistance for employees.

ANTI-DISCRIMINATION MEASURES

— *Casino*

The Casino Group has been involved in the fight against all forms of discrimination since 1993. The Group considers diversity to be an economic performance factor and has thus defined a proactive policy aimed at recruiting people from diverse backgrounds and promoting professional equality at all levels and in all business processes to promote peaceful co-existence. This policy is based on several main actions: fighting against stereotypes which are at the root of discriminations, building together policies with representative union organizations, addressing together discrimination criteria and evaluating implemented actions. The Group's main areas of action include: social background, gender, disability, age (young and old), sexual orientation, religious diversity, and trade union commitment, and since 2014, physical appearance.

— *Groupe GO Sport*

In its hiring policy, Groupe GO Sport strives to promote diversity. The introduction of a hiring charter which mainly stresses the fact that Groupe GO Sport is against all forms of discrimination was distributed in 2014 to all concerned parties. Groupe GO Sport works actively to promote diversity; a hiring charter was distributed in 2014 to the different Groupe GO Sport head-hunting firms to promote fairness and equal opportunity between all candidates during the hiring process.

MAIN INITIATIVES TO PROMOTE THE INDUCTION OF PEOPLE WITH DISABILITIES

— *Casino*

Each of the Casino Group's entities is involved in the introduction of a policy to promote employment for people with disabilities. In 2014, Casino Group rolled out an information and awareness raising campaign for subsidiaries in France and internationally. This campaign entitled "Handino", deployed in four languages, recalls through examples and testimonies circulated in a film and a booklet, initiatives implemented to facilitate the professional insertion of people with disabilities. As a founding member, the Casino Group continued to participate in the deployment of the ILO network of companies committed to helping people with disabilities: "Ilo Global Business and Disability Network".

— *Groupe GO Sport*

Groupe GO Sport undertakes to facilitate the professional insertion of people with disabilities, in partnership with Cap Emploi and Groupe GO Sport's partner insertion associations.

MAIN INITIATIVES OF THE GROUP TO HELP YOUNG PEOPLE, ESPECIALLY THOSE FROM UNDERPRIVILEGED BACKGROUNDS AND OLDER PEOPLE

— *Casino*

The Casino Group has rolled out initiatives to help young people, especially those with no significant qualifications or from underprivileged backgrounds to facilitate their professional insertion.

The Casino Group subsidiairies signed agreements called « contract of generation » or set up the action plans which objective is to improve the long-lesting insertion of young people and to maintain in the employement older people.

— *Groupe GO Sport*

Group Go Sport undertakes to to facilitate the professional insertion of young people through work/study programs and internships.

PROMOTING GENDER EQUALITY AT WORK

— *Casino*

The Casino Group is determined to strengthen the diversity of teams at all levels of the organization through an active policy on all topics related to professional equality: job diversity, management of female careers, fairness of human resource processes (wages, access to training, recruitment and promotions, etc.) and parenting. The Casino Group ranked 37th in the SBF 120 second list of businesses with the highest number of female employees presented by the ministry for Women's Rights in 2014.

— *Groupe GO Sport*

A unanimous agreement was signed at Groupe GO Sport on December 20, 2011 with the representative union organizations on gender equality at work in order to develop measures to encourage the hiring of women especially in store supervisory positions as well as access to training for women to boost their career development within the Group.

ENCOURAGING PROFESSIONAL AND SOCIAL DEVELOPMENT

— *Casino*

Since its inception, the Casino Group has always been committed to the professional and social development of its employees who contribute to its operational performance. To strengthen a managerial culture that respects the Group's values contributing to this goal, the Group has defined a framework for evaluating Managerial Attitudes and Behaviors. Code-named L.I.D.E.R.S (Leadership, Innovation, Decision, Engagement, customer Responsibility, Synergies), the framework was rolled out in France and in some of the countries where the Group is present, and is part of the annual skills assessment of managers. Furthermore, training is one of the key factors in developing and maintaining the employability of its employees. In line with Group objectives, the Human Resources departments of each subsidiary define the training plans.

— *Groupe GO Sport*

Groupe GO Sport also places a premium on supporting its employees when they start a new job and helping them adjust to the workstation through the implementation of appropriate training tools specifically aimed at achieving operating excellence.

COMPENSATION POLICY

— *Casino*

The Casino Group's compensation policy takes into account the skills, the level of responsibility and the experience acquired by employees and proposes a fair and competitive pay level in line with the usual practices observed for similar jobs in the sector, and adapted to the local characteristics of the country in which the Group operates.

— *Groupe GO Sport*

At Groupe GO Sport, collective changes to compensation are negotiated each year with representative union organizations within the Groupe GO Sport Economic and Social Unit (ESU) as part of Mandatory Annual Negotiations (NAO). In addition, changes in wages reflect the wage conventions defined by the professional sector in which the Group is a stakeholder. Furthermore, individual remunerations evolve with changes in functions, in the context of positioning with respect to internal and external environments, but also to show appreciation for high-potential employees. This is part of a wider Group-level human resource management policy.

PROMOTING HEALTH AND SAFETY IN THE WORKPLACE

— *Casino*

The Casino Group is committed to improving the safety and physical and mental health of its employees. The Human Resources department is responsible for implementing action plans in each of the subsidiaries.

Concerned about the health of its workers outside the workplace, the Group's entities implement measures to encourage employees to adopt a healthy life style, such as exercising regularly, access to advice from nutrition specialists and assistance to quit smoking.

— *Groupe GO Sport*

Groupe GO Sport seeks to constantly improve health and safety conditions for its employees. This involves above all, the regular update by each site in France of its Single Risks Assessment Document (DUER) and the implementation of individual protection equipment with the assistance of the Human Resources department. In addition, the Company has chosen to tackle the issues of hygiene and safety with staff delegates (DP) and the Committee for Hygiene, Safety and Working Conditions at head office but also by encouraging the introduction in 2014 of a nation-wide Committee for HSWC.

WORKPLACE FIGURES

The main social indicators of Rallye subsidiaries are presented below. Detailed information can be viewed in the corporate social responsibility report of Casino.

2014 workplace indicators	**Units**	**Casino Group**	**Groupe GO Sport**
Number of employees as of December 31,2014	No.	335,436	4,624
Percentage of total workforce represented by women	%	52	51
Number of long-term contract recruitments	No.	93,139	937
Number of workers declared as disabled as of Dec. 31, 2014	No.	7,486	102

2014 workplace indicators – Casino Group	**Units**	**Casino Group**
Number of layoffs	No.	15 (1)
Average number of hours training per employee per year	hours	16
Absenteeism rate	%	2.69 (2)

(1) France scope.
(2) For disease (included work related diseases) and work related accidents.

2014 workplace indicators – Groupe GO Sport	**Units**	**Groupe GO Sport**
Average number of hours training per employee per year	hours	27
Number of workplace accidents	No.	153

At Casino, the breakdown of the workforce by age group is 41% for those under 30, 49% for 30 to 50 years old and 10% for the over 50s. With Groupe GO Sport, it stands at 59% for the under 30s, 40% for 30 to 54 years old and 1% for those over 54.

ENVIRONMENTAL RESPONSIBILITY

The Group's environmental impact is mainly at the level of the Casino and Groupe GO Sport subsidiaries. The environmental policies of Rallye's subsidiaries aim to minimize the environmental impact of products and the use of natural resources, to improve eco-responsibility and adopt a more ecological approach.

— *Casino*

In 2003, the Casino Group defined its environmental commitments, which it reasserted by joining the UN Global Compact, and by the CSR progress initiative which sets four environmental priorities. In order to prevent and control the environmental risks of the Group's activities, the Environment department, which reports to the CSR department, steers environmental priorities, coordinates the sharing of good practice and the monitoring of action plans. It rolls out a continuous improvement approach for the environmental performance of the Group's activities, by relying, in France, on environmental benchmarks, "Green Excellence" workshops and a collaborative platform that allows members of these workshops to pool and publish the best practices of their activity so as to promote environmental protection. International subsidiaries locally implement the best organization for keeping environmental challenges under control and for achieving the objectives defined by the Group.

To raise employee awareness of environmental challenges and share environmentally-friendly best practices, the Casino Group's different internal communication tools such as the intranet or the quarterly review "Regards" are used regularly to circulate information on topics such as waste management, conservation of natural resources, energy savings, biodiversity and food waste.

— *Groupe GO Sport*

Through its business as a textile, shoes and sports equipment retailer, Groupe GO Sport is committed to the quality of articles sold in its stores, for both international brands and own brands. The Group offers its customers reliable, quality products made in compliance with environmental standards. In 2013, Groupe GO Sport joined the CSR Commission of the Fédération des Entreprises du Sport (French federation of sporting goods companies) and is striving for the introduction of a lasting and virtuous environmental policy within the next three years.

REDUCTION OF GREENHOUSE GAS EMISSIONS (GHG) TO FIGHT GLOBAL WARMING

— *Casino*

As part of the internationalization of its business, the Casino Group defined standard practices for its subsidiaries in terms of greenhouse gas accountability in 2012, the reference year used by the Environment department to monitor greenhouse gas (GHG) reduction plans. Each year, the Group's subsidiaries conduct their GHG inventory on scopes 1 and 2 to monitor the effectiveness of their reduction plans, based on this methodological framework. Casino encourages its subsidiaries to focus primarily on reducing their direct emissions. Priority is given to reducing GHG emissions due to leakage from refrigerant fluids with a high climate warming power such as HFCs. Measures implemented by subsidiaries consist in strengthening the confinement of existing installation circuits and introducing refrigerating pilots that work with fluids with a low climate warming power (hydrocarbons, CO_2, NH3). In order to reduce Greenhouse Gas Emissions (GHG) linked to the transportation of goods, the Group places a priority on implementing action plans to reduce the distances traveled by trucks and optimize their loading through partnerships that allow the pooling of transport capacities in each direction from its sites.

— *Groupe GO Sport*

Since Groupe GO Sport does not directly handle the manufacture of products, it is not directly concerned by issues relating to adapting to the consequences of climate change.

SUSTAINABLE USE OF RESOURCES

— *Casino*

Adapting to climate change

To reduce its vulnerability to climate change, the adaptation policy for the Casino Group and for all its subsidiaries entails recognizing the risks of more frequent extreme climate events, primarily cyclonic risks for its activities in La Reunion island and flooding in Thailand. The Group follows regulations in force by building the equipment required to manage and handle rainwater spillovers and strives to implement innovative techniques (planted roofs for instance). Companies exposed to this type of risk maintain and develop business continuity plans in case of an extreme climate event in collaboration with suppliers and the public authorities.

Energy

Improving the energy efficiency of stores is a key priority deployed in all entities which will help Casino to reduce its operating costs. The two principal sources of energy consumption of mainly electrical origin are store lighting and food refrigeration. Reducing energy consumption is part of a continuous improvement process based on monitoring consumptions, energy audits of sites, and an energy renovation program (Energy Performance Contracts), implemented by GreenYellow, the Casino Group subsidiary in charge of implementing energy saving solutions. The Group's entities are invited to define the reduction objectives and action plans to identify the most eco-efficient solutions.

To support the development of renewable energy, in 2007 Green Yellow launched a solar installation development program on the roofs and parking shelters of hypermarket car parks, especially in the Indian Ocean with Vindemia. In 2014, a total of 58 power plants were connected with a total solar panel area of around 489,470 sqm. for installed capacity of 97 MWc and which generates 112,127 MWA a year.

Water

The Casino Group's operating businesses are located in areas with low to medium hydric stress and mostly use water from municipal networks, primarily for sanitary purposes. The Group is aware of the importance of water management and encourages initiatives to reuse rainwater and limit consumption in drinking water networks.

Biodiversity

The Casino Group has repeated its commitment to promote biodiversity in its Group Ethics Charter through commitment no. 8: "Helping to protect biodiversity". Casino Développement drew up and implemented a guide to best practice on land management and the protection of biodiversity. The teams tasked with managing this work have been specially trained.

The Group implemented in particular, a process to track the sheep and cattle sectors of its Brazilian suppliers to make sure of their provenance and not be a party to the deforestation linked to cattle rearing. It also conducted various initiatives to encourage the protection of forests and reforestation and implements selective measures to reduce the impact on biodiversity of own-brand products and those of its food suppliers.

— *Groupe GO Sport*

Groupe GO Sport has no indicators relating to the tonnage of the principal marketed raw by category, nor the tonnage of the main raw materials used in manufacturing articles sold, nor the quantities of approved textile raw materials.

Since Groupe GO Sport, does not directly manufacture its products, it is not directly concerned by the issues of biodiversity conservation but is nevertheless attentive when signing a new contract with its suppliers, to ensure compliance with the environmental measures stipulated in its general purchasing terms.

REDUCTION, WASTE RECOVERY AND ANTI-POLLUTION MEASURES

> WASTE FROM OPERATIONS

— *Casino*

Recycling and reducing waste from operations is one of the priorities of the Casino Group's environmental policy. The main types of waste generated by the operation of facilities within Casino Group are cardboard, plastics, paper and fermentable products. Subsidiaries seek to reduce their waste and raise their recycling rate by participating in the development and securing of local recycling streams. More than 230,000 tons of waste (cardboard, plastics, organic) were recovered from a perimeter representing 99% of the Casino Group's 2014. They continued to provide training in sorting techniques, mainly in stores and warehouses, for plastics and fermentable products.

— *Groupe GO Sport*

Groupe GO Sport outsources all its own-brand product manufacturing activities. The Group is therefore not involved in the implementation of measures to prevent, reduce or repair emissions into the air and ground which impact the environment. As a responsible operator, Groupe GO Sport nevertheless ensures that its suppliers follow an exhaustive list of criteria, provided in its general terms of sale, such as compliance with the environmental constraints of the country to which the product's manufacture is outsourced.

> WASTE COLLECTION

— *Casino*

To encourage the recycling of used products, the Casino Group implements initiatives to raise awareness among consumers of sorting waste and has installed collection points in its stores.

— *Groupe GO Sport*

Groupe GO Sport is a member of organizations in charge of preventing environmental risk. This policy covers the financial means devoted to preventing environmental risks and pollution and encourages all efforts to recycle waste, packaging and end-of-life products.

ENVIRONMENTAL FIGURES

The main environmental indicators of Rallye subsidiaries are presented below. Detailed information can be viewed in the corporate social responsibility report of Casino.

The environmental data provided by Casino does not include activities in Mayotte, Maurice and Madagascar (0.3% of the group's sales in 2014).

2014 environmental indicators	Units	Casino Group	Groupe GO Sport (2)
Reduction of greenhouse gas emissions (GHG)			
GHG Scope 1 = direct emissions related to combustion (gas and fuel) and to refrigerant fluid refills	CO_2 Eq. ton	1,430,000	913
GHG Scope 2 = indirect emissions related to energy consumed (electricity, steam, heat, cold)	CO_2 Eq. ton	870,000	3,790
Sustainable use of resources - Energy consumption			
Electricity	MWh	4,603,475	40,011
Gas	MWh	193,543	4,591
Water	m^3	15,204,613 (1)	20,278

(1) Consumption for a group of entities representing 91% of Group sales in 2014.
(2) France scope.

SOCIETAL RESPONSIBILITY

Beyond strictly environmental measures, the Group's policy has a societal dimension which is expressed through major themes aimed at encouraging responsible consumption.

COMMITTED LOCAL PLAYER: LOCAL ROOTS OF ACTIVITIES

— *Casino*

As a highly-involved local stakeholder in the local life of the territories (city-center, suburbs and rural areas), the Casino Group contributes to local economic development, regional solidarity and efforts to fight poverty and marginalization. It encourages its stores, through the CSR progress initiative, to strengthen solidarity partnerships with leading public charities especially with food bank networks, to develop local solidarity measures in stores and support the actions of its Foundations.

The Casino Group supports local production industries by mostly sourcing from small producers or from SMIs/SMEs in the countries in which it operates. It helps local suppliers improve the professional level of their production circuits and logistics, their manufacturing standards and even their administrative management to allow them to enhance their economic development beyond their commercial relationship with the Group.

— *Groupe GO Sport*

Groupe GO Sport is committed to promoting employment and regional development in the areas where its stores are located. Consequently, at the opening of a store, Groupe GO Sport contributes to the creation of new jobs in the local region concerned.

RELATIONS WITH SUPPLIERS: TRUSTED PARTNER

> STRENGTHEN THE ETHICAL SOCIAL APPROACH

— *Casino*

Since 2002, the Casino Group has implemented a social ethical approach with its own brand suppliers aimed at controlling and helping to improve the social conditions in which the own-brand products sold by the Group are manufactured. This approach is coordinated by the Casino Group's CSR Department.

To better evaluate the recognition of human rights in its activities, the Casino Group decided to join the EDH (Business for human rights) association with the aim of identifying the specific risks linked to its activities and exchange with other international Groups. The Casino Group supported and helped to prepare a training module on the theme of human rights in the Company and the development of a book on measuring the risks linked to human rights ("*Guide d'évaluation des risques liés aux droits de l'homme*"). In 2014, it supported the development of an e-learning module which will be distributed to managers.

— *Groupe GO Sport*

Groupe GO Sport asked all its own brand suppliers to sign its General Terms of Purchase which contain, in particular, its environmental responsibility requirements.

> ENCOURAGING THE CSR INITIATIVES OF SMES

Since its inception and by nature, the Casino Group has a close relationship with its suppliers (SMEs/SMIs, farmers, cooperatives). The Group's Quality department in collaboration with the Purchasing and Marketing departments have launched several CSR initiatives to assist suppliers in order to strengthen the recognition of CSR and in particular environmental impacts by local SMEs.

RESPONSIBILITY FOR PRODUCTS/CUSTOMER RELATIONS

— *Casino*

The Casino Group's aim, which is reflected in its corporate slogan "Nourishing a World of Diversity" is to offer high-quality products to the greatest number of people possible while enabling its customers to consume in a more responsible manner. Diet, which is at the heart of health and social issues, is a major concern for the Casino Group, which is developing a products policy that reconciles safety, nutritional balance, health, pleasure and respect for the environment.

TAKING ACTION FOR CONSUMERS' HEALTH

> SAFE AND GOOD QUALITY PRODUCTS

— *Casino*

Regardless of the type of own brand product range, the quality and safety of products are an absolute priority for the Casino Group. A comprehensive system guarantees the sale of safe, healthy and quality products from the drawing up of specifications through to store operations. The Group Quality Department coordinates regular exchanges with the Quality departments of the different entities which are individually responsible for guaranteeing the quality standards of own-brand products and ensuring consumer safety for all products sold. These exchanges, which mainly concern best practices and procedures (product quality and safety policy, tracking procedure, supplier audits, crisis management, products withdrawal and recalls, etc.), have allowed the introduction of a Group Quality Charter communicated to all entities in 2012.

> IMPROVING THE NUTRITIONAL BALANCE OF PRODUCTS

— *Casino*

The Casino Group pioneered the distributor brand concept by launching in 1901 Casino branded products. The Group has developed since 2005 numerous measures to improve the nutritional balance of Casino products, one of the Group's leading own brands. The Group's subsidiaries rely on the know-how of the Casino brand to develop their own brands.

The Group created a Health Committee in 2010. This Committee meets four times a year with the goal of analyzing data and scientific trends on the topic of health, consumer trends and expectations in this field. In France, it also assists the Group in implementing measures on own-brand products such as, for example, the development of a poultry range free of antibiotic treatment. Lastly, the Committee issues recommendations on various matters, such as on controversial ingredients (aspartame, endocrinal disruptors, palm oil, bisphenol, pesticides, etc.)

The Group's healthy diet initiative launched in 2005 was confirmed in 2008 with the signing of a charter on voluntary commitments to nutritional progress with the French Ministry of Health in connection with the National healthy diet plan (PNNS).

> INFORMING CONSUMERS ABOUT THE NUTRITIONAL PROFILE OF A PRODUCT

— *Casino*

The Casino Group supports the implementation of nutritional labels on own-brand products to better inform consumers. The Casino Group introduced a nutritional label which indicates the amount of calories, the quantity of proteins, carbohydrates, sugar, lipids, saturated fatty acids, fiber and sodium content in Casino products. In anticipation of new regulatory requirements applicable at the end of 2014, the Group's purchasing, marketing and quality teams worked together over a period of two years to rewrite label contents to ensure that the food products of French banners (Casino, Leader Price and Monoprix), in addition to the information previously given, clearly state in particular, the presence of allergens in the list of ingredients and the origin of the meat in ready-to-eat packaged meals.

> ENCOURAGING MORE ENVIRONMENTALLY-FRIENDLY CONSUMPTION HABITS

— *Casino*

To encourage its customers to make more environmentally-friendly consumer choices, the Casino Group has developed several initiatives to reduce the environmental impact of the products that it sells. These include optimizing and reducing the packaging used; developing product ranges in compliance with more environmentally-friendly reporting standards such as Organic Farming products; indicating the environmental footprint on the packaging of food products; communication campaigns encouraging consumers to return their used products to the store for recycling and more.

To raise the awareness of its customers and suppliers, the Casino Group rolls out information and awareness-raising campaigns in its stores primarily focused on responsible consumption, the recycling of used products (light bulbs, batteries, small electric appliances) and food wasting.

To encourage more responsible consumption and reduce household waste, the Casino Group is involved in an approach aimed at reducing the distribution of single-use plastic bags in stores.

In connection with the National Compact against Food Waste, introduced by the French Ministry of Agriculture and Food, which has been signed by the Group, Casino and Monoprix stores have unveiled awareness-raising measures aimed at their customers.

— *Groupe GO Sport*

All the products delivered by Groupe GO Sport are tested in labs to guarantee the absence of controversial substances. These tests are valid for each plant or production site and products sourced from sub-contractors who are subject to prior authorization from Groupe GO Sport. These checks were strengthened in 2014 with tests performed by external laboratories to check the veracity of information.

Groupe GO Sport requires its own brand product suppliers to pledge not to use banned or dangerous substances (prohibited colorings, pesticides, nickel, chromium, etc.) and to observe regulatory requirements concerning Electrical and Electronic Equipment (EEE).

At the request of Groupe GO Sport, each supplier is required to disclose information on the consequences of its company's activity on the environment.

OBSERVANCE AND CIRCULATION OF SUBSIDIARY VALUES WITHIN THEIR SPHERE OF INFLUENCE

> PREVENTING CORRUPTION

The Group supports the fight against corruption and is committed to enforcing current legislation. To do so, it has adopted procedures, raised awareness among its employees, and implemented control procedures.

As part of the day-to-day management of the Group, Rallye is involved in normal business relationships with all its subsidiaries. The absence of conflicts of interest is described in the Management Report on page 66 of this Registration Document.

— *Casino*

Casino Group signed the UN Global Compact in 2009 and drafted a Group Ethics Charter in 2011 with nine commitments. The Charter has been translated into four languages and was distributed to all the Group's Human Resources department and can be viewed on the Group's intranet. It repeats the Group's commitments to "shun all forms of corruption and business offences" (commitment 2) "implement loyal practices in its commercial relations and ensure fair treatment" (commitment 7). By signing the Global Compact in 2009, and through its Ethics Charter, the Casino Group wished to reaffirm its commitment in the fight against corruption and its consideration for human rights within its sphere of influence.

The Group's anti-corruption program falls under the responsibility of the Senior Management of each of its entities. The Group's Internal Control department, as part of its awareness-raising measures with all of the Group's Business Units, is ready to assist senior management in defining their action plans to fight corruption.

— *Groupe GO Sport*

In order to avoid any risk of corruption, Groupe GO Sport ensures strict adherence to the rules defined, enabling the smooth implementation of the processes essential to its business. To this end, internal and external audits are regularly conducted concerning in particular the division of labor in the different functions, the double checking of financial inflows and outflows, systematic reconciliations of the Group's accounts with those of its partners (banks, customers, suppliers), stock management through regular inventories. Each half-year, the Internal Audit department submits to the Audit Committee, a report on its activities (numbers of checks made, stores concerned, anomalies observed) and proposes action plans on the points raised.

> RESPECTING HUMAN RIGHTS AND THE FUNDAMENTAL PRINCIPLES OF THE ILO

— *Casino*

The "CSR Spirit" program is a key element of the Casino Group's CSR policy and was designed to be perfectly consistent with the commitments of the Group's Ethics Charter communicated to all entities in 2011 which recalls its commitment to the values set out in the Universal Declaration of Human Rights and the Declaration of the International Labor Organization (ILO) regarding fundamental principles and rights at work. Through the nine commitments of the Ethics Charter, Casino Group undertakes in particular to comply with national and international laws, principles, standards and regulations; to implement loyal practices in its commercial relations; to foster the development of quality social relations built on respect for employee representative bodies and constructive social dialogue; to promote equal opportunity in access to employment, training and career growth; to consider the diversity of expectations, needs and lifestyles of the stakeholders with which the Group liaises.

Through this Ethics Charter and by signing the UN Global compact, the Group sought to reaffirm its desire to respect and promote human rights throughout all of its international subsidiaries and with its suppliers, and to help eliminate all forms of forced or compulsory labor, as well as the abolition of child labor within its sphere of influence.

— *Groupe GO Sport*

The recommendations of the International Labor Organization summarized in standard SA 8000 are the basis on which Groupe GO Sport interacts with its suppliers in its CSR procedure. These rules are specified in the General Terms of Purchase that each supplier is required to sign, with the commitment that its own subcontractors will respect it as well.

REPORT OF INDEPENDENT THIRD-PARTY AGENCIES

on the corporate social responsibility information published in the management report

–

Year ended December 31, 2014

To the Shareholders,

In our role as independent third party accredited by COFRAC [1] under number 3-1050 and member of the network of one of Rallye's statutory auditors, we hereby present to you our report on the consolidated corporate social responsibility information of Rallye, presented in the management report, hereafter the "CSR Information", prepared for the fiscal year ended on December 31, 2014, as required by Article L. 225-102-1 of the French Commercial Code.

RESPONSIBILITY OF THE COMPANY

The Board of Directors is responsible for preparing a management report comprising the CSR Information required by Article R. 225-105-1 of the French Commercial Code, in accordance with the reporting standards used by the Company and its subsidiaries Casino Group and Groupe GO Sport (hereafter the "Reporting Standards") which is summarized in the chapter "Scope" of this management report and in that of its two subsidiaries.

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by regulatory texts, the French Code of Ethics for auditors, and in the provisions set out in Article L. 822-11 of the French Commercial Code. We have also implemented a quality control system which includes written policies and procedures aimed at ensuring compliance with the professional rules of conduct, professional standards, and the relevant legal and regulatory texts.

RESPONSIBILITY OF THE INDEPENDENT THIRD PARTY

It is our responsibility, on the basis of our work:

- to certify that the required CSR Information is presented in the management report and is subject, in the case of omission, to an explanation in accordance with paragraph three of Article R. 225-105 of the French Commercial Code (Certificate of CSR Information);
- to express a conclusion of limited assurance that the presentation of the CSR Information, as a whole, is true and fair in all material respects and compliant with the Reporting Standards used (Reasoned opinion on the fairness of the CSR Information).

Our task was carried out by a team of three people between February 2015 and March 2015 for a total period of approximately four weeks.

We performed the tasks below in compliance with the professional standards applicable in France, with the May 13, 2013 ruling determining the conditions under which independent third parties carry out their engagements and with the international standard ISAE 3000 [2].

I. CERTIFICATE OF INCORPORATION OF CSR INFORMATION

We reviewed, based on interviews with the heads of the relevant departments, the presentation of sustainable development guidelines, according to the social and environmental consequences linked to the Company's activities and its social commitments and if any, the resulting initiatives or programs;

We compared the CSR Information presented in the management report with the list specified in Article R. 225-105-1 of the French Commercial Code;

In the case of the omission of certain consolidated information, we checked that explanations had been provided as required by paragraph 3 of Article R. 225-105 of the French Commercial Code;

We checked that the CSR Information covered the consolidated scope, i.e., the Company and its subsidiaries within the meaning of Article L. 233-1 of the French Commercial Code and the companies which it controls within the meaning of Article L. 233-3 of the French Commercial Code.

Based on this work, we certify that the required CSR Information has been incorporated into the management report.

(1) Scope available on www.cofrac.fr.
(2) ISAE 3000 – *Assurance engagements other than audits or reviews of historical information*

2. REASONED OPINION ON THE FAIRNESS OF THE CSR INFORMATION

NATURE AND SCOPE OF THE WORK

We conducted two interviews with the persons responsible for preparing the CSR Information, the persons responsible for the information collection process and where applicable, the persons responsible for internal control and risk management procedures, in order to:

- assess the appropriate nature of the Reporting Standards in terms of their relevance, completeness, reliability, neutrality and clarity, by taking into consideration the sector's best practices, if any;
- verify the implementation of a collection, compilation, processing and control procedure aimed at the completeness and consistency of the CSR Information and reviewing the internal control and risk management control procedures relating to the preparation of the CSR Information.

We established the nature and extent of our tests and controls according to the nature and importance of the CSR Information with respect to the Company's characteristics, the social and environmental challenges related to its activities, its sustainable development guidelines and sector best practices.

For the CSR information that we considered the most important [(3)]:

- at the consolidating entity level, we reviewed the documentary sources and conducted interviews to confirm the qualitative information (organization, policies, actions, etc.), we implemented analytical procedures on the quantitative information and verified, based on spot checks, the calculations as well as the consolidation of data and we verified their consistency and correspondence with the other information provided in the management report;
- at the level of a representative sample of entities which we selected [(4)] according to their activity, their contribution to consolidated indicators, their geographical presence, and risk analysis, we conducted interviews to verify the correct application of procedures and implemented detailed tests on the basis of sampling, in order to check the calculations made and compare the data from the supporting documents. The sample thus selected represents on average 31% of the employees and 38% of environmental quantitative information.

For the other consolidated CSR Information, we assessed its consistency based on our knowledge of the Company.

Finally, where applicable, we assessed the relevance of the explanations with respect to the total or partial absence of certain information.

We consider that in the light of the sampling methods and sample sizes that we chose based on our professional judgment, we can express a conclusion of limited assurance, since a higher level of assurance would have required more extensive verifications. Due to the use of sampling techniques, as well as to limits inherent in the operation of any information and internal control system, the risk of non-detection of a material misstatement in the CSR Information cannot be entirely ruled out.

CONCLUSION

Based on our work, we did not find any material misstatements likely to call into question the fact that the CSR Information taken as a whole is a true and fair presentation, in accordance with the Reporting Standards.

Paris-La Défense, March 18, 2015

The Independent Third Party

ERNST & YOUNG et Associés

Eric Mugnier
Sustainable Development Partner

Bruno Perrin
Partner

(3) Environmental and Societal Information: the general policy for the environment (the organization, training actions and employee information), pollution and waste management (recovered tonnage, prevention measures, waste recycling and disposal), the sustainable use of resources and climate change (energy use, measures taken to improve energy efficiency, GHG emissions), water consumption and procurement based on local constraints, measures taken to improve the efficient use of raw materials, territorial, economic and social impact, relations with stake-holders (conditions for dialogue, partnership initiatives or corporate sponsorship, measures taken to promote consumer health and safety).

Social information: employment (total workforce and breakdown), absences, health and safety conditions at work, workplace accidents (especially frequency and seriousness), training policies, the total number of training hours.

(4) Casino Group and Groupe GO Sport.

CORPORATE GOVERNANCE

Board of Directors

STRUCTURE AND OPERATION OF THE BOARD OF DIRECTORS

On February 16, 2015, the date on which the accounts for the year 2014 were approved, the Board of Directors consisted of ten Directors:

- Jean-Charles NAOURI, Chairman of the Board of Directors;
- Philippe CHARRIER [1];
- Jean CHODRON de COURCEL [1];
- Jacques DUMAS;
- Catherine FULCONIS [1];
- Jean-Marie GRISARD, representing Finatis;
- Didier LEVEQUE, representing Foncière Euris;
- Odile MURACCIOLE, representing Saris;
- Gabriel NAOURI, representing Euris;
- Christian PAILLOT [1];

- André CRESTEY, non-voting observer.

Executive management duties are performed by:

- Didier CARLIER, Chief Executive Officer;
- Franck HATTAB, Deputy Managing Director.

The term of office of all Directors expires at the General Shareholders' Meeting of May 19, 2015.

Thus, as part of the duties assigned to it, the Appointments and Compensations Committee proceeded to the annual review of the members of the Board of Directors in light of corporate governance criteria, and with particular regard to the representation of independent members and women on the Board of Directors.

Accordingly, it examined the situation of each of the Directors with respect to any relationship they may potentially have with the Group's companies likely to compromise their freedom of judgment or to lead to conflicts of interest and made an assessment on the basis of criteria proposed to this end by the AFEP and MEDEF codes of corporate governance; it concluded that four Directors qualify as independent Directors.

The Board of Directors, on the recommendation of the Appointments and Compensation Committee decided to propose to the General Shareholders' Meeting, the appointment of Sophie GUIEYSSE as independent Director and the reappointment of all the Directors.

Accordingly, at the end of the General Shareholders' Meeting of May 19, 2015, the Board would have 11 members including, with respect to the recommendations of the AFEP and MEDEF corporate governance code, five independent Directors: Catherine FULCONIS, Sophie GUIEYSSE, Philippe CHARRIER, Jean CHODRON de COURCEL and Christian PAILLOT.

The remaining members of Rallye's Board of Directors are either officers or executives of the Company or its parent companies.

The representation of independent Directors would accordingly increase to more than 45% and that of women to more than 27%.

The Board of Directors decided to propose to the General Shareholders' Meeting, the reappointment of André CRESTEY as non-voting observer.

The rules and modes of operation of the Board of Directors are as established by law, company by-laws and the Board's internal rules of procedure. They are described in detail below, in the Chairman's Report.

Directors are appointed for one year.

The Board of Directors is not affected by Articles L. 225-23, L. 225-27 and the new Article L. 225-27-1 of the French commercial code and accordingly does not include directors representing employees or salaried Directors.

(1) Independent Directors.

OFFICES AND POSITIONS HELD BY THE MEMBERS OF THE BOARD OF DIRECTORS

Information about the operation of the Board of Directors is given in the Chairman's Report on the organization of the Board and the internal control procedures, on pages 69 to 78 of this Registration Document.

I. DIRECTORS WHOSE REAPPOINTMENT IS BEING PROPOSED AT THE GENERAL SHAREHOLDERS' MEETING

> JEAN-CHARLES NAOURI

Date of birth: March 8, 1949, age 66.

Professional address: 83, rue du Faubourg Saint-Honoré - 75008 Paris

— *Biography*

A graduate of École Normale Supérieure (Sciences), Harvard University, and École Nationale d'Administration, Jean-Charles NAOURI, Inspecteur des Finances, began his career with the Department of the Treasury. He was appointed Principal Private Secretary to the Minister of Social Affairs and National Solidarity in 1982, and later to the Minister of the Economy, Finance, and the Budget in 1984. In 1987, he founded Euris, which became the controlling shareholder of Rallye in 1991 then of Casino in 1998. Jean-Charles NAOURI has been Chairman and Chief Executive Officer of Casino since March 2005.

— *Principal executive positions*

Chairman and Chief Executive Officer of Casino Guichard-Perrachon (a listed company);

Chairman of Euris.

— *Offices and positions held at the Company*

Office/Position	First appointment date	End of office
Director	October 25, 1993	GSM of May 19, 2015
Chairman of the Board of Directors	April 2, 1998	GSM of May 19, 2015

— *Other offices and positions held in 2014 and continuing as of February 16, 2015*

Within the Rallye/Euris Group

- Chairman of the Board of Directors of Cnova N.V. (listed company – Netherlands);
- Chairman of the Board of Directors of Wilkes Participaçoes (Brazil) and Companhia Brasileira de Distribuição (CBD) (listed company - Brazil);
- Chairman/Chief Executive Officer of Casino Finance;
- Vice-President of the Casino Corporate Foundation;
- President of the Euris Foundation.

Outside the Rallye/Euris Group

- Director of Fimalac (listed company);
- Member of the Consultative Committee of Banque de France;
- President of the association "*Promotion des talents*";
- Honorary President and Director of Institut de l'École Normale Supérieure.

— *Other offices and positions held in the past five years (not including the offices and positions listed above)*

Within the Rallye/Euris Group

- Chairman and CEO, then Chairman of the Board of Directors, then Chairman of the Supervisory Board and member of the Supervisory Board of Monoprix;
- Chief Executive Officer of Rallye (listed company);
- Chairman of the Board of Directors of Finatis (listed company);
- Manager of Penthièvre Seine and Penthièvre Neuilly;
- Chairman of the Board of Directors of the Casino Corporate Foundation;
- Vice-President of the Euris Foundation.

Outside the Rallye/Euris Group

- Director of Natixis (listed company)

Number of Rallye shares held: 369.

> PHILIPPE CHARRIER

Date of birth: August 2, 1954, age 60.

Professional address: 60-62 rue d'Hauteville – 75010 Paris

— *Biography*

Philippe CHARRIER graduated from the Ecole des Hautes Etudes Commerciales and holds a diploma in accounting (DECS). He joined the Financial department of the Procter & Gamble Group in 1978, where he spent the majority of his career as Financial Director for France, Marketing Director for France, CEO for Morocco, and went on to serve as Chairman and Chief Executive Officer for France until 2006. From 2006 to 2010, he was Vice-Chairman and Chief Executive Officer of Oenobiol. In January 2011, he was appointed Chairman of Labco, and became CEO of the same entity in January 2012.

— *Principal executive position*

Chief Executive Officer of Labco.

— *Offices and positions held at the Company*

Office/Position	First appointment date	End of office
Director	June 3, 2009	GSM of May 19, 2015

— *Other offices and positions held in 2014 and continuing as of February 16, 2015*

Outside the Rallye Group

- Director of Labco;
- Director of Istituto Baluardo SPA, Baluardo Servizi Sanitari SRL, Labco diagnostics Ltd;
- Chairman of the Board of Directors of iPP Ltd;
- Chairman of the Board of Directors of Dental Emco;
- Chairman of the Board of Directors of Alphident;
- Director of Lafarge (listed company);
- Founding member of the business club "Entreprise et handicap";
- Vice Chairman UNAFAM;
- Founder and Chairman of Clubhouse France.

— *Other offices and positions held in the past five years (not including the offices and positions listed above)*

- Chairman of the Supervisory Board of the Spotless Group;
- Vice-president, Chief Executive Officer of Laboratoires Oenobiol;
- Chairman of Entreprise et Progrès;
- Director of Fondation Nestlé pour la Nutrition.

Number of Rallye shares held: 1,252.

> JEAN CHODRON DE COURCEL

Date of birth: May 14, 1955, age 60.

— *Biography*

Jean CHODRON de COURCEL is a graduate of HEC School of Management and an alumnus of ENA, the French National School of Public Administration. After having held various positions within the government administration and on ministerial staffs, Jean CHODRON de COURCEL joined the Executive Management of Schneider group in 1990, where he served as Chief Financial Officer from 1991 to 1995, then in 1997, he joined the executive management team of the Credit Agricole Indosuez group. From 1995 to 1997, he was Deputy Private Secretary to Prime Minister Alain Juppé. He was Deputy Managing Director of the Penauille Polyservices SA group. From 2008 to 2012, he held the positions of senior advisor, then that of Vice Chairman-Europe with Canaccord Genuity Hawkpoint. He has been the Manager of Semper Consulting since 2013.

— *Principal executive position*

Manager of Semper Consulting.

— *Offices and positions held at the Company*

Office/Position	First appointment date	End of office
Director	June 9, 2004	GSM of May 19, 2015

— *Other offices and positions held in 2014 and continuing as of February 16, 2015*

Outside the Rallye Group

- Manager of Semper Consulting.

— *Other offices and positions held in the past five years (not including the offices and positions listed above)*

Outside the Rallye Group

- Senior advisor of Canaccord Genuitey Hawkpoint;
- Vice Chairman-Europe of Canaccord Genuity Hawkpoint.

Number of Rallye shares held: 376.

> JACQUES DUMAS

Date of birth: May 15, 1952, age 63.

Professional address: 83, rue du Faubourg Saint-Honoré - 75008 Paris

— *Biography*

Jacques DUMAS, who has a Master's Degree in Law, and is an alumnus of the Institut d'Études Politiques de Lyon, began his career as a legal expert, and then became Administrative Director at the Compagnie Française de l'Afrique Occidentale - CFAO (from 1978 to 1986). In 1987, he was appointed Deputy Company Secretary of the Rallye group, then Director of Legal Affairs at the Euris group (1994). He is currently Deputy Managing Director at Euris, and Advisor to the Chairman of Casino, Guichard-Perrachon.

— *Principal executive positions*

Deputy Managing Director of Euris;

Advisor to the Chairman of Casino, Guichard-Perrachon (listed company).

— *Offices and positions held at the Company*

Office/Position	First appointment date	End of office
Director	July 19, 1990	GSM of May 19, 2015

— *Offices held in 2014 and continuing as of February 16, 2015*

Within the Rallye/Euris Group	Outside the Rallye/Euris Group
• Chairman of GreenYellow; • Member of the Supervisory Board of Monoprix; • Permanent representative of Euris, Director of Finatis (listed company).	• Manager of SCI Cognac-Parmentier and Longchamp-Thiers; • Director of Mercialys (listed company).

— *Other offices and positions held in the past five years (not including the offices and positions listed above)*

Within the Rallye/Euris Group

- Chairman and member of the Supervisory Board of Leader Price Holding;
- Chairman and member of the Supervisory Board of Franprix Holding;
- Chairman and member of the Supervisory Board of Monoprix;
- Permanent representative of Casino, Guichard-Perrachon on the Board of Directors of Monoprix;
- Permanent representative of Casino, Guichard-Perrachon on the Supervisory Board of Monoprix;
- Permanent representative of Distribution Casino France on the Board of Directors of Distribution Franprix;
- Permanent representative of Matignon Diderot on the Board of Directors of Finatis (listed company);
- Permanent representative of Messidor SNC on the Board of Directors of Cdiscount;
- Permanent representative of Retail Leader Price Investissement (R.L.P.I.) on the Board of Directors of Clignancourt Discount;
- Permanent representative of Germinal SNC, President of Théïadis;
- Director of the Casino Corporate Foundation.

Number of Rallye shares held: 14,538.

> CATHERINE FULCONIS

Date of birth: September 1, 1961, age 53.

Professional address: 12-16, rue Auger – 93500 Pantin

— *Biography*

Catherine FULCONIS is a graduate of HEC School of Management. She started her career within the l'Oréal Group in 1985, in the Luxury Products division. She held various positions in the international department over the years: Director of Marketing for Lancôme Care and Makeup from 1994 to 1998, Managing Director Parfums Lanvin and Paloma Picasso from 1998 to 2000, Managing Director Europe for Kiehl's and Shu Uemura from 2000 to 2003, Managing Director for the Strategic Development of the Luxury Products division from 2003 to 2005, Managing Director of Helena Rubinstein from 2005 to 2006.

Catherine FULCONIS joined Hermès in 2006, as Managing Director and Chair of the Executive Board of Hermès Parfums. She was then Chair and Chief Executive of Hermès Parfums from 2010 to 2014. Since March 2, 2015, she acts as Chief Executive Officer of Hermès Maroquinerie-Sellerie and Chairman of the Executive Board of Hermès Parfums.

— *Principal executive position*

Chief Executive Officer of Hermès Maroquinerie-Sellerie.

— *Offices and positions held at the Company*

Office/Position	First appointment date	End of office
Director	May 13, 2014	GSM of May 19, 2015

— *Other offices and positions held in 2014 and continuing as of February 16, 2015*

Outside the Rallye Group

- Director of the CEW association (Cosmetic Executive Women).

— *Other offices and positions held in the past five years (not including the offices and positions listed above)*

Outside the Rallye Group

- Chair of the Executive Board of Hermès Parfums.

Number of Rallye shares held: 150.

> CHRISTIAN PAILLOT

Date of birth: September 9, 1947, age 67.

— *Biography*

Christian PAILLOT has spent most of his career in manufacturing and distributing photographic, video, and hi-fi equipment. He built and developed the businesses in France of Akai, Konica and Samsung. Between 2010 and 2012 he was Vice President of the French Horseback Riding Federation, and until 2014, Member of the International Equestrian Federation and Vice President of the European Equestrian Federation. He is currently Chairman of PAILLOT Equine Consulting Inc and Martina LLC and Celina LLC.

— *Principal executive position*

Chairman of Paillot Equine Consulting Inc and Martina LLC and Celina LLC.

— *Offices and positions held at the Company*

Office/Position	First appointment date	End of office
Director	April 15, 2004	GSM of May 19, 2015

— *Other offices and positions held in 2014 and continuing as of February 16, 2015*

Outside the Rallye Group

- Chairman of Paillot Equine Consulting Inc and Martina LLC and Celina LLC;
- Manager of SCI Parim.

— *Other offices and positions held in the past five years (not including the offices and positions listed above)*

Outside the Rallye Group

- Manager of Ecurie du Haras de Plaisance;
- Vice-Chairman of the French Federation for Equestrian Sports;
- Member of the Fédération Equestre Internationale;
- Vice-president of the European Equestrian Foundation.

Number of Rallye shares held: 1,055.

> FINATIS

French stock corporation (SA) with share capital of €84,852,900

Registered office: 83, rue du Faubourg Saint-Honoré - 75008 Paris

No. 712,039,163 in the Paris Companies and Trade Register

— *Offices and positions held at the Company*

Office/Position	First appointment date	End of office
Director	June 2, 1998	GSM of May 19, 2015

— *Other offices and positions held in 2014 and continuing as of February 16, 2015*

Within the Rallye/Euris Group

- Director of Carpinienne de Participations, Foncière Euris and Casino, Guichard-Perrachon (listed companies).

— *Other offices and positions held in the past five years (not including the offices and positions listed above)*

None

Number of Rallye shares held: 295.

> PERMANENT REPRESENTATIVE: JEAN-MARIE GRISARD, APPOINTED ON JUNE 2, 1998

Date of birth: May 1, 1943, age 72.

Professional address: 83, rue du Faubourg Saint-Honoré - 75008 Paris

— *Biography*

A graduate of HEC School of Management, Jean-Marie GRISARD began his career with the mining group Penarroya-Le-Nickel-Imétal, where he held various positions in Paris and London. In 1982, he was appointed Financial Director of Francarep, which became Paris-Orléans. In 1988, he joined Euris as Company Secretary until 2008.

— *Principal executive position*

Advisor to the Chairman of Casino Guichard-Perrachon (listed company).

— *Other offices and positions held in 2014 and continuing as of February 16, 2015*

Within the Rallye/Euris Group	Outside the Rallye/Euris Group
• Director of Carpinienne de Participations (listed company); • Director of the Euris Foundation.	• Manager of Fregatinvest; • Member of the Executive Committee and Deputy Treasurer of the association “Promotion des Talents”.

— *Other offices and positions held in the past five years (not including the offices and positions listed above)*

Within the Rallye/Euris Group

- Permanent representative of Matignon Diderot on the Board of Directors of Casino, Guichard-Perrachon (listed company);
- Director of Finatis (listed company), Park Street Investments International Ltd. Euris North America Corporation - (ENAC), Euris Real Estate Corporation - (EREC), Euristates Inc and Euris Limited;
- Treasurer of the Euris Foundation.

Number of Rallye shares held: 4,231.

> FONCIÈRE EURIS

French stock corporation (SA) with share capital of €149,578,110.

Registered office: 83, rue du Faubourg Saint-Honoré - 75008 Paris

No. 702,023,508 in the Paris Companies and Trade Register

— *Offices and positions held at the Company*

Office/Position	First appointment date	End of office
Director	October 25, 1993	GSM of May 19, 2015

— *Other offices and positions held in 2014 and continuing as of February 16, 2015*

Within the Rallye/Euris Group

- Chairman of Matignon Abbeville, Marigny Foncière and Mat-bel 2;
- Director of Casino, Guichard-Perrachon (listed company).

— *Other offices and positions held in the past five years (not including the offices and positions listed above)*

Within the Rallye/Euris Group

- Chairman of Marigny Expansion, Marigny Elysées, Matignon Bail, Matigon Corbeil Centre and Matignon Belfort;
- Co-manager of SNC Alta Marigny Carré de Soie;
- Manager of SCI Sofaret and SCI Les Herbiers.

Number of Rallye shares held: 26,996,291.

> PERMANENT REPRESENTATIVE: DIDIER LEVEQUE APPOINTED ON JUNE 4, 2008

Date of birth: December 20, 1961, age 53.

Professional address: 83, rue du Faubourg Saint-Honoré - 75008 Paris

— *Biography*

Didier LEVEQUE is a graduate of HEC School of Management. From 1985 to 1989, he served as Research Analyst at the Financial department of the Roussel-UCLAF Group. He joined Euris in 1989 as Deputy Company Secretary. He was appointed Company Secretary in 2008.

— *Principal executive positions*

- Company Secretary of Euris;
- Chairman and Chief Executive Officer of Finatis (listed company).

— *Other offices and positions held in 2014 and continuing as of February 16, 2015*

Within the Rallye/Euris Group	Outside the Rallye/Euris Group
• Chairman and CEO of Carpinienne de Participations (listed company) and Euris North America Corporation (ENAC), Euristates Inc., Euris Real Estate Corporation (EREC), and Parande Brooklyn Corp. (United States); • Chairman of Par-Bel 2 and Matignon Diderot; • Director of Euris Limited (UK) and Cnova (Netherlands-listed company); • Member of the Supervisory Board of Centrum Baltica, Centrum Development, Centrum Krakow, Centrum Poznan, Centrum Warta and Centrum Weiterstadt (Luxembourg); • Permanent representative of Finatis, Director of Foncière Euris (listed company); • Permanent representative of Foncière Euris on the Board of Directors of Casino, Guichard-Perrachon (listed company); • Representative of Matignon Diderot, manager of SCI Penthièvre Neuilly; • Co-manager of Silberhorn (Luxembourg); • Director and Treasurer of the Euris Foundation.	• Manager of EMC Avenir 2 SARL.

— *Other offices and positions held in the past five years (not including the offices and positions listed above)*

Within the Rallye/Euris Group

- Chairman of Matimmob 1;
- Director of Park Street Investments International Ltd;
- Member of the Supervisory Board of Centrum Leto;
- Permanent representative of Matignon Diderot, Director of Finatis and Rallye (listed companies);
- Permanent representative of Omnium de Commerce et de Participations, Director of Casino, Guichard-Perrachon (listed company);
- Permanent representative of Matignon Corbeil Centre, Director of Rallye (listed company).

Number of Rallye shares held: 68,912.

> EURIS

French simplified stock corporation (SAS) with share capital of €164,806

Registered office: 83, rue du Faubourg Saint-Honoré - 75008 Paris

No. 348,847,062 in the Paris Companies and Trade Register

— *Offices and positions held at the Company*

Office/Position	First appointment date	End of office
Director	June 8, 2005	GSM of May 19, 2015

— *Other offices and positions held in 2014 and continuing as of February 16, 2015*

Within the Rallye/Euris Group

- Director of Finatis, Foncière Euris and Casino, Guichard-Perrachon (listed companies).

— *Other offices and positions held in the past five years (not including the offices and positions listed above)*

None.

Number of Rallye shares held: 355.

> PERMANENT REPRESENTATIVE: GABRIEL NAOURI, APPOINTED ON MARCH 10, 2011

Date of birth: July 6, 1981, age 33.

Professional address: 148, rue de l'Université – 75007 Paris

— *Biography*

Gabriel NAOURI holds a Master's in Applied Mathematics from the University of Paris Dauphine. In 2004, he joined the M&A division of Rothschild & Cie in New York where he was involved in the sale of Swissport, world leader in airport services, then in 2006, he held a position at L'Oréal USA (New York) as marketing manager (in the consumer products division). In early 2007, he joined the Group, first at Rallye as a special assistant, then at Casino where he carried out various operating functions at stores, serving especially as hypermarket director. He served as Director of Hypermarket Operations for the Ile de France region, then Brand, Digital and Innovation Manager for Casino. In January 2014, he was appointed Deputy Director of International Coordination for the Casino Group. He is also an advisor at Euris since 2007.

— *Principal executive positions*

- Deputy Director of the International Coordination of the Casino Group;
- Advisor at Euris.

— *Other offices and positions held in 2014 and continuing as of February 16, 2015*

Within the Rallye/Euris Group

- Permanent representative of Casino Guichard-Perrachon, director of Banque du Groupe Casino;
- Director of Big C Thailand (listed company), Libertad (Argentina), Espace Big C Thang Long, Espace Big C Dong Nai, and Espace Big C Am Lac (Vietnam).

Outside the Rallye/Euris Group

- Manager of Financière GN;
- Manager of SNC Georges Pompidou;
- Director of TicTrac Limited (UK).

— *Other offices and positions held in the past five years (not including the offices and positions listed above)*

None.

Number of Rallye shares held: 350.

> SARIS

French Simplified Public Limited Company (SAS) with share capital of €2,100,000

Registered office: 83, rue du Faubourg Saint-Honoré - 75008 Paris

No. 344,212,063 in the Paris Companies and Trade Register

— *Offices and positions held at the Company*

Office/Position	First appointment date	End of office
Director	July 29, 2014	GSM of May 19, 2015

— *Other offices and positions held in 2014 and continuing as of February 16, 2015*

Within the Rallye/Euris Group

- Director of Carpinienne de Participations (listed company).

— *Other offices and positions held in the past five years (not including the offices and positions listed above)*

None.

Number of Rallye shares held: 333.

> PERMANENT REPRESENTATIVE: ODILE MURACCIOLE APPOINTED ON MAY 4, 2011

Date of birth: May 20, 1960, age 54.

Professional address: 83, rue du Faubourg Saint-Honoré - 75008 Paris

— *Biography*

After receiving her Advanced Studies Diploma in employment law, Odile MURACCIOLE began her career as head of the legal department at the Alty Group, an independent oil company. She joined Euris in 1990 as Director of Legal Affairs.

— *Principal executive position*

Legal Director of Euris.

— *Other offices and positions held in 2014 and continuing as of February 16, 2015*

Within the Rallye/Euris Group

- CEO of Parinvest, Pargest and Parande;
- President of Saris;
- Permanent representative of Finatis on the Board of Directors of Carpinienne de Participations (listed company);
- Permanent representative of Euris on the Board of Directors of Foncière Euris (listed company);
- Member of the Supervisory Board of Centrum Development and Centrum Krakow (Luxembourg);
- Director of the Euris Foundation.

— *Other offices and positions held in the past five years (not including the offices and positions listed above)*

Within the Rallye/Euris Group

- President of Eurisma;
- Permanent representative of Eurisma, Director of Rallye (listed company);
- Member of the Supervisory Board of Centrum Leto, Centrum Poznan and Centrum Weiterstadt and Centrum Warta.

Number of Rallye shares held: 28,783.

II. DIRECTOR WHOSE APPOINTMENT IS BEING PROPOSED AT THE GENERAL SHAREHOLDERS' MEETING

> SOPHIE GUIEYSSE

Date of birth: February 19, 1963, age 52.

Professional address: 1, Place du Spectacle - 92130 Issy-les-Moulineaux.

— Biography

Sophie GUIEYSSE is a graduate of Ecole Polytechnique, the Ecole Nationale des Ponts et Chaussées and the Collège des Ingénieurs. She began her career at the Ministry of Equipment where she held several business positions. From 1993 to 1995, she worked as technical adviser to the cabinet of Hervé de Charette, French Minister for Housing, then for Jean-Claude Gaudin, French Minister for Regional Development, Urban Planning and Integration (1995-1997). In 1997, she joined the LVMH Group as Development and Organization Manager, particularly in charge of human resources. In 2000, she became Human Resources Director for the LVMH Watches and Jewelry division (France and Switzerland) and in 200, Human Resources Director for Sephora. She was appointed Human Resources Director for the LVMH Group in 2002. Since 2005, she has been Human Resources Director for the Canal + Group.

— Principal executive position

Human resources Director for Canal+ Group.

— Other offices and positions held in 2014 and continuing as of February 16, 2015

Within the Rallye/Euris Group	Outside the Rallye/Euris Group
• Director of Groupe GO Sport until April 17, 2015.	• Director of the Company TVN Group (Polish company).

— Other offices and positions held in the past five years (not including the offices and positions listed above)

None.

III. NON-VOTING OBSERVER

Company by-laws allow for the appointment of one or several non-voting observers, chosen from among the shareholders. These are appointed for one year and participate in Board Meetings; in connection with this role, they share their observations and advice and take part in discussions in an advisory capacity. There may not be more than five such observers in total.

> ANDRÉ CRESTEY

Date of birth: February 22, 1939, age 76.

Professional address: 83, rue du Faubourg Saint-Honoré - 75008 Paris

— Biography

From 1977 to 1992, André CRESTEY was Chief Executive Officer of Euromarché. In 1992, he joined the Rallye Group where he successively held the positions of Chairman of the Executive Board, Chairman and CEO (1993), Vice Chairman and CEO from 1998 to 2001 and Vice-Chair from 2001 to 2013. Since 2013, he holds the position of non-voting observer for Rallye.

Office/Position	First appointment date	End of office
Non-voting observer	May 14, 2013	GSM of May 19, 2015

— Other offices and positions held in 2014 and continuing as of February 16, 2015

Within the Rallye/Euris Group	Outside the Rallye/Euris Group
• Director of Miramont Finance et Distribution and Groupe GO Sport.	• Director of FCD; • Director of Périfem.

— Other offices and positions held in the past five years (not including the offices and positions listed above)

Within the Rallye/Euris Group	Outside the Rallye/Euris Group
• Director and Vice-Chairman of Rallye (listed company).	• Chairman of Perifem; • Statutory president of the FCD.

Number of Rallye shares held: 27,511.

CHIEF EXECUTIVE OFFICER

> MONSIEUR DIDIER CARLIER

Date of birth: born January 5, 1952, age 63.

Professional address: 83, rue du Faubourg Saint-Honoré - 75008 Paris

— *Biography*

Didier CARLIER is a graduate of the École Supérieure de Commerce de Reims (Reims Management School) and a certified public accountant. He started his career in 1975 with Arthur Andersen (Audit department), rising to the position of Manager. He subsequently served as Company Secretary at Équipements Mécaniques Spécialisés and as Chief Administrative and Financial Officer at Hippopotamus. He joined the Rallye group in 1994, as Chief Administrative and Financial Officer, and was appointed Deputy Managing Director in 2002. Since February 28, 2013, he has been Chief Executive Officer of Rallye.

— *Principal executive position*

Chief Executive Officer of Rallye (listed company).

— *Other offices and positions held in 2014 and continuing as of February 16, 2015*

Within the Rallye/Euris Group	Outside the Rallye/Euris Group
• Chairman and CEO of Miramont Finance et Distribution and La Bruyère; • Chairman of Alpétrol, Cobivia, Genty Immobilier et Participations, L'Habitation Moderne de Boulogne, Les Magasins Jean, Matignon Sablons and Parande; • Chairman/Chief Executive Officer of MFD Inc; USA; • Representative of Parande, Chairman of Pargest and Parinvest; • Permanent representative of Euris on the Board of Directors of Casino, Guichard-Perrachon (listed company); • Permanent representative of Matignon Sablons, Director of Groupe GO Sport; • Manager of SCI Kergorju, Les Sables and Perrières.	• Manager of SC Dicaro.

— *Other offices and positions held in the past five years (not including the offices and positions listed above)*

Within the Rallye/Euris Group

- Chairman and Chief Executive Officer of Colisée Finance VI;
- Chairman of Kerrous, Marigny Percier, Colisée Finance III, Omnium de Commerce et de Participations, Colisée Finance IV and Colisée Finance V;
- Managing Director of Club Sport Diffusion (Belgium) and Limpart Investments BV (Netherlands);
- Representative of Parande, Chairman of Pargest Holding;
- Permanent representative of Foncière Euris, Director of Rallye (listed company);
- Chairman of the US companies Crapon LLC, King LLC, Lobo I LLC, Oregon LLC, Parker I LLC, Pointer I LLC, Sharper I LLC, and Summit I LLC;
- Permanent representative of Omnium de Commerce et de Participations, Director of Groupe GO Sport;
- Permanent representative of Matignon Diderot, Director of Rallye (listed company).

Number of Rallye shares held: 75,905.

DEPUTY MANAGING DIRECTOR

> FRANCK HATTAB

Date of birth: November 14, 1971, age 43.

Professional address: 83, rue du Faubourg Saint-Honoré - 75008 Paris

— *Biography*

Franck HATTAB graduated from EDHEC and started his career in 1994 as a Credit Analyst at the Société Générale. He later held the positions of Auditor at KPMG for three years before joining the finance department of Rallye in 1999 where he acts as the Chief Administrative and Financial officer. He has been Deputy Managing Director of Rallye since February 28, 2013.

— *Principal executive position*

Chief Financial Officer and Deputy Managing Director of Rallye (listed company).

— *Other offices and positions held in 2014 and continuing as of February 16, 2015*

Within the Rallye/Euris Group

- Permanent representative of Rallye (listed company) on the Board of Directors of Miramont Finance and Distribution;
- Permanent representative of Alpétrol, Director of Groupe GO Sport;
- Permanent representative of Matignon Sablons on the Board of Directors of La Bruyère.

— *Other offices and positions held in the past five years (not including the offices and positions listed above)*

Within the Rallye/Euris Group

- Permanent representative of Soparin on the Board of Directors of Colisée Finance II;
- Permanent representative of L'Habitation Moderne de Boulogne on the Board of Directors of Colisée Finance VI;
- Permanent representative of Kerrous on the Board of Directors of La Bruyère;
- Vice-Chairman of the US companies Crapon LLC, King LLC, Lobo I LLC, Oregon LLC, Parker I LLC, Pointer I LLC, Sharper I LLC, and Summit I LLC.

Number of Rallye shares held: 41,781.

No family ties exist among members of the Board of Directors with the exception of Jean-Charles NAOURI and Gabriel NAOURI.

To the Company's knowledge, none of the members of the Board of Directors, neither the Chief Executive Officer, nor the Deputy Managing Director, has, in the past five years, been found guilty of fraud or as an senior executive, associated with bankruptcy, receivership or liquidation (as understood under French insolvency laws). Furthermore, no judgment and/or official public sanction (understood as sentencing in economic and financial issues) has been handed down against them by any statutory or regulatory authority, and no court of law has prevented them from acting as members of an administrative, managing or supervisory body of a listed company, nor from taking part in the management or supervision of a listed company's affairs.

No loans or guarantees have been set up or granted by the Company to Members of the Board of Directors, who are individuals.

CORPORATE GOVERNANCE

Executive Management

CHAIRMANSHIP OF THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

The Board of Directors at its meeting of February 28, 2013 decided to separate the Chairmanship of the Board of Directors, a function still held by Jean-Charles NAOURI and Executive Management, now entrusted to Didier CARLIER, as Chief Executive Officer, assisted by Franck HATTAB, as Deputy Managing Director.

Pursuant to Article L. 225-56 of the French Commercial Code, executive management has the broadest powers to act under any circumstances in the Company's name. It exercises these powers within the limits of the Company's purpose of business and subject to the powers expressly attributed by law to the Shareholders' Meetings and to the Board of Directors. It represents the Company in its dealings with third parties.

However, the Board of Directors of February 28, 2013 wanted certain management operations to be submitted to the prior approval of the Board of Directors considering their nature or amount. These limitations are detailed in the Chairman's Report (cf. page 70).

The Chairman of the Board of Directors organizes and directs the Board of Directors' operations and reports thereon to the Shareholders' Meeting. He also ensures the smooth running of the Company's executive bodies.

COMPENSATION RECEIVED BY EXECUTIVES AND OTHER CORPORATE OFFICERS

The principles and rules decided on by the Board of Directors to determine compensation and benefits of any kind to be granted to corporate officers are provided in the Chairman's Report (page 73).

2014 COMPENSATION OF JEAN-CHARLES NAOURI AS CHAIRMAN OF THE BOARD OF DIRECTORS

1 | COMPENSATION PAID TO THE CHAIRMAN OF THE BOARD OF DIRECTORS BY RALLYE

(In €)	2013 fiscal year		2014 fiscal year	
	Amounts due (1)	Amounts paid (2)	Amounts due (1)	Amounts paid (2)
Fixed compensations	-	-	-	-
Annual variable compensation	-	-	-	-
Multi-annual variable compensation	-	-	-	-
Deferred variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Director's fees	10,000	10,000	8,800	8,800
Benefits in kind	-	-	-	-
TOTAL	**10,000**	**10,000**	**8,800**	**8,800**

(1) Compensation and directors' fees granted in respect of the fiscal year, irrespective of the payment date.
(2) Total amount of compensation and Directors' fees paid by the Company during the fiscal year.

2 | STOCK OPTIONS FOR NEW OR EXISTING SHARES AND BONUS SHARES GRANTED BY THE COMPANY AND/OR COMPANIES THAT IT CONTROLS, THAT CONTROL IT OR ARE CONTROLLED BY THE LATTER

Jean-Charles NAOURI has not been given any stock options or bonus shares in Rallye, the companies controlled by Rallye, or the companies that control Rallye, or the companies they in turn control.

3 | EMPLOYMENT CONTRACT, ADDITIONAL PENSIONS, SEVERANCE PAY AND NON-COMPETE CLAUSE: NONE

Employment contract		Top-hat pension plan		Allowances or benefits due or likely to be due as a result of termination or change of functions		Non-compete allowance	
Yes	No	Yes	No	Yes	No	Yes	No
	X		X		X		X

4 | SUMMARY TABLE OF COMPENSATION DUE BY THE COMPANY AND THE COMPANIES THAT IT CONTROLS OR THAT CONTROL IT OR ARE CONTROLLED BY THE LATTER

The table below shows the compensation, directors' fees and benefits in kind owed to the Chairman of the Board of Directors, for 2013 and 2014, by Rallye, by the companies that it controls or that control it or are controlled by the latter:

(In €)	2013 fiscal year		2014 fiscal year	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Compensation due for the fiscal year	1,537,812	1,022,500 (1)	1,499,800	2,015,112 (2)
Valuation of options granted during the fiscal year	No grant		No grant	
Valuation of bonus shares granted during the fiscal year	No grant		No grant	
TOTAL	**1,537,812**	**1,022,500**	**1,499,800**	**2,015,112**

(1) Compensation and/or Directors' fees paid in 2013 by Casino, Guichard-Perrachon (€492,500), Rallye (€10,000) and Euris (€520,000).
(2) Compensation and/or Directors' fees paid in 2014 by Casino, Guichard-Perrachon (€995,312 of which €515,312 for variable compensation in 2013 and €12,500 for Directors' fees), Rallye (€8,800) and Euris (€998,500).

2014 COMPENSATION OF DIDIER CARLIER AS CHIEF EXECUTIVE OFFICER

1 | COMPENSATION PAID TO THE CHIEF EXECUTIVE OFFICER BY RALLYE

In 2014, for his position as Chief Executive Officer and member of the Board of Directors until May 13, 2014, Didier CARLIER received the following compensation, Directors' fees and benefits in kind:

(In €)	2013 fiscal year		2014 fiscal year	
	Amounts due (3)	Amounts paid (4)	Amounts due (3)	Amounts paid (4)
Fixed compensation (1)	456,667	456,667	485,000	485,000
Annual variable compensation (2)	225,422	216,000	251,190	225,422
Multi-annual variable compensation	-	-	-	-
Deferred variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Director's fees	10,000	10,000	8,800	8,800
Benefits in kind	-	-	-	-
TOTAL	**692,089**	**682,667**	**744,990**	**719,222**

(1) Gross compensation before taxes and charges.
(2) The basis for the determination of 2014 variable compensation is detailed in the Chairman's Report on page 73.
(3) Compensation granted for the year irrespective of the payment date.
(4) Total compensation paid by the Company during the year, excluding, in 2013, the paid vacation gross compensating allowance of €54,153 paid for the suspension of the employment contract in Rallye upon his appointment as Chief Executive Officer.

Didier CARLIER received no remuneration from the controlled companies or the companies in control of Rallye, other than €15,125 in Director's fees.

On July 29, 2014, Didier CARLIER was granted a deferred and conditional bonus of a target amount of €208,000 which will be paid to him at the end of a period expiring on July 29, 2017 subject to his attendance and performance.

2 | STOCK OPTIONS FOR NEW OR EXISTING SHARES AND BONUS SHARES GRANTED BY THE COMPANY AND/OR COMPANIES THAT IT CONTROLS, THAT CONTROL IT OR ARE CONTROLLED BY THE LATTER

In 2014, no stock options for new or existing shares, or bonus shares were allocated to Didier CARLIER by Rallye, or by the companies that it controls or companies controlling it or the companies they in turn control.

3 | EMPLOYMENT CONTRACT, ADDITIONAL PENSIONS, SEVERANCE PAY AND NON-COMPETE CLAUSE:

Employment contract		Top-hat pension plan		Allowances or benefits due or likely to be due as a result of termination or change of functions as director, corporate officer		Non-compete allowance	
Yes	No	Yes	No	Yes	No	Yes	No
X (1)		X (2)			X		X

(1) Didier CARLIER's employment contract of May 4, 1994 was suspended on February 28, 2013 when he was appointed as Chief Executive Officer.
(2) Didier CARLIER is a member of the Group mandatory pension and complementary pension system set up inside the Group for all group employees. He also benefits from the defined-benefits top hat pension plan in force in the Company.

4 | SUMMARY TABLE OF COMPENSATION DUE BY THE COMPANY AND THE COMPANIES THAT IT CONTROLS OR THAT CONTROL IT OR ARE CONTROLLED BY THE LATTER

The table below shows the compensation, directors' fees and benefits in kind owed to the Chief Executive Officer, for 2013 and 2014, by Rallye, by the companies that it controls or that control it or are controlled by the latter:

(In €)	2013 fiscal year		2014 fiscal year	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Compensation due for the fiscal year	707,339	699,167 (1)	761,490	734,347 (2)
Valuation of options granted during the fiscal year	No grant		No grant	
Valuation of bonus shares granted during the fiscal year	No grant		No grant	
TOTAL	**707,339**	**699,167**	**761,490**	**734,347**

(1) Compensation and/or directors fees and/or benefits in kind paid by Casino, Guichard-Perrachon (€12,500), Rallye (€682,667, not included in the paid vacation gross compensating allowance of €54,153 paid for the suspension of the employment contract in Rallye upon his appointment as Chief Executive Officer) and Groupe GO Sport (€4,000).
(2) Compensation and/or Director's fees and/or benefits in kind paid by Casino, Guichard-Perrachon (€11,125), Rallye (€719,222), and Groupe GO Sport (€4,000).

2014 COMPENSATION OF FRANCK HATTAB, AS DEPUTY MANAGING DIRECTOR AND CHIEF ADMINISTRATIVE AND FINANCIAL OFFICER

1 | COMPENSATION PAID FOR HIS DUTIES AS DEPUTY MANAGING DIRECTOR AND FOR HIS SALARIED FUNCTIONS AS CHIEF ADMINISTRATIVE AND FINANCIAL OFFICER BY RALLYE

In 2014, for his salaried duties as Chief Administrative and Financial Officer, France HATTAB received the following compensation, directors' fees and benefits in kind:

(In €)	2013 fiscal year		2014 fiscal year	
	Amounts due (2)	Amounts paid (3)	Amounts due (2)	Amounts paid (3)
Fixed compensation (1)	266,333	263,333	296,800	296,800
Annual variable compensation	72,804	65,000	118,989	72,804
Multi-annual variable compensation	-	-	-	-
Deferred variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Director's fees				
Benefits in kind	-	-	-	-
TOTAL	**336,137**	**328,333**	**415,789**	**369,604**

(1) Gross compensation before taxes. For his salaried duties as Chief Administrative and Financial Officer, Franck HATTAB received fixed compensation of €255,000 in 2013 and €285,600 in 2014 and fixed compensation for his duties as Deputy Managing Director since February 28, 2013 of €8,333 in 2013 and €11,200 in 2014.
(2) The basis for determining 2014 variable compensation is detailed in the Chairman's Report on page 73.
(3) Total remuneration paid by the Company during the fiscal year.

Franck HATTAB received no remuneration from the controlled companies or the companies in control of Rallye, other than €4,000 in Director's fees.

On July 29, 2014, Franck HATTAB was granted a deferred and conditional bonus of a target amount of €208,000 which will be paid to him at the end of a period expiring on July 29, 2017 subject to his attendance and performance.

2 | STOCK OPTIONS FOR NEW OR EXISTING SHARES AND BONUS SHARES GRANTED BY THE COMPANY AND/OR COMPANIES THAT IT CONTROLS, THAT CONTROL IT OR ARE CONTROLLED BY THE LATTER

In 2014, no stock options for new or existing shares, or bonus shares were allocated to Franck HATTAB by Rallye, or by the companies that it controls or companies controlling it or the companies they in turn control.

3 | EMPLOYMENT CONTRACT, ADDITIONAL PENSIONS, SEVERANCE PAY AND NON-COMPETE CLAUSE

Employment contract		Top-hat pension plan		Allowances or benefits due or likely to be due as a result of termination or change of functions as Director, corporate officer		Non-compete allowance	
Yes	No	Yes	No	Yes	No	Yes	No
X (1)		X (2)			X		X

(1) Franck HATTAB holds the main position of Chief Administrative and Financial Officer since Mar[ch] 1, 1999. As the Deputy Managing Director, he assists the Chief Executive Officer.
(2) Franck HATTAB is a member of the Group mandatory pension and complementary pension system set up within the Group for all group employees. He also benefits from the defined-benefits top hat pension plan in force within the Group.

4 | SUMMARY TABLE OF COMPENSATION DUE BY THE COMPANY AND THE COMPANIES THAT IT CONTROLS OR THAT CONTROL IT OR CONTROLLED BY THE LATTER

The table below shows the compensation, directors' fees and benefits in kind owed to Franck HATTAB, for his salaried duties as Chief Administrative and Financial Officer and for his position as Deputy Managing Director, by Rallye, by the companies that it controls or that control it or are controlled by the latter:

(In €)	2013 fiscal year		2014 fiscal year	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Compensation due for the fiscal year	340,137	332,333 (1)	419,789	373,604 (2)
Valuation of options granted during the fiscal year	No grant		No grant	
Valuation of bonus shares granted during the fiscal year	No grant		No grant	
TOTAL	**340,137**	**332,333**	**419,789**	**373,604**

(1) Compensation and/or Director's fees and/or fringe benefits paid by Rallye (€328,333), and Groupe GO Sport (€4,000).
(2) Compensation and/or Director's fees and/or fringe benefits paid by Rallye (€369,604), and Groupe GO Sport (€4,000).

Pursuant to the AFEP/MEDEF recommendations, the Company's Annual General Meeting of Shareholders on May 19, 2015 will be required to issue an advisory vote on the elements of compensation due or allocated in 2014 to the Chairman of the Board of Directors, the Chief Executive Officer and to the Deputy Managing Director.

COMPENSATION RECEIVED BY OTHER CORPORATE OFFICERS

The General Shareholders' Meeting of May 19, 2010 set the total amount of Director's fees allocated to members of the Board of Directors and Committees at a maximum of €300,000. On the basis of recommendations from the Appointments and Compensation Committee, the rules governing the distribution of Director's fees and the compensation received by the non-voting observer were set by the Board of Directors and are detailed in the Chairman's Report.

The total amount of Director's fees and compensation paid out in May 2014 for the year just ended to Directors, the non-voting observer, and members of the specialized committees totaled €217,600, versus €243,600 and €269,333, for the two previous terms respectively. The individual allocation to each Director has been the same since 2002.

The total amount of compensation and Director's fees paid out to company officers other than Jean-Charles NAOURI, Didier CARLIER and Franck HATTAB by the Company, the companies it controls, the companies that control it or the companies controlled by the latter, is as follows:

(In €)	Director's fees and compensation paid			
	In 2013		In 2014	
	Director's fees	Other compensation	Director's fees	Other compensation (1)
Philippe CHARRIER	26,800		40,000	-
Jean CHODRON De COURCEL	40,000		40,000	-
André CRESTEY (non-voting observer)	50,000 (2)	79,000	20,000	79,000
Jacques DUMAS	20,000	799,539 (3)	20,000	866,833 (3)
Jean-Marie GRISARD (4)	10,000	12,500	10,000	
Didier LEVEQUE	10,000	676,745 (5)	10,000	719,527 (5)
Odile MURACCIOLE	10,000	375,000 (6)	10,000	398,000 (6)
Gabriel NAOURI (7)	10,000	674,863	10,000	727,411
Christian PAILLOT	26,800		30,000	-

(1) Director's fees and/or compensation and benefits in kind paid by the companies that Rallye controls, companies that control it, or companies controlled by the latter.
(2) An additional Director's fee of €20,000 was paid to André CRESTEY in connection with his duties as Vice-Chairman of Rallye, a position he held until May 14, 2013.
(3) Excluding the exceptional gross bonuses of €400,000 in 2013 and €450,000 in 2014.
(4) Jean-Marie GRISARD is also a manager of Frégatinvest, which has received €81,250 annually in consulting fees from Euris, Parande and Casino, excluding taxes in 2013 and €57,500 excluding taxes in 2014, from Euris, and Casino.
(5) Excluding the exceptional gross bonuses of €245,000 in 2013 and €256,000 in 2014.
(6) Excluding the exceptional gross bonuses of €90,000 in 2013 and €50,000 in 2014.
(7) Representative of Euris, the Group's parent company, which in 2014 received total fees of €4,129,047.26 from companies it controls, excluding taxes, under strategic consulting agreements, of which €1,647,838.75, excluding taxes, was paid by Rallye.

STOCK OPTIONS AND BONUS SHARES GRANTED TO CORPORATE OFFICERS AND OPTIONS EXERCISED

- No stock options for new or existing shares were granted in 2014 by Rallye to the Company's executives and employees of related companies who are also corporate officers, nor to the companies that it controls.
- The bonus shares granted in 2014 by the Company to executives and employees of the Company and related companies who are also corporate officers are as follows:

Officer	Grant date	Valuation of shares according to the method used for the consolidated accounts	Vesting date of shares granted (1)	Date after which the acquired shares may be sold	Number of bonus shares granted
Jacques DUMAS	07/29/2014	€28.47	07/29/2017	07/29/2019	1,172
Didier LEVEQUE	07/29/2014	€28.47	07/29/2017	07/29/2019	4,431
Odile MURACCIOLE	07/29/2014	€28.47	07/29/2017	07/29/2019	4,185

(1) Vesting of the bonus shares allotted is subject to the condition of the beneficiary's employment in the Group on the shares vesting date, and to two performance criteria: 50% depends on coverage of financial expense by EBITDA and 50% depends on the level of cost of debt.

- In 2014, the executives and employees of the Company and of related companies, who are also corporate officers, exercised stock options on Rallye shares as follows:

Officer	Grant date	Number of remaining options granted	Number of options exercised	Exercise price
Didier CARLIER	04/27/2009	-	2,400	€14.24
Jacques DUMAS	09/06/2010	-	5,208	€26.44
Franck HATTAB	04/27/2009	-	7,372	€14.24
Didier LEVEQUE	04/27/2009	-	8,542	€14.24
Odile MURACCIOLE	04/27/2009	-	3,370	€14.24
	09/06/2010	-	13,821	€26.44

- The bonus shares definitively granted in 2014 by the Company to executives and employees of the Company and related companies who are also corporate officers are as follows:

Officer	Grant date	Vesting date of shares granted (1)	Number of bonus shares originally granted	Number of bonus shares vested	Date after which the acquired shares may be sold
Didier CARLIER	06/08/2011	06/08/2014	9,766	9,766	06/08/2016
Jacques DUMAS	06/08/2011	06/08/2014	2,930	2,930	06/08/2016
Franck HATTAB	06/08/2011	06/08/2014	7,324	7,324	06/08/2016
Didier LEVEQUE	06/08/2011	06/08/2014	11,078	11,078	06/08/2016
Odile MURACCIOLE	06/08/2011	06/08/2014	7,774	7,774	06/08/2016

(1) Vesting of the bonus shares allotted was subject to the condition of the beneficiary's employment in the Group on the shares vesting date, and to two performance criteria: 50% depends on coverage of financial expense by EBITDA and 50% depends on the level of cost of debt.

- The bonus shares definitively granted in 2014 by the Company to executives and employees of the Company and related companies who are also corporate officers by controlled companies are as follows:

By Casino, Guichard-Perrachon

Officer	Grant date	Vesting date of shares granted	Number of bonus shares originally granted	Number of bonus shares vested	Date after which the acquired shares may be sold
Jacques DUMAS	04/15/2011	04/15/2014	6,502	6,502	04/15/2016
	05/11/2012	05/11/2014	13,738	13,708	05/11/2016

CONFLICTS OF INTEREST IN CORPORATE BODIES AND EXECUTIVE MANAGEMENT – REGULATED AGREEMENTS

As part of the day-to-day management of the Group, the Company is involved in normal business relationships with all its subsidiaries.

It also benefits from consulting services provided by Euris, the ultimate parent company of which Jean-Charles NAOURI is the major shareholder, with which a strategic consulting agreement was signed in 2003 (see page 27).

Jean-Charles NAOURI, Jacques DUMAS, Jean-Marie GRISARD, Didier LEVEQUE, Gabriel NAOURI and Odile MURACCIOLE, Directors or permanent representatives of Rallye and Didier CARLIER, Chief Executive Officer, and Franck HATTAB, Deputy Managing Director have management functions and/or are members of the corporate bodies of companies within the Rallye and Euris groups and receive the corresponding compensation and/or Director's fees. These relationships aside, there are no conflicts of interest between the duties to the Company of the members of the Board of Directors and general management and their private interests.

As required by the new provisions of Article L225-40-1 of the French Commercial Code (based on ordinance 2014-863 of July 31, 2014), the Board of Directors reviewed the agreements signed and authorized in prior years which were still effective in the year just ended. The Board of Directors noted that the agreements concerning guarantees given by the Company to Alpétrol, Cobivia, l'Habitation Moderne de Boulogne, and Parande could no longer be qualified as regulated agreements under the new provisions of Article L.225-39 of the French Commercial Code, since all the foregoing companies are direct or indirect wholly-owned subsidiaries of the Company.

No agreements other than those pertaining to ordinary business operations concluded under normal conditions were made, directly or through an intermediary, between a Company subsidiary and the Chief Executive officer, a director or a shareholder with more than 10% of the Company's voting rights.

CORPORATE GOVERNANCE
Statutory Auditors

–

In compliance with legal requirements, Rallye appoints two regular and two alternate Statutory Auditors:

STATUTORY AUDITORS

KPMG

Signing partner: Catherine Chassaing (since October 2013).

First appointed: June 29, 1993.

Latest term of office expires: at the end of the 2019 Annual General Meeting of Shareholders.

ERNST & YOUNG ET AUTRES

Signing partner: Pierre Bourgeois (since May 2010).

First appointed: June 1, 1999.

Latest term of office expires: at the end of the 2017 Annual General Meeting of Shareholders.

ALTERNATE STATUTORY AUDITORS

KPMG AUDIT ID

Substituting for KPMG.

First appointed: May 19, 2010.

Latest term of office expires: at the end of the 2019 Annual General Meeting of Shareholders.

AUDITEX

Substituting for ERNST & YOUNG et Autres.

First appointed: May 4, 2011.

Latest term of office expires: at the end of the 2017 Annual General Meeting of Shareholders.

One or the other of the same audit firms are auditors to the Company's main subsidiaries.

FEES PAID TO STATUTORY AUDITORS AND MEMBERS OF THEIR NETWORKS BY THE GROUP IN 2013 AND 2014

	Ernst & Young				KPMG			
(In € thousand)	Amount		%		Amount		%	
	2014	2013	2014	2013	2014	2013	2014	2013
AUDIT								
Statutory auditing, auditor's opinion, examination of company and consolidated accounts								
Issuer	212	209	4	3	201	194	19	9
Fully consolidated subsidiaries	5,570	5,520	91	90	371	367	35	18
Other assignments and services directly connected to the Statutory Auditors' assignment								
Issuer	-	-	-	-	-	-	-	-
Fully consolidated subsidiaries	157	430	3	6	364	1,466	35	70
Sub-total	**5,940**	**6,159**	**98**	**99**	**936**	**2,027**	**89**	**97**
Other services provided by the networks to fully consolidated subsidiaries								
Legal, tax, corporate	31	-	1	-	87	-	8	-
Other	58	58	1	1	33	53	3	3
Sub-total	**89**	**58**	**2**	**1**	**120**	**53**	**11**	**3**
TOTAL	**6,029**	**6,217**	**100**	**100**	**1,056**	**2,080**	**100**	**100**

CORPORATE GOVERNANCE

Report of the Chairman of the Board of Directors

In accordance with the provisions of Article L. 225-37 of the French Commercial Code, this report has been prepared by the Chairman of the Board of Directors.

The report is intended to present corporate governance as applied by the Board of Directors and by Executive Management, and to describe the Company's internal control and risk management procedures.

This report, attached to the management report prepared by the Board of Directors describing the activities of the Company and its subsidiaries during the year ended December 31, 2014, which has been reviewed by the Appointments and Compensation Committee and by the Audit Committee, has been approved by the Board of Directors. It was made available to the shareholders prior to the Annual General Meeting.

It was also the subject of a report by the Statutory Auditors, under Article L. 225-235 of the French Commercial Code, with regard to the internal control procedures relating to the preparation and processing of accounting and financial information, as well as a certification concerning the preparation of other disclosures.

I - CODE OF CORPORATE GOVERNANCE

As part of the Company's good governance practices, the Board of Directors uses the AFEP/MEDEF Code of Corporate Governance of June 2013, especially for writing this report. The Company applies all the recommendations of this Code with the exception of the composition of the Appointments and Compensation Committee at present of 50%. However, the committee chaired by an independent member is called to welcome new independent members on the occasion of appointment of new administrators.

II - BOARD OF DIRECTORS

1 • COMPOSITION OF THE BOARD OF DIRECTORS

The composition of the Board of Directors is presented on page 47 of this Registration Document.

2 • PREPARATION AND ORGANIZATION OF THE WORK OF THE BOARD OF DIRECTORS

The requirements governing the preparation and organization of the work of the Board of Directors are defined by law, as well as by the Company by-laws, the Board's rules of procedure, and special Board committees' charters established within it.

> ORGANIZATION AND OPERATION OF THE BOARD OF DIRECTORS

Since February 28, 2013, the functions of Chairman of the Board of Directors and Chief Executive Officer have been separated.

Didier CARLIER holds the position of Chief Executive Officer while Frank HATTAB is the Deputy Managing Director. Jean-Charles NAOURI is Chairman of the Board of Directors.

The rules of procedure describe the operation, powers, authorizations and duties of the Board of Directors and of its special Board committees: the Audit Committee and the Appointments and Compensation Committee.

The rules of procedure set out the rules of ethics applicable to members of the Board of Directors, in particular the obligations of confidentiality under Articles 621-1 *et seq.* of the regulations of the French Financial Markets Authority (AMF) on insider trading, as well as the obligation to observe a blackout period in relation to all transactions in the Company's shares during the fifteen-day period preceding the publication of the Company's annual and six-month financial statements.

They also mention the registration of Directors on the list of permanent insiders drawn up by the Company as part of the regulatory provisions intended to improve the prevention of insider trading and breaches.

The rules of procedure also include provisions governing declarations required from officers, their equivalent and individuals with "close personal ties" to members of the Board of Directors with respect to their transactions in Company shares.

The rules of procedure set out the principle of formal and regular assessments of the Board of Directors' operations.

They also spell out the terms and conditions for its meetings and deliberations and, in particular, allow directors to attend Board meetings by videoconference and any other means of telecommunication.

The office of non-voting observer was created in 2002 to encourage qualified individuals to become members of the Board of Directors. The non-voting observer attends Board meetings, expresses his or her observations and opinions and takes part in the proceedings in an advisory capacity.

> AUTHORIZATIONS AND DUTIES OF THE BOARD OF DIRECTORS

In accordance with the provisions of Article L. 225-35 of the French Commercial Code, the Board of Directors decides on the general directions to be followed by the Company's business and sees to it that they are implemented. Subject to the powers expressly attributed to the Shareholders' Meetings, and within the limits of the Company's purpose of business, the Board of Directors deals with all issues that concern the Company's operations. Through its proceedings, it resolves the issues confronting the Company. It also carries out all checks and audits it deems necessary.

The Board of Directors also reviews and approves the annual and six-month individual company and consolidated financial statements. It presents reports on the activities and performance of the Company and its subsidiaries, and approves management forecasts. It also reviews the Chairman's Report for approval. It appoints its Chairman, the Chief Executive Officer and the Deputy Managing Director and sets their compensation. It determines the unified or separated Executive Management system. It awards stock options and bonus shares. It is called upon to deliberate every year with regard to the Company's policy on equal job opportunities and equal pay.

— *Powers of the Chairman of the Board of Directors*

Within the Board of Directors, the Chairman organizes and directs the activities of the Board and reports thereon to the Shareholders' Meeting.

He convenes the meetings of the Board of Directors and is in charge of setting the agenda and producing the minutes of these meetings. He assures the proper functioning of the Company's operations and, in particular, that the directors are capable of performing their duties.

— *Powers of Executive Management*

The Chief Executive Officer and the Deputy Managing Director, in accordance with Article L. 225-56 of the French Commercial Code, has the broadest powers to act on behalf of the Company in every circumstance. They exercise these powers within the limits of the Company's purpose of business and subject to the powers expressly attributed by law to the Shareholders' Meetings and to the Board of Directors. They represent the Company in its dealings with third parties.

As part of the Company's good governance practices, due to their nature or their amount, certain transactions are subject to the prior authorization of the Board of Directors. Limit thresholds have been set so that, pursuant to the law and the principles of corporate governance, decisions regarding the most significant transactions are taken by the Board of Directors.

Thus, without the prior authorization of the Board of Directors, Executive Management cannot carry out:

- any transaction likely to impact the strategy of the Company or the companies that it controls, their financial structure or business scope, and in particular cannot enter into or terminate any agreements that may represent a significant commitment for the Group in future;
- any transaction when it exceeds one (1) million euros and in particular:
  - any security subscription and purchase, any immediate or deferred equity investments in any entity or company, of law or fact,
  - any contribution or exchange, with or without a balancing cash adjustment, of assets, shares or securities,
  - any acquisition of real estate assets or rights,
  - any new loans, borrowings, credit or cash advance,
  - any derivative transaction on equities, marketable securities, interest-rate or foreign exchange hedges, such as Equity Swaps, Total Return Swaps (TRS) and options including through the disposal or acquisition of call or put options,
  - any transaction and settlement relating to litigation,
  - any transfer of tangible real property or real estate rights,
  - any total or partial transfer of equity interests, marketable securities or any other asset or rights,
  - any constitution of securities.

These limitations of powers concern Rallye, the subsidiaries of the holding group excluding internal transactions between them and/or with their parent companies.

Furthermore, Executive Management has specific annual authorizations concerning notably borrowings, credit lines, other funding and cash advance contracts, guarantees, endorsements and securities, equity, marketable security and derivative transactions and convertible bonds, which have been renewed until December 2015.

Borrowings, credit lines, funding and cash advance contracts

Executive Management is authorized, for a period of one year, to negotiate and set up – including the renewal, extension or replacement - borrowings, including as bonds and/or any other debt instrument, confirmed credit lines and any funding contracts (syndicated or not), as well as cash advances, within an overall annual maximum of €1 billion.

Guarantees, endorsements and securities

Executive Management is authorized for a period of one year to provide guarantees, endorsements and securities in the Company's name, on behalf of its controlled subsidiaries, to financial or banking institutions and to the Treasury system, up to an overall annual maximum of €100 million.

Executive Management is also authorized to award pledged securities relating to loans and credit lines, including those set up prior to February 28, 2013, up to a maximum of 130% of the amount of loans and credit lines and any other funding contract concerned.

Equities, marketable security, derivative, interest rate and foreign exchange transactions

Executive Management is authorized, for a period of one year, to carry out the following transactions:

- interest-rate transactions, up to a monthly maximum of €500 million and an overall annual maximum of €1.5 billion;
- foreign exchange transactions, up to a monthly maximum of €300 million and an overall annual maximum of €1 billion;
- equity, marketable security and financial portfolio transactions, either directly of via derivatives such as Equity Swaps, Total Return Swaps (TRS) and options, up to a monthly maximum, which corresponds to the value of the underlying instrument where applicable, of €25 million and an annual maximum of €100 million;
- transactions of any nature (acquisitions, disposals, exchanges, commitments and similar transactions), either directly or through derivatives such as Equity Swaps, Total Return Swaps (TRS) and options, up to an annual maximum, which corresponds to the value of the underlying instrument where applicable, of €100 million.

It being noted that short-term liquid investments, such as money-market funds, term deposits, cash from borrowings, credit lines, funding contracts, cash advances or bond issues, are authorized up to the maximum monthly and annual amounts set for the transactions to which they are related.

Bond issues

Executive Management is authorized to issue bonds, including as part of the EMTN program, and all other types of debt instruments, without securities giving access to the existing capital of the Company or to existing securities of companies controlled by Rallye, and in this respect, to set the characteristics and conditions and to implement all related market transactions, up to a monthly maximum of €500 million and an overall annual maximum of €1 billion and.

As part of this delegation of powers, Executive Management is authorized to buy back previously issued existing bonds. This buyback may be carried out in cash or new bonds to be issued up to the monthly and annual maximum amounts set out above.

Independently, Executive Management is also authorized to issue commercial paper, up to a maximum amount outstanding of €750 million.

Compensation of all contracts or offices held

Executive Management is authorized to pay the fees and/or commissions of contracts and offices held up to a monthly maximum of €3 million and an overall annual maximum of €5 million.

All transactions, implemented under these specific authorizations, for which the amount exceeds €25 million, are subject to the express joint agreement of Chief Executive Officer and the Deputy Managing Director.

> INDEPENDENCE OF DIRECTORS

As part of its duties, the Appointments and Compensation Committee is in charge of monitoring the situation of each of the Directors in light of the relationship that may exist, if applicable, with the Company or companies in the Group, which might compromise a director's free judgment or lead to potential conflicts of interest with the Company.

Therefore, each year the Committee carries out an annual review of the makeup of the Board of Directors, and, in particular, of the independence of the Directors in light of the assessment criteria laid down by the AFEP and MEDEF Code detailed in the table below. The Committee presents its findings to the Board of Directors.

Summary analysis of the position of each Director with respect to the AFEP/MEDEF Code independence criteria

Independence criteria of the AFEP/MEDEF Code	Not being an employee or a corporate officer of the Company, employee or board member of the parent company or of a company it controls and not have been one during the five previous years	Not being a corporate officer of a company in which the Company holds directly or indirectly a seat on the board or in which an employee designated as such or a corporate office of the Company does	Not being a customer, supplier, investment bank, lending bank	Not being a relative or a person close to a corporate officer	Not having been an auditor of the Company in the five previous years	Not having been a board member of the Company for more than twelve years
Non-independent directors						
Jacques DUMAS	N					N
Jean-Marie GRISARD, representing Finatis	N					N
Didier LEVEQUE, representing Foncière Euris	N					
Odile MURACCIOLE, representing Saris	N					
Jean-Charles NAOURI	N					N
Gabriel NAOURI, representing Euris	N			N		
Independent directors						
Philippe CHARRIER	Y	Y	Y	Y	Y	Y
Jean CHODRON de COURCEL	Y	Y	Y	Y	Y	Y
Catherine FULCONIS	Y	Y	Y	Y	Y	Y
Christian PAILLOT	Y	Y	Y	Y	Y	Y

Note: non-compliance with the criteria is identified with an "N" and compliance with an "Y".

The independent directors maintain, directly or indirectly, no business relationship with the Company.

> BOARD MEMBERS HOLDING MORE THAN ONE OFFICE

No Director whose new appointment or re-appointment has been recommended to the Shareholders' Meeting of May 19, 2015 holds more than one office as defined in the recommendations of the AFEP/MEDEF Code.

— *Board activities over the past year*

In 2014, the Board of Directors met five times. The attendance rate of Board members for these meetings was 100%.

— *Approval of the financial statements – Business of the Company and its subsidiaries*

The Board of Directors examined the financial statements for the year ended December 31, 2013 and the statements for the first half of 2014, as well as the Company's management forecasts.

It decided on the reports and the text of the resolutions submitted to the Ordinary and Extraordinary General Meeting held on May 13, 2014. It also took note of the Group's activity for each quarter, its number of employees, as well as its level of debt and available sources of funds.

The Board of Directors approved different operations subject to its authorization. This included, in particular, the provision of guarantees on behalf of the Company's subsidiaries during the arrangement of financial operations. It also reviewed lines of credit set up by the Company and subsidiaries within the holding company's scope.

The Board also took stock of the main financial and real estate asset disposals made by the Group.

The Board of Directors also implemented a simplified public offering for the shares of Groupe GO Sport which was followed by a squeeze-out offer.

The Board of Directors examined the professional gender equality policy within the Company.

— *Compensation*

The Board of Directors determined the 2014 fixed compensation and 2013 variable compensation of Chief Executive Officer Didier CARLIER and of Deputy Managing Director Franck HATTAB. It also defined the conditions for determining their variable compensation in 2014, it being noted that the Chairman of the Board of Directors does not receive fixed or variable compensation.

The Board of Directors also determinated the conditions of allocation of a deferred and conditional bonus to the Chief Executive Officer and to the Deputy Manager Director.

It also examined the terms for the allocation of Directors' fees to Directors, non-voting observers and members of the Board committees. It decided on the issuance of stock options and bonus shares, subject to presence and performance conditions, to executives and employees of the Group and its affiliates.

— *Corporate governance*

The Board of Directors examined its position with regard to the principles of corporate governance: composition and organization of the Board of Directors and Board committees, the representation of women and of independent directors.

In this respect, it recommended to the Annual General Meeting, the appointment of a female Director to the Board.

In connection with the reappointments of the Chief Executive Officer and the Deputy Managing Director, the Board of Directors maintained the limitation of their powers and renewed the specific annual authorizations for borrowings, credit lines, other funding and cash advance contracts, guarantees, endorsements and securities, equity, marketable securities and derivative transactions and convertible bonds granted to Executive Management.

The Board of Directors approved the Chairman's Report on the organization and operation of the Board of Directors and Executive Management, as well as on the internal control and risk management procedures.

The Board of Directors was informed of all the work of the Committees, as described below.

— *Board Committees*

The Board of Directors is assisted by two specialized committees founded in 2000: the Audit Committee and the Appointments and Compensation Committee.

Committee members are named by the Board of Directors, which also appoints the Chairman of each committee.

The Chairman of the Board of Directors, the Chief Executive Officer and the Deputy Managing Director are not members of any Committee.

The authorities and specific methods of operation of each Committee were defined by the Board of Directors when they were created and incorporated into the rules of procedure.

— *Audit Committee*

Composition

The Audit Committee has three members, of whom two are independent: Philippe CHARRIER, Chairman, Gabriel NAOURI and Christian PAILLOT, who have been appointed for the duration of their terms as Directors.

All members of the Audit Committee hold or have held positions as Company directors and as such have the financial or accounting expertise required under Article L. 823-19 of the French Commercial Code.

Duties

The Audit Committee provides support to the Board of Directors in the review and approval of the annual and six-month financial statements. It also assists the Board whenever an event occurs that is likely to have a significant impact on the situation of the Company or its subsidiaries in terms of commitments and/or risk.

In this regard and in accordance with Article L. 823-19 of the French Commercial Code, it monitors issues related to the preparation and auditing of accounting and financial information, subject to the responsibility of the Board of Directors. For the audit of the Company's annual and six-month financial statements, the Audit Committee meets at least two days before the Board Meeting convened to approve the statements.

Thus, it is charged with monitoring the preparation of financial information, the efficacy of internal control and risk management systems, the legally required audit of annual and consolidated financial statements by the Statutory Auditors and the independence of the Statutory Auditors.

The audit committee has an organization and operations chart which confirms its powers and authorities with regard, among other things, to management risk analysis and to the detection and prevention of management irregularities.

Activities in 2014

The Audit Committee met twice in 2014, with all members in attendance at each meeting.

In connection with the approval of the six-month and annual financial statements, the Audit Committee verified the account closing process and took note of the Statutory Auditors' analysis, in particular, of all consolidation procedures and the Company's financial statements. The Committee also reviewed off-balance-sheet commitments, risks and accounting options taken with regard to provisions, together with relevant legal and accounting changes. It was notified of the audit plan and the fees paid in 2014 to the Statutory Auditors.

The Committee reviewed the financial and accounting department's report on risks and off-balance sheet commitments, and Rallye's risk prevention documents, as well as the Chairman's Report on internal control and risk management procedures.

The Committee was informed of the Statutory Auditors' findings on procedures relating to the processing and preparation of accounting and financial information.

The Chairman of the Audit Committee reported to the Board on the work done at each of these meetings.

— *The Appointments and Compensation Committee*

Composition

The Appointments and Compensation Committee has two members: Jean CHODRON de COURCEL and Jacques DUMAS, appointed for the duration of their terms as Directors.

The Board of Directors will strive to propose an additional independent director shortly.

The Chairman and Chief Executive Officer may attend committee meetings in an advisory capacity, in order to present proposals related, in particular, to the compensation of senior managers and the granting of options and bonus shares.

The Chairman of the Board of Directors takes part in the selection process for new Directors.

Duties

The Appointments and Compensation Committee is charged, in particular, with helping the Board of Directors review candidates for senior management positions, select new directors, define and monitor policies for senior management compensation and stock option and bonus share awards. As appropriate, it also reviews the benefits and other forms of compensation of senior management. It also oversees the proper application of corporate governance rules and the absence of potential conflicts of interests.

The Appointments and Compensation Committee drew up an organization chart, adopted in 2004, confirming its powers and authorities with regard to performance evaluation of the Board of Directors and verification that the Corporate Governance principles and Code of ethics, in particular as derived from the Board of Directors' internal rules of procedure, are being properly respected and applied.

Activities in 2014

The Appointments and Compensation Committee met four times in 2014, with all members in attendance at each meeting.

The committee performed its annual review of the organization and operations of the Board of Directors and its special committees as well as of the proper application of corporate governance principles in accordance with the AFEP/MEDEF Code and the provisions of the rules of procedure.

It examined the situation of each director with regard to dealings with Group companies that might compromise their freedom of judgment or entail conflicts of interest.

The Appointments and Compensation Committee expressed its recommendations regarding the proposed reappointments of the Chairman of the Board of Directors, the reappointment of Directors and the non-voting observer, and the composition of Board committees.

It implemented the selection procedure for a new Director and recommended to the Board the appointment of a new female director.

The Committee approved the conditions for determining the 2014 fixed and variable compensation of the Chief Executive Officer and of the Deputy Managing Director as well as the conditions for determining their conditional and deferred bonuses.

The Committee also reviewed the issuance of stock options and bonus shares to managerial staff and employees of the Company and related companies, as well as the fees to be awarded to Board members, the non-voting observer, and members of the Board committees.

It duly noted the order dated July 31, 2014 taken by the French government in connection with the enabling legislation of January 2, 2014 aimed at simplifying and protecting the existence of businesses with respect to the procedure for checking regulated agreements.

It examined the Chairman's Report on the organization of the Board of Directors' work, along with the corporate governance-related information mentioned in the management report.

The Committee issued recommendations on maintaining the limitation on the powers of Executive Management as well as the specific annual authorizations granted to them.

The Committee Chairman reported to the Board of Directors on the work of the Appointments and Compensation Committee.

> PRINCIPLES AND RULES DETERMINING COMPENSATION AND BENEFITS GRANTED TO CORPORATE OFFICERS

The means and the amount of corporate officers' compensation are determined by the Board of Directors on the basis of recommendations made by the Appointments and Compensation Committee.

The compensation paid to the Chief Executive Officer Didier CARLIER and to Deputy Managing Director Franck HATTAB, includes both a fixed and variable portion. The basis for their determination is decided each year by the Board of Directors, after consulting with the Appointments and Compensation Committee, and as applicable, based on studies carried out by external consultants.

The 2014 variable compensation component for the Chief Executive Officer is based on the achievement of quantitative Group targets, qualitative individual targets and on a general evaluation of managerial attitudes and behavior. The variable element may be a maximum of €150,000 if the defined targets are achieved and up to €300,000 if such targets are exceeded.

The 2014 variable compensation component of the Deputy Managing Director is based on the attainment of quantitative Group targets, identical to those of the Chief Executive Officer, qualitative individual targets and on a general evaluation of managerial attitudes and behavior. Given the change in the duties and responsibilities of Franck HATTAB in 2013, Chief Financial Officer and now also Deputy Managing Director, towards both the Chief Executive Officer and the Chairman of the Board of Directors, the maximum amount of his variable compensation is now €90,000 if he achieves his targets and €180,000 if he exceeds them.

The Group quantitative targets have been pre-established and precisely defined and are assessed according to criteria corresponding to Rallye Group's key business indicators: reduction in the cost of debt and improvement in the ratio of EBITDA to consolidated finance charges. Figures are not published for confidentiality reasons.

In July 2014, the Chief Executive Officer and the Deputy Managing Director were awarded a deferred and conditional bonus for a target gross amount of €208,000 each. These bonuses will be paid at the end of a set period that ends on July 29, 2017 subject to presence and performance conditions.

The Board of Directors, on the recommendation of the Appointments and Compensation Committee, sets the rules for distribution of the fees payable to the Directors and to the non-voting observer, as well as the additional fees to be paid to the members of board committees, as follows:

- these fees include a flat fee of €4,000 and a variable component of €16,000 based on attendance at Board Meetings. Note that fees for directors, senior managers, and Group executives have been reduced by half and the variable component attributable to absent directors is not re-assigned;
- an additional fee is paid to Committee members, in the flat amount of €10,000. The fee is doubled for each Committee Chairman.

> INFORMATION PROVIDED TO DIRECTORS

In compliance with Article L. 225-35 of the French Commercial Code, the Chairman or Chief Executive Officer of the Company provides each member of the Board with all of the documents and information necessary for carrying out their tasks.

Therefore, all the necessary information pertaining to the issues to be examined by the Board is provided to the members prior to each Board meeting. Accordingly, each Board member receives a preparatory file including information and documents, provided such documents are available and depending on the progress status of the files, on the subjects on the agenda.

Executive Management transmits on a regular basis to the Board of Directors a statement on the business trends of the Company and its major subsidiaries, as well as on the debt situation and the credit lines available to the Company.

Once every six months, the Board of Directors also reviews the Group's off-balance-sheet commitments.

> ASSESSMENT OF THE CONDITIONS UNDER WHICH THE BOARD OF DIRECTORS OPERATES

Pursuant to the Code of Corporate Governance, the rules of procedure provide for an annual discussion and regular evaluation of the operations of the Board of Directors, to be performed by the Appointments and Compensation Committee, with the help, if desired, of an external consultant.

The latest evaluation of the organization and operation of the Board of Directors was implemented during the last quarter of 2013, using responses to a questionnaire sent to each Director.

The evaluations and observations made by the members of the Board of Directors indicated that the organization and operations of the Board were entirely satisfactory with respect to proper corporate governance. The Directors have expressed the wish to increase the percentage of women on the Board of Directors and to be regularly informed on the disposal of financial assets.

III - PARTICIPATION IN SHAREHOLDERS' MEETINGS

The methods of participating in general shareholders' meetings are presented in Articles 25, 27 and 28 of the bylaws (cf. page 204 and 205 of this Registration Document).

IV - ISSUES WHICH MAY HAVE AN IMPACT IN THE EVENT OF A PUBLIC OFFER

The Company's capital structure and any direct or indirect interests in the Company's capital of which it is aware by virtue of Articles L. 233-7 and L. 233-12 of the French Commercial Code are described on pages 20 et seq.

There are no statutory restrictions to the exercise of the voting rights and transfers of shares, nor are there any agreements of which the Company is aware under Article L. 233-11 providing for preferential terms of sale or acquisition of shares, nor are there, to the Company's knowledge, any agreements between shareholders which might restrict the transfer of shares or the exercise of voting rights.

The Company has not issued any securities with special control rights attached, and there is no control mechanism provided for in any employee stock ownership plan when the control rights are not exercised by employees.

The rules which apply to the appointm ent and replacement of the members of the Board of Directors, as well as to the modification of Company by-laws are described in pages 201 et seq.

The powers of the Board of Directors are described on page 202.

With respect to the issuance of shares, the authorizations granted to the Board of Directors are indicated on page 22 and, with regard to share repurchases, the powers of the Board of Directors are described on page 20.

In addition, there are no agreements providing for compensation of the members of the Board of Directors, executive officers or employees should they resign or be dismissed without just cause or if their employment is terminated as a result of a public offer.

V - INTERNAL CONTROL PROCEDURES IMPLEMENTED BY RALLYE

The information below was obtained from the various tasks performed by the departments responsible for Rallye's internal control procedures. Based on this information validated by Executive Management, a factual description of the control environment and procedures has been put in place.

1 • DEFINITION AND OBJECTIVES OF INTERNAL CONTROL PROCEDURES

> REFERENCE FRAMEWORK USED

To prepare and draft this report and define internal control, Rallye chose to refer to the "COSO [1]"; the internationally-recognized integrated framework compatible with AFEP/MEDEF recommendations [2].

Under the COSO framework, internal control is defined as a process implemented by all levels of an organization's management and aims to provide reasonable assurance regarding the achievement of the objectives below:

- compliance with applicable laws and regulations;
- application of instructions and guidelines fixed by Executive Management;
- the smooth operation of processes, especially those related to the protection of assets and the value of capital;
- reliability of financial and accounting reporting.

> OBJECTIVES

Rallye's internal control process is a system that helps to provide reasonable assurance regarding control of its activities, the effectiveness of its operations, the efficient use of its resources, in accordance with applicable laws and regulations, internal standards and rules applicable to the Company, and seeks in particular, although without be able to provide an absolute guarantee, to achieve the following objectives:

- the proper functioning of the internal process of the Company, particularly those that promote the protection of its assets in compliance with the guidelines and policies defined by Rallye's Executive Management;
- the reliability of accounting, financial and management information published internally and externally;
- the control of risks resulting from its status as a company whose securities are traded in a regulated market.

> CONTROL ENVIRONMENT

The control environment within the Company consists mainly of the principles of corporate governance and group organization, carefully designed and rigorously applied. The aim is for all risks to be managed as a whole and for a reasonable assessment to be made of the potential risks of any kind with which the Group may be faced.

2 • DESCRIPTION OF IMPLEMENTED CONTROL PROCEDURES

The scope of internal control over accounting and financial information comprises the parent company and the operational subsidiaries included in the Group's consolidated financial statements, the main ones being the Casino Group and Groupe GO Sport (these have an internal control system and are responsible for implementing their own system).

> GENERAL ORGANIZATION OF INTERNAL CONTROL

The internal control procedures are part of the general policy framework set out by the Board of Directors and implemented under the direct responsibility of the Company's senior management.

The main actors involved in managing the internal control system are as follows:

— *Executive Management – Administration and finance department*

Executive Management defines the general principles of Internal Control and ensures their proper implementation in order to achieve the required level of Internal Control.

Rallye's administration and finance department, which reports to Executive Management, supervises oversees all of the Company's staff departments. Its main responsibility to assist and monitor line staff in their administrative, financial and legal activities. To do so, it sets the mandatory operating rules for all entities, defines and deploys tools, procedures and good practices, specifically in the areas below: management, accounting and consolidation, financing and cash management, tax, legal, financial communications, information systems and insurance.

— *Board of Directors – Audit Committee*

The Board of Directors has always asserted that together with Executive Management, it considers Internal Control and its principal areas of application as very important.

Pursuant to the Company's by-laws and rules of procedure, the Board of Directors and its Audit Committee are responsible for internal control through the opinions and recommendations that they express to Executive Management and through the analyses and investigations which they perform or commission.

(1) Committee Of Sponsoring Organizations of the Treadway Commission.
(2) Recommendations of the French association of private companies and the movement of French companies of December 17, 2013, known as "The application of the provisions of financial security law with regard to the Chairman's report on internal control procedures implemented by the Company".

— *Statutory Auditors – External Consultants*

The Statutory Auditors certify the individual and consolidated financial statements, in accordance with legal and regulatory requirements. They also examine the Company's semi-annual consolidated results and verify the information given in the six-month report. They are consulted regularly regarding the accounting treatment of ongoing operations. They are also informed of how internal control procedures are organized and applied in practice and, if necessary, they may issue recommendations.

> DISSEMINATION OF INFORMATION WITHIN THE GROUP

The Group ensures that the relevant information is properly disseminated and provided to those concerned so that they can fulfill their responsibilities, in compliance with Group standards.

With the objective of providing reliable financial information and communication, Rallye strives to ensure that the entire organization respects certain references in the performance of its duties: consolidated and accounting procedure manual, general accounting plan, code of ethics described in the Board of Directors' rules of procedure, Audit Committee charter and Appointments and Compensation Committee charter.

> IDENTIFICATION AND ASSESSMENT OF RISKS

The Group identifies and assesses the main risks that could hinder the achievement of its objectives. It takes measures to limit the probability of occurrence and the effects of such risks, thereby promoting an environment of risk control.

The Group's exposure to risks inherent in its business activities and the provisions designed to control them are partially detailed in Note 11.6 "Financial risk management policies and objectives" to the 2014 consolidated financial statements.

The main risks related to the Group's financial instruments are discussed: interest and exchange risk, credit risk, liquidity risk and security risk.

Risks specific to Rallye's holding activity, risks specific to the main controlled investments (Casino and Groupe GO Sport), legal risks as well as the description of the insurance policy are detailed in the management report in the "Risk factors and insurance" chapter.

> CONTROL ACTIVITIES

In order to enhance its control over identified risks, the Group has put in place control procedures for both operational processes and financial information.

Within the Company, internal control procedures are centralized. Because Rallye is a holding company, the procedures implemented relate mainly to the preparation and processing of financial and accounting information aimed at ensuring that consolidated financial statements are reliable and that subsidiaries are monitored.

— *Operating subsidiaries*

Each Rallye subsidiary has its own internal audit department charged with ensuring the effectiveness of the internal control activities and procedures in order to obtain reasonable assurance that the subsidiary's own risks are under control.

The Chairman of the subsidiary Casino, Guichard-Perrachon, drafted a report on internal control which shareholders may consult.

The Group controls the quality of the information supplied by the subsidiaries, notably by appointing the same person to several executive bodies, but also through the meetings of the Audit Committees and Appointments and Compensation Committees. The committees, together with senior management, receive the support of the staff departments in the subsidiaries.

Information is also verified thanks to the familiarity of Rallye's central controlling department with the various information systems, as well as through the holding of monthly meetings.

The Company's legal department performs any necessary specific investigations or examinations that it deems necessary for the prevention and detection of any legal irregularity or anomaly in Group management. Executive Management and the administration and finance department regularly communicate regarding the status of the main disputes possibly affecting the subsidiaries, as well as with regard to the risks incurred.

— *Rallye*

Procedures for monitoring operating risks

Cash management, financing and expenditures

In the administration and finance department, the cash management team is responsible for applying the Group's financial policy, which includes the optimized management of the balance sheet and financial debt, financing strategy, control of financial costs, the profitability of cash surpluses and investments, improvement of the financial structure, and a conservative policy for the management of solvency, liquidity, market and counterparty risks.

Company cash must be invested in instruments whose maturity is matched to the planned duration of the investment and must never be invested in speculative or risky instruments.

Executive Management receives reports of weekly cash flows and the status of the credit lines, along with the respective terms and conditions.

To facilitate and strengthen control over the Company's spending, an authorization procedure for investments and overheads has been introduced. The procedure clearly identifies the persons with the authority to grant prior authorizations for any commitment or payment.

Tax

The Tax manager, who works in the administration and finance department, coordinates the preparation of tax returns by ensuring compliance with applicable tax regulations and legislations.

Financial controlling

Financial controlling, a sub-department of Administration and Finance, is responsible for coordinating the budget process and its revised estimates established during the year together with the three-year strategic plan. It helps to prepare accounting and financial information by drafting monthly management reports, as well as all the analyses required for Executive Management. It also monitors investments and cash flows, as well as management indicators specific to the business of the Company and its subsidiaries.

Market risk monitoring

Marketing risk monitoring is described in the management report of this Registration Document in the chapter "Risk factors and insurance". In light of the priorities emanating from the latter, those responsible regularly make adjustments to the control measures pertaining thereto.

Investment portfolio

Investments and divestments require prior approval to ensure that they comply with the Group's strategy and profitability criteria. Weekly reports showing the changes in the investment portfolio are sent to Executive Management.

Payroll and compensation

The administration and finance department is in charge of payroll organization and management.

The Group's legal department regularly monitors changes in legal and social information affecting payroll management.

The Appointments and Compensation Committee reviews compensation for senior managers, which is then submitted for approval to the Board of Directors. Compensation for all other employees is validated by Executive Management.

Procedures for producing and processing financial and accounting data

Accounting and financial Internal Control covers the processes used to gather accounting data: financial information production process, account closing processes and communication actions.

The accounting and financial Internal Control system seeks to achieve:

- compliance with accounting regulation and the proper application of the principles underlying the financial statements;
- application of the guidelines fixed by Executive Management with respect to financial information;
- the protection of assets;
- the quality of feedback used to prepare the published accounts and the reliability of their centralized processing for the Group with a view to their circulation and their use for steering purposes;
- the verification of the production of financial, accounting and management components including fraud prevention.

Accounting and financial organization

The administration and finance department

The heads of the administration and finance department are in charge of implementing accounting and financial steering, under the supervision of Executive Management in the following areas: accounting, consolidation, management, financial services and cash management.

The finance department is responsible for centralizing cash flows, hedging foreign exchange and interest rate risks in addition to identifying commitments to facilitate their recognition in the accounts.

Accounting standards

The Group has compiled accounting rules and principles which must be applied by all consolidated subsidiaries to ensure the delivery of consistent and reliable financial reports.

These accounting rules are updated on a regular basis to reflect changes in accounting regulations and reporting standards:

- accounting standards define the principles to be used for the consistent treatment of operations. They clarify in particular the terms for recording balance sheet items as well as the identification and valuation of off-balance sheet commitments. They are compliant with IFRS, the reporting standards for consolidated financial statements. The Group's accounts department is constantly gathering intelligence on new accounting standards in the pipeline in order to inform Executive Management and anticipate their impacts on the Group's financial statements;
- the chart of accounts provides the definitions and procedures for preparing the reporting required to draw up the accounts.

Key performance indicators

The various economic indicators deliver monthly reports used to continuously and consistently track the performance trend of each subsidiary and ensure that they are in line with fixed targets.

Audit Committee

The role and duties of the Audit Committee are described above on page 72. These duties are compliant with Article L. 823-19 of the French Commercial Code (order dated December 2008 on the conditions for applying the 8th European Directive on the statutory auditing of financial statements).

Preparation of accounting and financial reporting

Accounts closing and consolidation

The Group's administration and finance department is responsible for preparing the financial statements. These can be a source of financial risk, particularly as regards the accounting records, the consolidation process, and the recognition of off-balance sheet commitments.

Risks regarding the preparation of accounting and financial information are managed by monitoring regulatory texts, anticipating any problems, communicating with the Statutory Auditors and an appropriate calendar.

The account closing process is covered by specific instructions and an appropriate information feedback system that allows the processing of coherent, exhaustive and reliable information based on a consistent methodology and within the appropriate deadlines depending on the schedule defined by the Board of Directors and its special committees.

For drawing up the consolidated financial statements, validation procedures are applied to each stage of the information feedback and processing process. These procedures are designed to specifically check the correct adjustment and elimination of internal transactions; verify consolidation operations; the correct application of accounting standards; the quality and consistency of consolidated and published accounting and financial data.

Consolidation of the financial statements is performed every six months, as a centralized procedure carried out by the consolidation team on the basis of information provided by the subsidiaries. The team performs an overall review of the Group's financial statements, and prepares a file which includes all the restatements and eliminations made, and documents the checks performed, thereby ensuring traceability.

In addition, the consolidation department is in charge of updating consolidation procedures, including subsidiaries within the scope of consolidation, information processing and maintaining the consolidation tools.

The Statutory Auditors

All the accounting and financial data prepared by consolidated subsidiaries is subject to at least a limited review for six-month reports, and a full audit for annual reports, by external auditors. The Chief Executive Officer issues a letter of representation to personally vouch for the accuracy, reliability and completeness of the financial disclosures.

The Statutory Auditors responsible for jointly reviewing all the financial statements and the methods used to prepare them, certify the Group's consolidated financial statements. They issue a report to the

Group's shareholders to certify that the accounts are an accurate, fair and truly reflection of the Company's consolidated and individual financial statements. They are previously informed of the accounts preparation process and they present a summary of their works to the Group's accounts and financial officers and to the Audit Committee for the six-month position and the annual closing.

IT system security

Selected software programs are compatible with accounting and financial requirements. Information systems managers are working on enhanced task separation solutions and improving the verification of access rights.

In order to ensure the effectiveness of internal control procedures as well as the security and integrity of all data and data processing in the face of a possible major incident, whether accidental or due to acts of malfeasance, the entire system is secured by a system providing authorization and protected access to the network, data backup procedures and physical protection of the data center.

Financial communications

The administration and financial department is responsible for coordinating information distributed to the financial community and ensuring that such information accurately and transparently reflects the Group's position, activity and outlook.

Financial Communications managers draw up a precise schedule for the release of current information about the Group to financial markets. This schedule is consistent with the requirements of market authorities. The managers constantly gather intelligence and check, with the assistance of the legal department, that the communication is made within the required time scales, in accordance with rules and regulations and in compliance with the principle of equal access to information for all shareholders.

By working closely with Executive Management, the Board of Directors and Statutory Auditors, the Financial Communications managers draft and coordinate the distribution of this information through various means (annual and six-month reports, road shows, website, etc.).

When signing their employment contract, each employee signs an appendix relating to ethics which specifies, in particular, an obligation to observe a blackout period in order to avoid finding themselves, or placing the Company, in a situation which constitutes a stock market offence.

The internal control system is not set in stone and changes in order to allow Executive Management to take into account significant risks to the Company in an appropriate manner. The Board of Directors is informed of any changes to this system and can monitor its functioning based on information provided to it by Executive Management.

REPORT OF THE STATUTORY AUDITORS

prepared in accordance with Article L. 225-235 of the French Commercial Code, on the report by the Chairman of the Board of Directors of Rallye

–

Year ended December 31, 2014

Dear Shareholders,

In our capacity as Rallye's Statutory Auditors, and in accordance with Article L. 225-235 of the French Commercial Code, we hereby present our report on the report prepared by the Chairman of your Company in accordance with Article L. 225-37 of the Commercial Code for the year ended December 31, 2014.

The Chairman is responsible for preparing and submitting to the Board of Directors for approval a report on the internal control and risk management procedures in place at the Company, and providing other information required by Article L. 225-37 of the French Commercial Code related especially to corporate governance measures.

Our responsibility is to:

- inform you of our observations concerning the information contained in the Chairman's Report with respect to the internal control and risk management procedures relating to preparation and processing of accounting and financial information, and
- certify that the report contains the other information required by Article L. 225-37 of the French Commercial Code, without however being required to verify that such other information is fairly presented.

We carried out our work in accordance with the professional standards applicable in France.

INFORMATION CONCERNING THE INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES RELATING TO THE PREPARATION AND PROCESSING OF FINANCIAL AND ACCOUNTING INFORMATION

Professional standards require us to implement procedures designed to assess the fairness of the information set out in the Chairman's Report on internal control and risk management procedures relating to the preparation and processing of financial and accounting information. These procedures consist, in particular, of:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of financial and accounting information supporting the information set out in the Chairman's Report as well as of the existing documentation;
- obtaining an understanding of the work performed to prepare this information and the existing documentation;
- determining whether any major weaknesses in the internal control procedures relating to the preparation and processing of financial and accounting information, which we may have found as part of our assignment have been appropriately disclosed in the Chairman's Report.

On the basis of these procedures, we have no matters to report in connection with the information on the internal control and risk management procedures relating to preparation and processing of financial and accounting information contained in the Chairman of the Board of Directors' report, prepared in accordance with article L. 225-37 of the French Commercial Code.

OTHER INFORMATION

We certify that the report of the Chairman of the Board of Directors includes the other information required by Article L. 225-37 of the Commercial Code.

Paris-La Défense, March 6, 2015

The Statutory Auditors

KPMG Audit	ERNST & YOUNG et Autres
Department de KPMG S.A.	Pierre Bourgeois
Catherine Chassaing	

RALLYE

Financial and legal information 2014

AFR This information forms an integral part of the Annual Financial Report as provided for in Article L. 451-1.2 of the French Monetary and Financial Code.

CONSOLIDATED FINANCIAL STATEMENTS

Group Consolidated Statement of Income

(In € millions)	Notes [(1)]	2014	2013 *
Continuing operations			
Revenue	5	**49,155**	48,519
Full cost of goods sold	6.2	**(36,789)**	(36,027)
Gross margin		**12,366**	**12,492**
Other income		**611**	361
Cost of goods sold	6.3	**(9,113)**	(8,776)
General and administrative expenses	6.3	**(1,628)**	(1,754)
Current operating income		**2,235**	**2,323**
Other operating income	6.5	**254**	1,015
Other operating expenses	6.5	**(755)**	(775)
Operating income		**1,734**	**2,563**
Income from cash and cash equivalents	11.4.1	**205**	179
Cost of gross financial debt	11.4.1	**(1,016)**	(1,008)
Cost of net financial debt		**(812)**	(829)
Other financial income	11.4.2	**262**	249
Other financial expenses	11.4.2	**(244)**	(338)
Profit before tax		**941**	**1,645**
Income tax expense	9.1	**(321)**	(394)
Income from associates and joint ventures	3.3.3	**76**	42
NET INCOME FROM CONTINUING OPERATIONS		**697**	**1,294**
Company owners		**(32)**	**175**
Non-controlling interests		**729**	1,119
Discontinued operations			
Net income from discontinued operations		**(2)**	**(2)**
Company owners		**(1)**	**(1)**
Non-controlling interests		**(1)**	(1)
Consolidated net income		**696**	**1,292**
Company owners		**(33)**	174
Non-controlling interests	12.8	**728**	1,118
Net income attributable to company owners (in €)			
Consolidated net income per share attributable to company owners	12.10		
Basic		**(0.68)**	3.63
Diluted **		**(1.09)**	3.61
Net income per share from continuing operations, attributable to company owners	12.10		
Basic		**(0.66)**	3.65
Diluted **		**(1.08)**	3.63

* The statements previously published have been restated following the retrospective application of IFRS 11 (Note 1.3.2) and IFRIC 21 (Note 1.3.4) as well as the amendments mainly concerning the fair value measurement of Monoprix's acquired assets and liabilities (Note 3.2.1). These impacts are presented in Note 1.3.6.
** Pursuant to IAS 33, the calculation of diluted net earnings per share (NEPS) takes account of the maximum dilutive effect linked to the Monoprix ORA bonds issued on December 27, 2013. Casino Group holds a purchase option on these bonds, this maximum dilution represented at the end of 2014, €0.42 per share and would fall to 0 if the option is exercised.
(1) In relation to the notes mentioned in the income statement, payroll expenses and lease expenses are reported in Notes 8 and 7 respectively.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Comprehensive Income

(In € millions)	2014	2013 *
Net income for the year	**696**	**1,292**
Cash flow hedges	34	(5)
Translation adjustments **	25	(2,180)
Change in the fair value of financial assets available for sale	(32)	11
Share of associates and joint ventures in items to be reclassified		(19)
Income tax impact	(6)	(1)
Items to be reclassified subsequently to profit or loss	21	(2,194)
Actuarial gains and losses	(2)	13
Income tax impact	1	(4)
Items that will not be reclassified to profit or loss	(1)	9
Other elements of comprehensive income net of taxes	**20**	**(2,185)**
TOTAL COMPREHENSIVE INCOME	**716**	**(893)**
Company owners	(38)	(232)
Non-controlling interests	754	(661)

* The statements previously published have been restated following the retrospective application of IFRS 11 (Note 1.3.2) and IFRIC 21 (Note 1.3.4) as well as the amendments mainly concerning the fair value measurement of Monoprix's acquired assets and liabilities (Note 3.2.1). These impacts are presented in Note 1.3.6.

** The €25 million positive change in fiscal year 2014 can primarily be explained by offsetting between the depreciation of the Colombian currency (-€236 million) and appreciations of the Thai (€144 million) and Brazilian (€69 million) currencies. In 2013, the decline primarily stemmed from the depreciation of Brazilian, Colombian and Thai currencies for €1,641, €349 and €120 million respectively.

The changes for each fiscal year are presented in Note 12.7.2.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Financial Position

–

ASSETS

(in € millions)	Notes [1]	2014	2013 *	January 1, 2013 *
Goodwill	10.1	**12,023**	11,744	10,934
Intangible assets	10.2	**4,330**	4,246	3,853
Property, plant and equipment	10.3	**9,678**	9,332	8,077
Investment property	10.4	**675**	563	543
Investments in associates and joint ventures	3.3	**913**	1,048	1,576
Other non-current assets	6.9	**2,443**	1,792	2,233
Deferred tax assets	9.2	**372**	401	842
Total non-current assets		**30,434**	**29,125**	**28,058**
Inventories	6.6	**5,471**	4,778	4,664
Trade receivables	6.7	**1,532**	1,503	1,695
Other current assets	6.8	**1,725**	1,518	1,557
Current tax receivables		**161**	75	44
Other current financial assets	6.8	**154**	425	471
Cash and cash equivalents	11.1	**7,680**	5,686	6,159
Assets held for sale	3.5	**67**	98	1,476
Total current assets		**16,790**	**14,084**	**16,066**
TOTAL ASSETS		**47,224**	**43,209**	**44,124**

* The statements previously published have been restated following the retrospective application of IFRS 11 (Note 1.3.2) and IFRIC 21 (Note 1.3.4) as well as the amendments mainly concerning the fair value measurement of Monoprix's acquired assets and liabilities (Note 3.2.1). These impacts are presented in Note 1.3.6.

(1) In relation to the notes mentioned in the statement of financial position, the information below is reported in the following notes:

- "Off-balance sheet commitments related to current operations", Notes 6.10 and 7.6;
- "Extraordinary off-balance sheet commitments" Note 3.4.2;
- "The fair value of financial instruments" Note 11.5;
- "Risk management" in Note 11.6.

SHAREHOLDERS' EQUITY AND LIABILITIES

(in € millions)	Notes (1)	2014	2013 *	January 1, 2013 *
Capital	12.2	146	146	146
Reserves and share of income/loss attributable to company owners		1,186	1,297	1,680
Shareholders' equity attributable to company owners		**1,332**	**1,444**	**1,850**
Non-controlling interests	12.8	12,601	12,475	11,913
Shareholders' equity	12	**13,932**	**13,919**	**13,763**
Non-current provisions	13-8.2	1,019	971	945
Non-current financial liabilities	11.2	11,611	11,064	11,620
Other non-current liabilities	11.3	817	731	1,002
Deferred tax liabilities	9.2	1,428	1,407	1,294
Total non-current liabilities		**14,874**	**14,173**	**14,861**
Current provisions	13-8.2	172	217	275
Trade payables		8,412	7,080	6,433
Current financial liabilities	11.2	5,441	3,434	3,406
Tax liabilities payable		107	145	113
Other current liabilities	11.3	4,281	4,242	4,177
Liabilities related to assets held for sale		5	0	1,095
Total current liabilities		**18,417**	**15,118**	**15,500**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**47,224**	**43,209**	**44,124**

* The statements previously published have been restated following the retrospective application of IFRS 11 (Note 1.3.2) and IFRIC 21 (Note 1.3.4) as well as the amendments mainly concerning the fair value measurement of Monoprix's acquired assets and liabilities (Note 3.2.1). These impacts are presented in Note 1.3.6.

(1) In relation to the notes mentioned in the statement of financial position, the information below is reported in the following notes:
- "Off-balance sheet commitments related to current operations", Notes 6.10 and 7.6;
- "Extraordinary off-balance sheet commitments" Note 3.4.2;
- "The fair value of financial instruments" Note 11.5;
- "Risk management" in Note 11.6.

CONSOLIDATED FINANCIAL STATEMENTS

Cash flow statement

(In € millions)	2014	2013 *
Net income attributable to company owners	(33)	174
Non-controlling interests	728	1,118
Consolidated income	**695**	**1,292**
Amortization, depreciation, and provisions	1,036	1,099
Unrealized gains and losses related to changes in fair value	(29)	112
Calculated expenses and income linked to stock options and the like	27	21
Other calculated expenses and income	57	5
Amortization, depreciation, provisions and other non-disbursable items	**1,091**	**1,237**
Income from the disposal of assets	49	(49)
Losses/(gains) related to changes in interests in subsidiaries with loss of control or non-controlling interests	(6)	(719)
Share of income of associates	(75)	(44)
Dividends received from associates	127	56
Cash flow	**1,881**	**1,773**
Cost of net financial debt (excluding changes in fair value and amortization)	787	828
Tax liability (including deferred taxes)	320	393
Cash flow before cost of net debt and taxes	**2,988**	**2,994**
Taxes paid	(431)	(361)
Change in Working Capital Requirement (Note 4.1)	342	527
Net cash flow from operating activities (A)	**2,899**	**3,160**
Acquisitions of property, plant and equipment, intangible assets and investment properties	(1,545)	(1,568)
Sale of property, plant and equipment, intangible assets, and investment property	72	228
Acquisition of financial assets	(16)	(33)
Sale of financial assets	158	8
Impact of changes in scope of consolidation with change of control (Note 4.2)	(101)	(2,115)
Impact of changes in scope of consolidation related to joint ventures and associates	(34)	
Change in loans and advances made	(2)	36
Net cash flow from investing activities (B)	**(1,468)**	**(3,444)**
Dividends paid to shareholders of the parent company	(87)	(50)
Dividends paid to minority shareholders of consolidated companies	(306)	(369)
Dividends paid to holders of perpetual super subordinated notes	(27)	(17)
Capital reductions/increases in cash	5	14
Other transactions with minority shareholders (Note 4.3)	(266)	201
Purchases and sale of treasury stock	(24)	(3)
Acquisitions and sales of financial investments		68
Equity instrument issues		1,237
Bond issues	4,548	2,691
Bond redemptions	(2,391)	(2,601)
Net financial interest paid	(824)	(825)
Net cash flow from financing activities (C)	**628**	**346**
Impact of currency translation adjustments (D)	**(37)**	**(679)**
CHANGE IN CASH (A+B+C+D)	**2,022**	**(617)**
Opening net cash and cash equivalents	5,490	6,107
Net cash from activities held for sale		(204)
Opening net cash on the balance sheet (F)	5,490	5,903
Closing net cash	7,512	5,490
Net cash from activities held for sale (E)		
Closing net cash on the balance sheet (G)	7,512	5,490
CHANGE IN CASH AND CASH EQUIVALENTS (G-E-F)	**2,022**	**(617)**

* The statements previously published have been restated following the retrospective application of IFRS 11 (Note 1.3.2) and IFRIC 21 (Note 1.3.4) as well as the amendments mainly concerning the fair value measurement of Monoprix's acquired assets and liabilities (Note 3.2.1). These impacts are presented in Note 1.3.6.

CONSOLIDATED FINANCIAL STATEMENTS

Statement of changes in consolidated shareholders' equity

–

(In € millions)	Capital	Reserves related to capital (1)	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	Non-controlling interests (7)	Total shareholders' equity
As of January 1, 2013 reported	**146**	**1,439**	**(11)**	**167**	**2**	**(15)**	**52**	**(19)**	**66**	**1,826**	**11,888**	**13,714**
Impact of method changes (Note 1.3.6)				24						24	25	49
As of January 1, 2013 *	**146**	**1,439**	**(11)**	**191**	**2**	**(15)**	**52**	**(19)**	**66**	**1,850**	**11,913**	**13,763**
Income and expenses recognized directly in equity					(1)		(417)	4	8	(406)	(1,779)	(2,185)
Consolidated net income for 2013 (2)				174						174	1,118	1,292
Total income and expenses recognized	**0**	**0**	**0**	**174**	**(1)**	**0**	**(417)**	**4**	**8**	**(232)**	**(661)**	**(893)**
Capital transactions		1		(5)						(4)	19	15
Transactions in treasury shares			2	(1)						1		1
Equity instrument issues (6)				(4)						(4)	1,170	1,166
Dividends paid (3)				(49)						(49)	(350)	(399)
Change in interests without gain or loss of control of subsidiaries (4)				(121)						(121)	747	626
Changes in interest relating to the gain or loss of control of subsidiaries (5)										0	(359)	(359)
Other changes				3						3	(4)	(1)
As at December 31, 2013 *	**146**	**1,440**	**(9)**	**188**	**1**	**(15)**	**(365)**	**(15)**	**74**	**1,444**	**12,475**	**13,919**
Income and expenses recognized directly in equity					12		5	(1)	(21)	(5)	26	21
Consolidated net income for 2014 (2)				(33)						(33)	728	695
Total income and expenses recognized	**0**	**0**	**0**	**(33)**	**12**	**0**	**5**	**(1)**	**(21)**	**(38)**	**754**	**716**
Capital transactions										0	(13)	(13)
Transactions in treasury shares			(10)	(6)						(16)	17	1
Dividends paid (3)				(93)						(93)	(346)	(439)
Change in interests without gain or loss of control of subsidiaries (4)				60			(39)			21	(256)	(235)
Other changes				14						14	(30)	(16)
AS AT DECEMBER 31, 2014	**146**	**1,440**	**(19)**	**130**	**13**	**(15)**	**(399)**	**(16)**	**53**	**1,332**	**12,601**	**13,933**

* The statements previously published have been restated following the retrospective application of IFRS 11 (Note 1.3.2) and IFRIC 21 (Note 1.3.4) as well as the amendments mainly concerning the fair value measurement of Monoprix's acquired assets and liabilities (Note 3.2.1). These impacts are presented in Note 1.3.6.

(1) Reserves related to capital (Note 12.2).
(2) Non-controlling interests mainly relate to the Casino Group.
(3) Notes 12.9 (dividends paid by Rallye) and 12.8 (analysis of non-controlling interests).
(4) Notes 3.2.3 (Franprix-Leader Price), 3.2.4 (swap of GPA shares with Mr. Diniz) and 3.2.6 (partial loss of control of Via Varejo) in 2013- Notes 2 (initial public offer of Cnova) and 3.1 (exercise of the call option for 3.4% of GPA shares) in 2014.
(5) Note 3.2.2 (Loss of control of Mercialys).
(6) Note 12.5 for the issue of Casino perpetual "super subordinated" securities (TSSDI) and Note 12.6 for the issue of the Monoprix convertible bonds (ORA).
(7) Note 12.8 (Material non-controlling interests).

CONSOLIDATED FINANCIAL STATEMENTS

Notes to the consolidated financial statements

The presentation of the notes to the consolidated financial statements as at December 31, 2014 has been amended compared to the previous fiscal year for enhanced clarity and relevance in accordance with the recommendations of the AMF. The accounting principles are now integrated into the relevant notes except for the general accounting principles. The notes are presented by theme and they restate the information reported in the consolidated financial statements.

A cross-reference table, between the presentation adopted for the consolidated financial statements for the year ended December 31, 2014 and the presentation used for the year ended December 31, 2013 is presented at the end of the financial statements in Note 19.

Rallye is a French "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".

On February 16, 2015, the Board of Directors approved and authorized the publication of Rallye's consolidated financial statements for the 2014 fiscal year. They will be submitted for approval by the Shareholders' Meeting to be held on May 19, 2015.

NOTE 1 • GENERAL ACCOUNTING PRINCIPLES

1.1 | REPORTING STANDARDS

Pursuant to European Regulation 1606/2002 of July 19, 2002, the consolidated financial statements of the Rallye Group have been prepared in accordance with the standards issued by the International Accounting Standards Board (IASB), as adopted by the European Union as of the date of approval of the financial statements by the Board of Directors, and mandatory as of December 31, 2014.

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 accounting methods described below were applied consistently to all periods presented in the consolidated financial statements, taking into account, or except for, the new standards and interpretations described below.

— *Standards, amendments to standards and interpretations applicable as of the fiscal year beginning January 1, 2014*

- IFRS 10 "Consolidated Financial Statements»;
- IFRS 11 "Joint Arrangements»;
- IFRS 12 "Disclosures of interests in other entities»;
- IAS 27 revised: "Separate financial statements»;
- IAS 28 revised: "Investments in associates and joint ventures»;
- IFRIC 21 "Levies charged by public authorities»;
- Amendments to IFRS 10, IFRS 11 and IFRS 12 – "Transitional provisions»;
- Amendment to IAS 32 "Presentation: offsetting financial assets and financial liabilities»;
- Amendment to IAS 36 "Recoverable amount disclosures for non-financial assets»;
- Amendment to IAS 39 "Novation of derivatives and continuation of hedge accounting".

With the exception of IFRS 11 and IFRIC 21, whose impact is explained in Note 1.3.6, these newly-published standards did not have a material impact on the Group's results or financial position.

1.2 | BASIS FOR PREPARATION AND PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

— *1.2.1 Measurement bases*

The consolidated financial statements were prepared in accordance with the historical cost method, except for:

- assets and liabilities remeasured at fair value under a business combination in accordance with the principles outlined in IFRS 3;
- derivative financial instruments, available-for-sale financial assets and the securities portfolio, which were measured at fair value. The book value of the assets and liabilities that are components hedged by a fair value hedge and that would also be measured at cost is adjusted to take into account changes in fair value attributable to the risks being hedged.

The consolidated financial statements are presented in millions of euros. The amounts indicated in the consolidated financial statements are rounded to the closest million and include individually-rounded data. Calculations based on rounded figures may differ from reported aggregates and sub-totals.

— *1.2.2 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.

The judgments, estimates and assumptions prepared on the basis of information available on the cut-off date apply mainly to:

- impairment of non-current assets and goodwill (Note 10.5);
- available-for-sale financial assets.

Moreover, the judgments, estimates and assumptions used by the operating subsidiaries concern in particular:

- provisions for risks, especially tax and employee-related risks, as well as the recoverable value of tax credits or taxes (VAT or similar taxes) (Note 13);
- calculating the fair value of investment properties (Note 10.4);
- the determination of the fair values of the identifiable assets and liabilities associated with the takeover of Monoprix in 2013 (Note 3.2.1);
- impairment of non-current assets and goodwill (Note 10.5);
- the recoverable values of deferred tax assets (Note 9);
- determination of the fair values of derivative instruments (Note 11.5).

Notes 10.5.2, 10.5.3, 3.3.5 and 8.2.2 present the sensibilities of measurements made regarding goodwill, banners and entities consolidated according to the equity method and retirement provisions.

1.3 | CHANGES IN ACCOUNTING METHOD AND RESTATEMENT OF COMPARATIVE DATA

— 1.3.1 *Application of IFRS 10 "Consolidated Financial Statements"*

IFRS 10 replaces IAS 27 and the SIC 12 interpretation (special purpose entities); it gives a new definition to the notion of control. Control is effective if:

- the Group has effective rights or the ability to direct the relevant activities of the entity;
- the Group is exposed to the variable returns of the entity.

The first application of this standard had no material impact on the Group's financial statements for any of the prepared periods.

— 1.3.2 *Application of IFRS 11 "Joint Arrangements"*

IFRS 11 replaces IAS 31 – Investments in joint ventures as well as the SIC 13 interpretation – Jointly Controlled Entities – Non-Monetary Contributions by Venturers. This standard defines how to treat a joint arrangement through which at least two parties exercise joint control.

The definition of joint control is based on the existence of a contractual agreement and the unanimous consent of the parties sharing control. These texts mainly provide for two separate accounting treatments:

- joint arrangements classified as joint operations give rights to the assets and obligations for the liabilities relating to the arrangement. They are recognized in the amount of the share of assets, liabilities, income, and expenses controlled by the Group in accordance with the mutual agreement. A joint operation may be implemented by means of a simple contract or by means of a jointly controlled legal entity. The consolidation method is similar to the proportionate method of consolidation;
- joint arrangements classified as joint ventures only give rights to the net asset. They are now consolidated under the equity method;

As such, an analysis of the different jointly-controlled investments has led them to be classified as joint ventures within the meaning of IFRS 11. They are now consolidated under the equity method and no longer by the proportionate method. The main companies involved are Monoprix (impact on the first quarter of 2013 only due to the full control acquired from April 5, 2013), Geimex, Grupo Disco Uruguay, Distridyn, and some real estate subsidiaries.

Impacts on the consolidated financial statements at January 1, 2013 and at December 31, 2013 are detailed in Note 1.3.6.

— 1.3.3 *Application of IFRS 12 – "Disclosures of interests in other entities"*

This standard contains all disclosures required when an entity holds interests in subsidiaries, joint arrangements, associates, or non-consolidated structured entities, regardless of the level of control or influence over the entity.

The first-time application of this standard leads to a profusion of notes to the financial statements.

— 1.3.4 *Application of IFRIC 21 – "Levies"*

The Group applied this interpretation early which leads to the recognition of liabilities to pay levies, on the date of the obligating event set by the legislator.

Impacts on the consolidated financial statements at January 1, 2013 and at December 31, 2013 are detailed in Note 1.3.6.

— 1.3.5 *Changes in the fair value of assets and liabilities acquired through takeovers carried out in 2013*

During 2014, the Casino Group finalized the measurement at fair value of the identifiable assets and liabilities of various acquisitions made in 2013, of which the main one is Monoprix (Note 3.2.1), which leads to the restatement of accounts as at December 31, 2013 (Note 1.3.6).

— 1.3.6. *Impacts on the consolidated financial statements*

The tables below summarize the impacts on the consolidated income statement, the consolidated balance sheet and the consolidated statement of cash flows, resulting from:

- the method change linked to the first-time application of IFRS 11 and the IFRIC 21 interpretation;
- changes in the allocation of the acquisition price ("PPA") of takeovers carried out in 2013;
- and the other following restatements:
  - the addition of some operating data from Cdiscount and Nova Pontocom required the restatement of -€18 million in revenue at December 31, 2013 (immaterial impact on margin),
  - rental income from GPA shopping malls was reclassified from "Cost of sales" to "Revenue" for €43 million as at December 31, 2013.

Impacts on the principal aggregates of the consolidated statement of income

(In € millions)	December 31, 2013 published	Initial application of IFRS 11	Initial application of IFRIC 21	Other adjustments	December 31, 2013, restated
Revenue	49,306	(812)		25	48,519
Current operating income	2,364	(50)	10		2,323
Operating income	2,600	(46)	10		2,563
Profit before tax	1,680	(45)	10		1,645
Income from associates and joint ventures	18	29	(4)		42
CONSOLIDATED NET INCOME	**1,291**		**1**		**1,292**
Company owners	**173**		**1**		**174**
Non-controlling interests	1,118				1,118

Impacts on the principal aggregates of the consolidated statement of financial position

(In € millions)	December 31, 2013 published	Initial application of IFRS 11	Initial application of IFRIC 21	Adjustments related to PPA	Other adjustments	December 31, 2013, restated
Non-current assets	29,209	(53)	(28)	(2)		29,126
Current assets	14,354	(278)		(3)	11	14,084
TOTAL ASSETS	**43,563**	**(331)**	**(28)**	**(5)**	**11**	**43,210**
Shareholders' equity	13,867	1	51			13,919
Non-current liabilities	14,305	(127)		(5)		14,173
Current liabilities	15,390	(204)	(79)		11	15,118
TOTAL LIABILITIES	**43,563**	**(331)**	**(28)**	**(5)**	**11**	**43,210**

(In € millions)	January 1, 2013 published	Initial application of IFRS 11	Initial application of IFRIC 21	January 1, 2013 restated
Non-current assets	28,634	(558)	(18)	28,058
Current assets	16,617	(552)		16,065
TOTAL ASSETS	**45,252**	**(1,111)**	**(18)**	**44,123**
Shareholders' equity	13,714		49	13,763
Non-current liabilities	15,088	(227)		14,861
Current liabilities	16,450	(884)	(67)	15,499
TOTAL LIABILITIES	**45,252**	**(1,111)**	**(18)**	**44,123**

Impacts on the principal aggregates of the consolidated cash flow statement

(In € millions)	2013 published	Initial application of IFRS 11	2013, restated
Net cash flow from operating activities	3,183	(32)	3,151
Net cash flow from investing activities	(3,254)	(191)	(3,445)
Net cash flow from financing activities	364	(8)	356
Impacts of monetary changes on cash	(682)	4	(678)
Opening net cash	5,808	94	5,902
Closing net cash	5,623	(133)	5,490

NOTE 2 • SIGNIFICANT EVENTS

The significant events during the fiscal year are as follows:

2.1 | CREATION OF AN E-COMMERCE DIVISION, FORMATION OF THE NEW CNOVA ENTITY AND INITIAL PUBLIC OFFERING IN THE UNITED STATES

On June 4, 2014, the Boards of Directors of Casino, GPA, Via Varejo and Exito approved the principal terms of the creation of a global e-commerce division, consisting primarily of Cdiscount (France, Belgium, Thailand, Vietnam, Colombia, Uruguay, Panama, Ecuador, Ivory Coast, Senegal) and CNova Brazil (formerly Nova Pontocom in Brazil), grouped under the new entity under Dutch law Cnova N.V. ("Cnova"). The legal restructuring was finalized on July 24, 2014.

On November 21, 2014, Cnova offered 26.8 million common shares at $7 per share on the NASDAQ, completed by the issuance of 2.4 million common shares in December 2014 linked to the exercise of the overallocation option given to underwriting banks. On January 21, 2015, Cnova shares were also admitted for trading on Euronext Paris.

The reorganization and stock market listing were treated as transactions between shareholders within the Group's shareholder's equity generating the following impacts:

- a transfer of -€67 million of non-controlling interests to shareholders' equity, Group share as part of the legal restructuring that allowed the combination of the Group's e-commerce activities under Cnova;
- pursuant to the issuance of securities (€143 million) and the impact of dilution, the recognition of €91 million net of non-controlling interests, €36 million of IPO expenses after tax and the positive impact of €22 million on shareholders' equity, Group share (net of €14 million of IPO costs after tax).

The impact on cash as at December 31, 2014, after deducting IPO costs, was €117 million.

Considering this major transaction, the Group updated its segment reporting to reflect the new developments in its activities (Note 5).

2.2 | DELISTING OF GROUPE GO SPORT

Highlights in 2014 included the filing of a simplified public offering on September 30, 2014 by Rallye to buy Groupe GO Sport shares not yet included in its direct or indirect holdings. The offering, which was declared compliant on October 14, 2014 by the French financial markets authority, was completed at a price of €9.10 per share. It was followed by a squeeze-out implemented on November 5, 2014. Since that date, Rallye holds 100% of the capital and voting rights of Groupe GO Sport (94.6% as at December 31, 2013). This transaction has no material impacts on the Group.

2.3 | OTHER CONSOLIDATION SCOPE TRANSACTIONS IN 2014

- The exercise by Casino of the call option on GPA preference shares (Note 3.1.1);
- Takeovers within the Franprix-Leader Price sub-group: (Note 3.1.2);
- The acquisition of the entire non-controlling interests in Monshowroom (Note 3.1.3);
- The takeover of Super Inter by Exito: (Note 3.1.4).

2.4 | FINANCING TRANSACTIONS

- Bond issuances (Note 11.2.1);
- Signature of a line of credit (Note 11.2.1).

NOTE 3 • CONSOLIDATION SCOPE

Scope and methods of consolidation

Subsidiaries, joint ventures and associates under the direct or indirect control of the parent company, or over which the latter exercises control, joint control or significant influence, are consolidated.

Subsidiaries

Subsidiaries are companies controlled by the Group. Control exists when the Group (i) holds power over an entity, (ii) is exposed or entitled to variable returns from its involvement with the entity and (iii) has the ability to exert power over the entity so as to affect the amount of returns received.

The financial statements of subsidiaries are included in the consolidated financial statements from the date of the effective transfer of control until the date that such control ceases to exist. Subsidiaries, regardless of the percentage of ownership, are fully consolidated in the Group statement of financial position.

Potential voting rights

Control takes into account the potential voting rights if they are substantive, in other words that the entity has the practical ability to exercise its rights and that these rights can be exercised at any time.

Joint ventures

A joint venture is a joint arrangement whereby the parties exercise joint control over the entity. They have rights to the entity's net assets. Joint control exists insofar as the decisions concerning the relevant activities are taken unanimously by the parties sharing the control.

Joint ventures are consolidated under the equity method in the consolidated statement of financial position.

Associates

Associates are companies in which the Group exercises significant influence on the financial and operational policies, but for which it does not have control. Associates are consolidated under the equity method in the consolidated statement of financial position.

Consolidation under the equity method

Consolidation under the equity method requires that the investment in an associate or a joint venture should be initially recognized at acquisition cost, then subsequently adjusted to reflect the Group's share in the associate's or joint venture's earnings and other elements of comprehensive income. Goodwill related to these entities is included in the book value of the investment. Any loss of value and gain or loss on disposal related to shares consolidated under the equity method are recognized under "Other operating income and expenses".

Business combinations

Pursuant to IFRS 3 revised, the consideration transferred (acquisition price) is measured at the fair value of the assets delivered, the equity issued, and the liabilities incurred on the date of the exchange. The identifiable assets and liabilities of the Company acquired are measured at fair value on the date of the purchase. The costs directly attributable to the takeover of control are recognized in "Other operating expenses."

Any surplus of the consideration transferred over the Group's share of the net fair value of the identifiable assets and liabilities of the Company acquired gives rise to the recognition of goodwill. On the date of the takeover of control, and for each combination, the Group may opt for partial goodwill (limited to the share acquired by the Group) or complete goodwill. If the Group opts for the complete goodwill method, minority interests are measured at fair value and the Group recognizes goodwill on all identifiable assets and liabilities.

Business combinations prior to January 1, 2010 had been treated using the partial goodwill method, the only method applicable prior to the introduction of IFRS 3 revised.

In the case of an acquisition in stages, the interest previously held is remeasured at fair value on the date control is assumed. The difference between the fair value and the net book value of this interest is recognized directly in profit or loss ("Other operating income" or "Other operating expenses").

The amounts recognized on the acquisition date may result in an adjustment provided that the items allowing adjustment of these amounts correspond to new information of which the buyer is made aware and originating in facts and circumstances prior to the date of acquisition. After the measurement period (with a maximum duration of 12 months after the date of the takeover of control of the entity acquired), goodwill may not be adjusted subsequently; the subsequent acquisition of minority interests does not result in the recognition of additional goodwill.

In addition, price supplements are included in the consideration transferred at fair value on the acquisition date, whatever the probability of occurrence. During the measurement period, subsequent adjustments are offset in goodwill when they relate to facts and circumstances existing at the time of the acquisition; after that, price supplement adjustments are recognized directly in income ("Other operating income" or "Other operating expenses"), unless the price supplements had an equity instrument as consideration. In this case, the price supplement is not remeasured subsequently.

Conversion of foreign currencies

The consolidated financial statements are presented in euros, the functional currency of the Group's parent company. Each entity within the Group determines its own functional currency and the financial items of each are measured in that currency.

The financial statements of companies in the Group that use a different functional currency from that of the parent company are translated using the closing rate method:

- assets and liabilities, including goodwill and adjustments made to determine fair value upon consolidation, are translated into euros at the exchange rate prevailing at year-end;
- items in the income and cash flow statements are translated into euros at the average exchange rate for the period, as long as this rate is not called into question by significant changes in the currency markets.

The resulting foreign exchange differences are directly recognized in equity, under a separate heading. When a foreign business is sold, the cumulative amount of the deferred exchange differences recognized under the separate equity heading relating to that foreign business is recognized in income.

Transactions denominated in foreign currencies are translated into euros at the exchange rate prevailing on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate prevailing at the close of the period, while the resulting foreign exchange differences are recognized in the income statement as foreign exchange gains or losses. Non-monetary assets and liabilities denominated in foreign currencies are recognized at the historical exchange rate in effect on the transaction date.

The exchange rates applied on the translation of a net investment of an entity in a foreign operation are accounted for in the consolidated financial statements as a separate component of equity and are recognized in profit or loss when the net investment is disposed of.

Foreign exchange differences relating to foreign currency debts hedging foreign currency investments or long-term advances to subsidiaries are also accounted for in equity and recognized in profit and loss when the net investment is disposed of.

3.1 | CONSOLIDATION SCOPE TRANSACTIONS CARRIED OUT IN 2014

— *3.1.1 Change in the percentage held in GPA*

Exercise of the call option

On April 4, 2014, Casino acquired 8,907,123 preferred shares in GPA after exercising a call option purchased in July 2012.

The amount disbursed for this acquisition totaled €330 million (Note 4.3), generating an impact of -€34 million on the Shareholders' equity Group share.

Exercise of stock options

The exercise of GPA stock options during the first half of 2014 had an impact of -€3 million on the Shareholders' equity Group share.

These two transactions between shareholders treated directly in equity raised Casino's interest in GPA to 41.32% at December 31, 2014 (38.07% at December 31, 2013).

— 3.1.2 Franprix-Leader Price sub-group transactions

Le Mutant

On October 28, 2013, Leader Price signed an agreement with Mutant Distribution, a subsidiary of the Coopérateurs de Normandie-Picardie sub-group, with regard to the acquisition of 46 stores, principally located in the Southwest of France, and the creation of an affiliate partnership with the Leader Price chain via a brand license and supply contract for close to 90 stores in Normandy-Picardy, with the stores operated under the “Le Mutant” discount banner.

After obtaining the approval of the Competition authority, the Franprix-Leader Price group obtained control over the 46 Le Mutant stores on March 8, 2014. The Group paid €32 million for this acquisition which generated provisional goodwill of €18 million.

The acquisition expenses of this sub-group amounted to €2 million and were recognized in “Other operating expenses” (including €1 million in fiscal year 2013).

The contribution of the business activities of the Le Mutant subgroup to the Casino Group’s revenue and pre-tax net income/loss for the period from March 8, 2014, to December 31, 2014, was €64 and -€8 million, respectively. If this acquisition had been completed on January 1, 2014, the additional contribution to sales would have been €13 million, and the contribution to income before tax would not have been significant.

Other takeovers

During fiscal year 2014, Franprix-Leader Price took over various companies that operate 26 stores under the Franprix and Leader Price banners. The amount disbursed for these acquisitions totaled €22 million and generated provisional goodwill of €26 million. If these acquisitions had been completed on January 1, 2014, the additional contribution to revenue and income/loss before tax would have been €63 and -€5 million respectively.

— 3.1.3 Monshowroom (e-commerce segment)

The revaluation of the fair value of identifiable assets and liabilities primarily resulted in the adjustment of the brand for €6 million and customer relationships for €1 million. The final goodwill of Monshowroom (e-Trend) is thus €22 million.

Furthermore, Cdiscount Group (formerly Casino Entreprise) acquired the entire share of the non-controlling interests linked to Monshowroom’s business activity in May 2014 for €6 million, with an impact on shareholders’ equity, Group share of €2 million.

— 3.1.4. Super Inter

In September 2014, the Colombian competition authority authorized Exito to acquire 19 Super Inter stores for a total amount of COP 200,000 million (€75 million including €49 million paid at December 31, 2014). This authorization is subject to the sale of four stores to a competitor and a fair trade relationship with Super Inter suppliers.

Furthermore, Exito entered into an agreement with Super Inter to (i) operate 31 additional stores over a period of five years starting from a date ranging between October 16 and December 18, 2014 depending on the store (ii) use the registered trademarks of Super Inter and (iii) acquire in 2015 the additional 31 stores as well as the banners mentioned above, (call option granted by Super Inter to Exito). An agreement was signed with Super Inter to organize the control of these 31 stores.

Considering net identifiable assets of COP 20,588 million (€8 million) acquired on October 16, 2014, provisional goodwill amounted to COP 179,412 million (€68 million) which is attributable to the acquisition of a new customer base and economies of scale resulting from the combination of Exito and Super Inter activities. This goodwill is tax deductible.

The expenses linked to the takeover presented in “other operating expenses”, amounted to €3 million.

The call option for the potential acquisition of 31 additional stores and Super Inter banners may be exercised on or after April 1, 2015 for a period of 30 days or until a date mutually agreed upon by the parties. The exercise price amounts to COP 250,000 million (€87 million) in addition to a variable component that can reach a maximum amount of COP 90,000 million (€31 million) depending on the sales performances achieved by the 31 stores. If the sales of these stores are lower than COP 80,000 million (€28 million) no variable component will be due.

The contribution of Super Inter stores to the Group’s revenue and consolidated net earnings totaling €16 million and €1 million respectively for the period from October 16 to December 31, 2014.

If this takeover had been completed on January 1, 2014, the additional contribution to revenue and net income would have been €111 and €2 million respectively.

3.2 | CONSOLIDATION SCOPE TRANSACTIONS CARRIED OUT IN 2013

— 3.2.1 *Takeover of Monoprix*

On the takeover date of April 5, 2013, the fair value assigned to the identifiable assets and liabilities of Monoprix was determined by an independent expert and can be summarized as follows:

(In € millions)	**Fair value at April 5, 2013**
Intangible assets	940
Property, plant and equipment	1,613
Non-current financial assets	22
Deferred tax assets	8
Inventories	325
Trade receivables	34
Current tax receivables	7
Other assets	139
Cash and cash equivalents	106
Assets held for sale	12
Assets	**3,207**
Non-current provisions	86
Non-current financial liabilities	2
Other non-current liabilities	1
Deferred tax liabilities	614
Current provisions	7
Current financial liabilities	620
Trade payables	443
Other current liabilities	327
Liabilities	**2,100**
Identifiable assets and liabilities at 100%, net (A)	**1,107**
Fair value of the 50% stake previously held (B)	**1,175**
Acquisition price for 50% of Monoprix (C)	**1,176**
GOODWILL (B+C-A)	**1,244**

The fair value measurement of identifiable assets and liabilities led to the recognition of goodwill of €1,244 million, corresponding to an increase of €16 million with respect to the provisional value presented in the consolidated financial statements for the year ended December 31, 2013. This change stems from the finalization of acquisition price allocation which mainly concerned real estate assets. These changes led to the restatement of the consolidated financial statements for the year ended December 31, 2013 (Note 1.3.6).

The takeover of Monoprix had led to the recognition of a revaluation income of the previously-held share for an amount of €141 million which was recognized under "other operating income".

If this takeover had been completed on January 1, 2013, the additional contribution to the Group's revenue and net income group share would have been €504 and €5 million respectively.

— 3.2.2 *Loss of control over Mercialys*

Casino recognized the loss of control over Mercialys at the end of the Shareholders' meeting of June 21, 2013.

Mercialys group was consolidated under the equity method in the consolidated financial statements of Casino after this date. The impact of the loss of control generated a gain of €548 million presented as "Other operating income" and a reduction of €350 million in shareholders' equity. This gain includes income of €459 million related to the fair value remeasurement of the interest retained, determined on the basis of the market price on the date on which control was lost, and the gain of €89 million from the sale of the 9.9% stake at the end of 2012 recognized over the first half of 2013.

— 3.2.3 *Franprix-Leader Price sub-group transactions*

During the fiscal year 2013, Franprix-Leader Price acquired control primarily of three sub-groups (Distri Sud-Ouest, RLPG Développement, and Cafige) in which it held a minority interest. These transactions generated the recognition of €284 million in goodwill.

On May 27, 2013, the Casino group announced that it had obtained authorization from the Competition Authority to acquire 38 convenience stores located in the south-east of France from the Norma Group. The transaction generated goodwill of €33 million.

In addition, Franprix-Leader Price purchased minority interests, related primarily to the Distri Sud-Ouest, Cogefisd, and Figeac master franchises for €84 million, generating an impact of -€11 million on shareholders' equity, Group share.

If these transactions had been completed on January 1, 2013, the additional contribution to the Group's revenue and net income/loss would have been €134 and -€6 million respectively.

— 3.2.4 *GPA share exchange transactions*

On September 6, 2013, a transactional agreement was reached between the Casino Group and Mr. Abilio Diniz. This agreement provided in particular for the cancellation of the purchase commitment (7.3%) given by Casino. The Group had given 19,375,000 preferred shares in GPA as consideration for the 19,375,000 Wilkes shares held by Mr. Abilio Diniz. The transaction had been recognized as an equity transaction between shareholders which impacts the shareholders' equity, Group share in the amount of -€92 million, the minority shareholder's share in the amount of +€476 million, and the cancellation of the financial debt associated with the put in the amount of €399 million.

— 3.2.5 *Takeover of Bartira*

In the GPA sub-group, Via Varejo exercised its call option on November 1, 2013, regarding 75% of Bartira (specialized in home furnishings) and took over the entity for €70 million. This transaction generated a gain with respect to the previously held stake (25%) of €35 million.

On the date of the takeover, November 1, 2013, the fair value assigned to the identifiable assets and liabilities of Bartira was determined by an independent valuer and can be summarized as follows:

(In € millions)	**Fair value at November 1, 2013**
Intangible assets	27
Property, plant and equipment	46
Deferred tax assets	1
Inventories	17
Other assets	13
Assets	**104**
Provisions	39
Financial liabilities	6
Other liabilities	26
Liabilities	**72**
Identifiable assets and liabilities at 100%, net (A)	**32**
Fair value of the 25% stake previously held (B)	**58**
Acquisition price for 75% of Bartira (C)	**70**
Fair value of the call option held (D)	**103**
GOODWILL (B+C+D-A)	**199**

Measurement of the fair value of identifiable assets and liabilities led to the recognition of goodwill of €199 million allocated to the combination of the GPA non-food CGU (Via Varejo) which is primarily attributable to the growth prospects of the businesses.

Since Bartira's revenue is 100% generated with Via Varejo, its full consolidation had no impact on revenue and the impact on the rest of the income statement was negligible.

— 3.2.6 *Partial sale of Via Varejo without loss of control*

On December 27, 2013, Via Varejo completed a public offering of 123.7 million Units (each Unit is composed of one common share and two preferred shares) on the Brazilian market of preferred shares held by GPA and the Klein family.

This transaction led to a 9.06% dilution of GPA in its Via Varejo subsidiary, with GPA retaining the majority of common shares with voting rights. This disposal had an impact of -€4 million on shareholders' equity, Group share and +€214 million on non-controlling interests. Related expenses net of tax, for an amount of €28 million, had been recognized in shareholders' equity, Group share and non-controlling interests for respectively €3 and €25 million.

3.3 | INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

— 3.3.1 *The most significant associates*

The table below presents the 100% condensed financial statements of the top three associates recognized under the equity method. This information is prepared in accordance with IFRS as reported by the associates, and restated if necessary to reflect adjustments made by Casino Group such as remeasurements of fair value on the date of takeover or loss of control and adjustments for consistency with the Group's accounting principles.

(In € millions)	2014			2013		
	Mercialys (1)	Banque du Groupe Casino (1)	FIC (2)	Mercialys (1)	Banque du Groupe Casino (1)	FIC (2)
Country	France	France	Brazil	France	France	Brazil
Business	Real estate	Banking	Banking	Real estate	Banking	Banking
% of investment securities (3)	40%	50%	50%	40%	50%	50%
Revenue	155	105	329	152	95	312
Net income from continuing operations	85	(5)	70	145	2	31
Other elements of comprehensive income				2		
Total comprehensive income	85	(5)	70	147	2	31
Non-current assets	2,415	27	11	2,112	33	10
Current assets	198	739	1,184	89	645	1,081
of which assets associated with lending activities		*642*			*579*	
Non-current liabilities	(1,040)	(2)	(5)	(769)	(1)	(7)
Current liabilities	(182)	(670)	(920)	(61)	(577)	(867)
of which liabilities associated with lending activities		*(655)*			*(560)*	
Net asset	1,391	94	271	1,371	100	216
Share of net asset	560	47	135	552	50	109
Goodwill	20	(33)		20	(33)	
Elimination of share of internal margin	(122)			(11)		
Other adjustments (4)			(19)			(19)
Value of shares accounted for under the equity method	457	80	116	561	83	89
DIVIDENDS RECEIVED FROM THE ASSOCIATE	44		4	48		5

(1) Mercialys and Banque du Groupe Casino are consolidated under the equity method, since the Casino Group considers that it does not have significant influence on the orientation of the operational and financial policies of these two companies.
(2) The main associates of the GPA group are FIC and BINV. These companies finance the purchases of GPA's clients and are the result of a joint arrangement between Banco Itaú Unibanco S.A ("Itaú Unibanco"), GPA, and Via Varejo. These companies are consolidated under the equity method; GPA only has notable influence on the orientation of operating and financial policies.
(3) The reported percentage of interest corresponds to the percentage held at the Casino Group level with the exception of FIC, which is consolidated under the equity method, which corresponds to the percentage of the GPA sub-group.
(4) A reserve amount specifically allocated to the other partner, Itaú Unibanco must be deducted to determine the book value of the FIC shares accounted for under the equity method.

— 3.3.2 *Significant joint ventures*

The Grupo Disco de Uruguay sub-group is the most significant joint venture in the Group's consolidated accounts.

(In € millions)	2014 Grupo Disco (1)	2013 Grupo Disco (1)
Country	Uruguay	Uruguay
Business	Retail	Retail
% investment securities (2)	62.49%	62.49%
% of voting rights	62.49%	62.49%
Revenue	402	385
Net income from continuing operations	21	27
Other elements of comprehensive income	1	(3)
Total comprehensive income	**22**	**24**
The income items presented above include the items below:		
Amortization and depreciation	(7)	(6)
Financial revenue		1
Income tax expense or revenue	(11)	(8)
Non-current assets	131	130
Current assets	209	*119*
Including cash and cash equivalents	49	36
Non-current liabilities	(6)	(6)
Including financial liabilities (excluding trade payables, other creditors and provisions)		
Current liabilities	(186)	(105)
Including financial liabilities (excluding trade payables, other creditors and provisions)	(1)	(2)
Net asset	**148**	**138**
Share of net asset	**92**	**86**
Goodwill	36	36
Value of shares accounted for under the equity method	**129**	**122**
DIVIDENDS RECEIVED FROM THE JOINT VENTURE	**7**	**7**

(1) The Grupo Disco de Uruguay sub-group is consolidated under the equity method. It is 62.49% owned by Exito, with the agreements concluded between the partners and the Casino Group stipulating the exercise of joint control over its activity. This sub-group is subject to a put option (Note 3.4.2).
(2) The reported percentage of ownership corresponds to the percentage at the Exito sub-group level.

— 3.3.3 *Changes in investments in associates and joint ventures*

(In € millions)	As of January 1	Impairment	Share of income for the fiscal year	Retail	Change in scope of consolidation and foreign exchange	As at December 31
Associates						
Associated companies of the GPA group (FIC & BINV)	102		16	(5)	(19)	94
Banque du Groupe Casino	82		1			83
Mercialys [2]	1		13	(48)	597	563
Other	92	(9)	(10)	1	(33)	41
Joint ventures						
Disco	130		17	(7)	(18)	122
Monoprix (Note 3.2.1)	1,025		5		(1,030)	
Other	146				(1)	145
2013 fiscal year restated [1]	**1,578**	**(9)**	**42**	**(59)**	**(504)**	**1,048**
Associates						
Associated companies of the GPA group (FIC & BINV)	**94**		**36**	**(8)**		**122**
Banque du Groupe Casino	**83**		**(3)**			**80**
Mercialys [3]	**563**		**34**	**(44)**	**(94)**	**457**
Other	**41**	**(1)**	**(7)**	**(8)**	**9**	**35**
Joint ventures						
Disco	**122**		**14**	**(7)**		**129**
Other	**145**		**2**	**(64)**	**7**	**90**
2014 FISCAL YEAR	**1,048**	**(1)**	**76**	**(131)**	**(78)**	**913**

(1) The previously published statements have been restated following the retrospective application of IFRS 11 and IFRIC 21 (Note 1.3.6).
(2) Since June 21, 2013, the date of loss of control, Mercialys has been consolidated under the equity method (Note 3.2.2).
(3) The negative change of €94 million resulting from the neutralization of the capital gain on the real estate disposal from Casino to Mercialys in the amount of the share held in that entity (Note 3.3.7).

— 3.3.4 *Other associates and joint ventures*

The table below presents the aggregate data of associates and joint ventures, individually immaterial for the Group's ownership share.

As at December 31, 2014, the net book value of interests held in associates and joint ventures amounted to €35 and €90 million respectively.

(In € millions)	2014		2013 restated	
	Associates	Joint ventures	Associates	Joint ventures
Net income from continuing operations	(6)	2	(11)	7
Other elements of comprehensive income				(2)
Total comprehensive income	**(6)**	**2**	**(11)**	**5**

— 3.3.5 *Losses related to the valuation of associates and joint ventures*

With the exception of Mercialys, associates and joint ventures are not listed and so there is no market value to use to measure the fair value of these investments.

The fair value of the Mercialys investment at the period-end was €682 million, based on the market price as at December 31, 2014; this did not lead to an impairment loss. Mercialys Net Asset Value as of December 31, 2014, was €1,731 million at 100%.

Impairment tests led to the recognition of an impairment loss of €10 million concerning the Franprix-Leader Price sector.

— 3.3.6 *Share of contingent liabilities in associates and joint ventures*

As at December 31, 2014 and 2013, the joint ventures had no material contingent liabilities.

— 3.3.7 *Transactions with related parties (associates and joint ventures)*

The transactions with related parties summarized below mainly concern the operational transactions with companies over which the Group exercises notable influence (associates) or joint control (joint ventures) and consolidated under the equity method. The transactions are concluded at market price.

(In € millions)	December 31, 2014				December 31, 2013 restated (1)			
	Associates		Joint ventures		Associates		Joint ventures	
	Transactions	Balances	Transactions	Balances	Transactions	Balances	Transactions	Balances
Loans			(2)	27			(41)	9
Receivables	7	24	(7)	18	(51)	17	19	25
Debt	15	30	(55)	12	15	15	17	67
Expenses	66		69		65		62	
Income	506		40		64		68	

(1) The 2013 transactions do not include cash flow associated with Monoprix.

In the context of its relations with Mercialys, Casino Group entered into various agreements. The Casino Group leases some shopping centers and handles the rental management of nearly all Mercialys sites.

Furthermore, Casino and Mercialys signed a Partnership agreement concerning the development of real estate projects. Under this agreement, Casino disposed of 13 real estate assets (including the Toulouse Fenouillet shopping center) and signed real estate development contracts for its assets for a total amount of €440 million. Lastly, the Casino Group acquired 52 real estate assets from Mercialys for an amount of €256 million.

— 3.3.8 *Commitments towards joint ventures*

As at December 31, 2014 and 2013, there was no commitment towards joint ventures.

3.4 | COMMITMENTS RELATED TO THE CONSOLIDATION SCOPE

— 3.4.1 Debt related to purchase commitments on non-controlling interests

In the absence of a standard or interpretation applicable to firm or conditional commitments to purchase non-controlling interests, the Group's management used its judgment to define and apply the most relevant accounting policies.

The Group made commitments to the non-controlling shareholders of some of its subsidiaries to purchase their interests. The exercise price for these transactions may be fixed or established according to a pre-defined calculation formula. In accordance with IAS 32, put options granted to fully-consolidated subsidiaries are recognized in "financial liabilities;" "fixed-price puts" are recognized in financial liabilities at their discounted values, and "variable-price puts" are recognized at fair value; moreover, these transactions may be executed at any time or on a specific date.

IAS 27 revised, applied to the consolidated financial statements as of January 1, 2010, then IFRS 10, applied to the financial statements as of January 1, 2014, specify the accounting treatment of the additional acquisitions of securities in companies. The Group has decided to apply two different accounting methods for these put options, depending on whether the options were issued before or after the date of first application of the revised version of the standard in accordance with the recommendations of the French Financial Markets Authority:

- the former are treated using the current goodwill method: the difference between the debt owned for redemption commitments and the book value of non-controlling interests is recorded under goodwill. This liability is remeasured on subsequent reporting dates and the observed changes recorded under goodwill. The impact of the discount is recognized through profit or loss;
- the latter are treated as transactions between shareholders: the difference between the debt owed for redemption commitments and the book value of non-controlling interests is deducted from shareholders' equity. This liability is remeasured on subsequent reporting dates and the observed changes recorded under shareholders' equity.

Commitments to purchase equity securities granted to non-controlling interests were as follows at December 31, 2014:

(In € millions)	% held by Casino Group	Commitment to non-controlling interests	Fixed or variable	Non-current financial liabilities	Current financial liabilities
Franprix-Leader Price [1]	51.00% to 74.00%	26.00% to 49.00%	F/V	35	8
Lanin / Disco (Uruguay) [2]	96.82%	3.18%	V		15
Monoprix (Somitap)	55.42%	44.58%	F	2	1
Total financial liabilities				**38**	**24**

(1) The value of these promises to purchase on subsidiaries of the Franprix-Leader Price sub-group is usually based on net income. The +/-10% change in the indicator has no material impact, the maturities of these options are spread between 2015 and 2032.
(2) This option may be exercised until June 21, 2021.

— 3.4.2 Off-balance sheet commitments

(In € millions)	December 31, 2014	December 31, 2013
Commitments to purchase shares (1)		
• Franprix / Leader price	**72**	68
• Disco (Uruguay)	**90**	87
Total commitments given associated with exceptional transactions	**163**	**155**

(1) Reciprocal commitments.

The contractual valuation of commitments to sell or buy shares may be based on various company profitability indicators. In this instance, their valuation is calculated on the basis of the best information available: the latest figures available, if the option may be exercised at any time; or income expected for the coming years, if the option can only be exercised after a certain date. In many cases, the Casino group granted promises to purchase (puts), but is also the recipient of promises to sell (calls). The figure reported is the value of the promises to purchase granted.

Franprix-Leader Price

Options on the shares of the Master franchises that are not controlled by Casino. These purchase commitments run up until 2032 and their price is based on the operating performance of the companies in question.

After the closing date, two master franchises notified the exercise of their options which will reduce the given commitments by €58 million.

Uruguay

Family shareholders received a purchase commitment granted by Casino on 29.8% of Disco. This option may be exercised until June 21, 2021. Its price is based on the Company's consolidated operating performance, with a minimum price of USD41 million, plus interest at the rate of 5% per year.

3.5 | ASSETS HELD FOR SALE AND DISCONTINUED ACTIVITIES

According to IFRS 5, these assets concern:

- assets associated with a discontinued operation;
- isolated assets held for sale.

A discontinued operation corresponds to a business line or a major, separate geographic region.

When assets are held for sale, the Group measures the non-current assets at the lower of their book value and their fair value, less costs of disposal. Depreciation of these assets is then discontinued.

This treatment is applied when management has embarked on a sale plan which has to be completed within one year from the date of this classification.

If such assets are investments in joint ventures or associates, the Group will cease to recognize its share of profit or loss in the entities once the investment is reclassified under "Assets held for sale".

Assets held for sale totaled €67 million at December 31, 2014.

They mostly included the assets of Franprix-Leader Price, Monoprix and shopping centers for €9, €10 and €32 million respectively.

The recorded change between December 31, 2014 and December 31, 2013 can be mainly explained by the disposal of stores as required by the opinion of the Competition Authority, issued in connection with the Monoprix takeover.

NOTE 4 • ADDITIONAL INFORMATION REGARDING THE CASH FLOW STATEMENT

4.1 | CHANGE IN WORKING CAPITAL REQUIREMENT RELATED TO OPERATING ACTIVITIES

(In € millions)	**2014**	**2013 restated**
Merchandise inventories	**(677)**	(215)
Real estate development inventories	**127**	1
Trade payables	**1,308**	841
Trade receivables and related accounts	**(13)**	55
Receivables related to credit activities	**4**	(47)
Financing of credit activities	**3**	83
Other receivables/debt	**(410)**	(193)
Change in Working Capital Requirement (WCR)	**342**	**525**

4.2 | IMPACT ON CASH OF CHANGES IN SCOPE OF CONSOLIDATION WITH CHANGE OF CONTROL

(In € millions)	2014	2013 restated
Amounts paid for takeovers	(130)	(1,907)
Cash and cash equivalents / (bank overdrafts) of the companies acquired	1	8
Amount received for the sale of consolidated shares	28	
(Cash and cash equivalents) / bank overdrafts of the companies sold		(9)
Impact of the Mercialys loss of control process [1]		(207)
Impact of changes in scope of consolidation with change of control	**(101)**	**(2,115)**

(1) The finalization of the loss of control of Mercialys had an impact of -€207 million on the Casino group's cash.

In 2014, the impact of these operations on the Casino group's cash was principally:

- the takeover of Super Inter for -€49 million (Note 3.1.4)
- the takeover operations by the Franprix-Leader Price sub-group of 46 Le Mutant stores for an amount of €32 million (Note 3.1.2) and of various other companies for -€27 million (the major ones are described in Note 3.1.2)

In 2013, the impact of these operations on the Casino group's cash was principally:

- the takeover of Monoprix for -€1,688 million;
- the takeovers carried out by the Franprix-Leader Price sub-group for -€130 million.

4.3 | IMPACT ON CASH OF TRANSACTIONS WITH NON-CONTROLLING INTERESTS WITHOUT CHANGE OF CONTROL

(In € millions)	2014	2013 restated
Exercise of the GPA call option (Note 3.1.1)	(330)	
Cnova capital increase linked to the IPO	117	
Partial sale of Via Varejo without loss of control		259
Franprix-Leader Price subsidiaries non-controlling interest purchase operations	(10)	(84)
Payment of the Sendas debt	(22)	(22)
Change in ownership of Casino shares by Rallye		41
Other	(21)	7
Impact of transactions with minority shareholders	**(266)**	**201**

NOTE 5 • SEGMENT REPORTING

Segment reporting reflects management's view and is established on the basis of the internal reporting used to assess the performance of operating segments as required by IFRS 8.

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 retailing" division** which reflects the various activities of the Casino Group, namely:
  - France Retail for all retailing activities in France (primarily the Casino, Monoprix, Franprix-Leader Price and Vindémia banners),
  - Latam Retail for all food retailing activities in Latin America (mainly the GPA stores – food stores, Exito and Libertad),
  - Latam Electronics for non-food retailing activities in Brazil (Via Varejo chain of stores: Casas Bahia and Ponto Frio);
  - Asia for retailing activities in Asia (Big C Thailand and Big C Vietnam stores),
  - e-commerce for the new Cnova activity (Cdiscount, its vertical and international websites and Cnova Brazil),
  - and Others.

The combined segments of Latam Retail and Asia present a nature of products sold, assets and human means required for the operation, customer typology, distribution methods (direct, online, marketing offer) and similar long-term financial performances.

- the **"Holdings and other activities" division** which combines the activities of holding companies, the sale of sporting goods and financial investments. Taken individually, these activities are not material at the Group level.

Management measures the performance of segments on the basis of revenue and "Current Operating Income". Since assets and liabilities are not specifically reported to management, the only information presented in the notes in the context of IFRS 8 regards non-current assets.

Financial data by operating segment is prepared according to the same rules as those used for the consolidated financial statements.

5.1 | KEY INDICATORS BY OPERATING SEGMENT

(In € millions)	Food and general retailing						Holdings & other activities	Continuing operations in 2014
	France Retail	Latam Retail	Latam Electronics	Asia	E-commerce	Other (2)		
External revenue	18,848	15,422	7,245	3,513	3,465	0	662	**49,155**
Current operating income (1)	396	895	677	255	7	1	4	**2,235**

(In € millions)	Food and general retailing						Holdings & other activities	Continuing operations 2013 restated
	France Retail	Latam Retail	Latam Electronics	Asia	E-commerce	Other (2)		
External revenue	18,308	15,477	7,576	3,561	2,884	64	649	48,519
Current operating income (1)	542	872	546	265	31	70	(3)	2,323

(1) Pursuant to IFRS 8 "Operating Segments," operating segment information is established based on internal reporting and in particular includes appropriation of the Casino Group's holding expenses for all its Business Units.
(2) Mainly concerns Mercialys until June 21, 2013.

5.2 | KEY INDICATORS BY GEOGRAPHICAL AREA

Non-current assets include goodwill, property, plant, and equipment, and intangible assets, investment properties, interests in associates and joint ventures, and long-term prepaid expenses.

(In € millions)	Food and general retailing				Holdings & other activities		Total
	France	Latin America	Asia	Other international segments	France	Other international segments	
As at December 31, 2014							
External revenue	**20,431**	**24,539**	**3,523**	**0**	**610**	**52**	**49,155**
Non-current assets	**13,238**	**12,231**	**2,264**	**55**	**111**	**15**	**27,913**
As at December 31, 2013, restated:							
External revenue	19,779	24,530	3,561	0	597	52	48,519
Non-current assets	13,079	11,873	1,983	50	113	106	27,204

NOTE 6 • OPERATING DATA

6.1 | REVENUE

Revenue consists of two parts: "Net revenue" and "Other revenue".

"Net revenue" includes sales by the Group's stores and websites, cafeterias and warehouses, financial revenues, rental income, bank operating income from lending activities, and various services performed by the business units.

"Other revenue" consists of revenue from the real estate development business, management of financial investments, other income from services, and other income generated secondarily or in the context of related activities, particularly commissions for the sale of travel packages, franchise payments and income from sub-leases.

Revenue is measured at the fair value of the consideration received or to be received, net of commercial discounts or rebates and sales taxes. It is recognized as follows:

- sales of goods are recognized if the risks and advantages inherent in the ownership of the goods have been transferred to the customer, generally when the transfer of title has occurred, if income can be measured reliably and if recovery is reasonably certain;
- services, such as the sales of warranty extensions, services attached directly to the sale of goods, or the services rendered to suppliers are recognized over the period in which the services are rendered. When a service includes various commitments, including volume commitments, Casino Group analyzes the legal and factual elements to determine the scheduling of the accounting recognition of the service. The result is that, depending on the type of service, recognition of the income may be immediate when the services are considered completed, or deferred over the period during which the services are performed or the commitment given fulfilled.

In the case of payment deferred beyond the normal credit conditions not supported by a financing institution, the proceeds from the sale are equal to the discounted price; the difference, if significant, between the discounted price and the cash payment is recorded in financial income spread over the period of deferral.

Benefits granted to customers under loyalty programs are elements separate from the initial sale. The income related to these rights granted is deferred until the date the benefits are used by the customers.

(In € millions)	2014	2013 restated
External revenue	**49,155**	48,519
Other income	**611**	361
Revenue	**49,766**	**48,880**

6.2 | FULL COST OF GOODS SOLD

Gross margin is the difference between "Net revenue" and "Full cost of goods sold".

The **"Full cost of goods sold"** includes the cost of purchases net of discounts and trade cooperation payments, changes in inventory associated with distribution activities and logistics costs.

Trade cooperation payments are measured based on contracts with suppliers. They are billed in installments over the year. At year-end, a measurement is made of the commercial services rendered to suppliers. A comparison between this valuation and the billed installments determines the amount of invoices or credit notes to be issued.

Changes in inventory include positive and negative changes after taking depreciation into account.

Logistics costs are the costs of the Group's direct or subcontracted logistics, storage, handling and transportation incurred after the first delivery of goods to one of the Group's sites, stores or warehouses. The transport costs invoiced by suppliers on merchandise invoices (example: DDP Delivery Duty Paid) are posted to purchasing cost. The costs of subcontracted transport are recognized in logistics costs.

(In € millions)	2014	2013 restated
Purchases and changes in inventories	(34,957)	(34,373)
Logistics costs	(1,832)	(1,654)
Full cost of goods sold	**(36,789)**	**(36,027)**

6.3 | TYPE OF EXPENSE BY FUNCTION

"Cost of goods sold" consists of the costs borne by points of sale together with the cost price and change in inventory related to the real estate development business.

"General and administrative expenses" represent costs of support services, particularly purchasing and supplies, sales and marketing, IT and finance.

Costs incurred prior to opening or after closure are recognized as operating expenses when they arise whenever they cannot be defined as an asset.

(In € millions)	Logistics (1)	Cost of goods sold	General and administrative expenses	2014
Payroll expenses	(622)	(3,955)	(931)	(5,509)
Other expenses	(1,146)	(4,429)	(514)	(6,090)
Amortization and depreciation	(64)	(729)	(182)	(975)
Total	**(1,832)**	**(9,113)**	**(1,628)**	**(12,574)**

(In € millions)	Logistics (1)	Cost of goods sold	General and administrative expenses	2013 restated
Payroll expenses	(583)	(3,899)	(956)	(5,438)
Other expenses	(1,017)	(4,178)	(577)	(5,771)
Amortization and depreciation	(54)	(699)	(221)	(974)
Total	**(1,654)**	**(8,776)**	**(1,754)**	**(12,184)**

(1) Logistics costs are included under "Full cost of goods sold".

The 3rd Supplementary Budget Act for 2012 in France established a tax credit for competitivity and employment (CICE), corresponding to a tax credit (reimbursable after three years) of 4% based on compensation less than or equal to 2.5x the guaranteed minimum wage (SMIC) paid on or after January 1, 2013. The rate was raised to 6% on January 1, 2014. The Group recognized this CICE income in 2014 of €97 million (€76 million in 2013) by reducing payroll expenses and selling €87 million of receivables (€58 million in 2013).

6.4 | AMORTIZATION

(In € millions)	2014	2013 restated
Amortization, depreciation and impairment of fixed assets	(937)	(928)
Amortization, depreciation and impairment of finance leased assets	(26)	(35)
Rents related to land use (Note 7.2)	(12)	(11)
Total amortization, depreciation and impairment	**(975)**	**(974)**

6.5 | OTHER OPERATING INCOME AND EXPENSES

This item records the effects of two types of elements:

- major events which took place during the accounting period and which are such as to distort the interpretation of the performance of the Company's recurring business. These are income and expenses which are limited in number, unusual, abnormal or infrequent, and significant amounts such as litigation or a significant restructuring plan;
- items which by nature do not come within an assessment of the current operating performance of the business units, such as impairment of non-current assets, and the impacts of loss of control by application of IFRS 3R and IFRS 10 (Note 3).

(In € millions)	2014	2013 restated
Total other operating income	254	1,015
Total other operating expenses	(755)	(775)
TOTAL OTHER OPERATING INCOME AND EXPENSES	**(501)**	**240**
Income/loss on asset disposals	**(7)**	**75**
Other operating income and expenses	**(494)**	**165**
Restructuring provisions and expenses [(1)]	(198)	(148)
Impairment losses [(4)]	(64)	(113)
Provisions and expenses for disputes and contingencies [(2)]	(97)	(85)
Net income/(expenses) related to consolidation scope transactions [(3)]	(136)	551
Other operating income and expenses	1	(39)
OTHER OPERATING INCOME AND EXPENSES	**(501)**	**240**

(1) The restructuring expense for fiscal year 2014 primarily concerns the France Retail segment for €156 million (of which €51, €41 and €19 million relating respectively to Distribution Casino France, Franprix-Leader Price and Monoprix). In 2013, the restructuring expense mainly concerned the Casino France, GPA, Franprix-Leader Price, and Exito segments for €49, €41, €22 and €12 million respectively.
(2) Provisions and expenses for disputes and contingencies mainly concern the Latam Retail (mainly CBD) and Latam Electronics segments for €76 and €22 million respectively. In 2013, provisions and expenses for disputes related to GPA amounted to €36 million.
(3) The net expense of €136 million recognized in 2014 is mainly related to the costs linked to consolidation scope operations (€40 million mainly from France Retail and Latam Retail), costs linked to the liability guarantee granted by CBD during the creation of Via Varejo (€28 million), some costs linked to the Cnova IPO (€26 million). The income of €551 million recognized in fiscal year 2013 is essentially the result of the loss of control of Mercialys (€548 million) and the revaluation of the percentage of Monoprix previously held (€141 million), partially offset by expenses for a total amount of €112 million related primarily to the scope of consolidation transactions of GPA (€77 million) and Monoprix (€24 million).
(4) Breakdown of asset impairment losses.

(In € millions)	2014	2013 restated
Impairment of goodwill		(2)
Net reversals / (impairment) of intangible assets	(25)	(10)
Net reversals / (impairment) of property, plant and equipment	(21)	(46)
Net reversals / (impairment) of available-for-sale financial assets	(11)	(28)
Net reversals / (impairment) of other assets [(1)]	(7)	(27)
Total net impairment of assets	**(64)**	**(113)**

(1) The line item "net reversals / impairment of other assets" in 2013 mainly included impairment losses of associates of the Franprix-Leader Price sub-group for €30 million.

6.6 | INVENTORIES

Inventories are measured at the lower of cost and probable net realized value. The measurement method used by the Group is the first-in first-out (FIFO) method.

Inventories include all purchase costs, costs of conversion and other costs incurred in bringing the inventories to their place of sale in their current condition. Accordingly, logistics expenses and all supplier discounts recognized in cost of goods sold are included in the measurement of inventories.

The cost of inventories includes the recycling of amounts initially recognized in equity, corresponding to gains or losses on hedges of future purchases of goods.

The probable net realized value is equal to the selling price estimated in the normal course of business, less expected costs for the completion of the sale.

For its real estate development business, the Group records assets under construction as inventories.

(In € millions)	December 31, 2014			December 31, 2013, restated		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Consumer goods	5,304	(70)	5,234	4,605	(65)	4,540
Real estate	263	(26)	237	264	(26)	238
INVENTORIES	**5,566**	**(95)**	**5,471**	**4,869**	**(91)**	**4,778**

6.7 | TRADE RECEIVABLES

Trade receivables are current financial assets (Note 11).

Trade receivables are recognized and measured at their initial invoice value, less appropriate allowances for irrecoverable amounts. They are posted to assets until all the risks and rewards related to them are transferred to a third party.

— 6.7.1 *Breakdown of trade receivables*

(In € millions)	December 31, 2014	December 31, 2013, restated
Trade receivables and related accounts	996	934
Impairment of trade receivables and related accounts	(96)	(94)
Receivables from lending activities	704	729
Impairment of lending activities	(73)	(66)
TRADE RECEIVABLES AND RELATED ACCOUNTS, NET VALUE	**1,532**	**1,503**

— 6.7.2 *Impairment of trade receivables*

(In € millions)	December 31, 2014	December 31, 2013, restated
Impairment of trade receivables and related accounts:		
Balance as of January 1	**(94)**	**(94)**
Allocation made	**(29)**	(52)
Reversal	**27**	51
Change in scope of consolidation		3
Reclassification		(4)
Currency translation adjustments		2
BALANCE AS AT DECEMBER 31	**(96)**	**(94)**
Impairment of receivables from lending activities:		
Balance as of January 1	**(66)**	**(66)**
Allocation made	**(6)**	(13)
Currency translation adjustment		13
BALANCE AS AT DECEMBER 31	**(73)**	**(66)**

The conditions for recording provisions are detailed in Note 11.6.5 "Credit risks."

6.8 | OTHER CURRENT ASSETS AND OTHER CURRENT FINANCIAL ASSETS

— 6.8.1 *Breakdown of other assets*

(In € millions)	December 31, 2014	December 31, 2013, restated
Other receivables	**1,318**	1,130
Brazilian tax and social security receivables (Note 6.9)	**200**	252
Current accounts of unconsolidated companies	**73**	80
Impairment of other receivables and current accounts	**(74)**	(81)
Non-hedging derivative assets and cash flow hedges (Note 11.6.1)	**28**	1
Prepaid expenses	**180**	136
OTHER ASSETS	**1,725**	**1,518**

Other receivables primarily represent tax and social security receivables and income receivables from suppliers. Prepaid expenses represent purchases, rent, rental charges, and insurance premiums.

— 6.8.2 *Impairment of other receivables and current accounts*

(In € millions)	2014	2013, restated
Balance as of January 1	**(81)**	**(81)**
Allocation made	**(13)**	(16)
Reversal	**20**	15
Change in scope of consolidation		(2)
Currency translation adjustments		3
BALANCE AS AT DECEMBER 31	**(74)**	**(81)**

— 6.8.3 *Other current financial assets*

(In € millions)	December 31, 2014	December 31, 2013, restated
Publicly traded shares	2	4
Available-for-sale assets (1)	3	140
Short-term bonds	2	
Short-term financial receivables (2)	6	66
Other	4	26
Investment and other securities	**18**	**236**
Derivative assets to hedge fair value and debt derivatives	**136**	**189**
OTHER CURRENT FINANCIAL ASSETS	**154**	**425**

(1) In 2013 this item included 3.9 million GPA ADR for €127 million, whose disposal in 2014 generated a capital gain of €7 million in Other financial income.
(2) In 2013, this item included a guarantee deposit of €62 million for a TRS on 5 million GPA ADR. The unwinding of this derivative generated a capital gain of €3 million recognized under Other financial income.

6.9 | OTHER NON-CURRENT FINANCIAL ASSETS

(In € millions)	December 31, 2014	December 31, 2013, restated
Securities in the investment portfolio	118	159
Available-for-sale assets	121	130
Financial assets available for sale (AFS)	**237**	**290**
Non-current hedge derivative assets at fair value (Note 11.6.1)	**452**	**102**
Loans	88	79
Other non-current financial assets	4	1
Receivables associated with investments and other	97	99
Court-ordered deposits (GPA)	262	250
Other non-current liabilities	342	259
Other financial assets	**794**	**689**
Brazilian tax and social security receivables (see below)	**665**	**439**
Prepaid expenses	**295**	**272**
OTHER NON-CURRENT FINANCIAL ASSETS	**2,443**	**1,792**

GPA holds tax receivables for a total amount of €865 million, primarily linked to the ICMS (VAT) for €705 million, PIS/COFINS (VAT) and INSS (employer contributions to the Brazilian national social security program). Recoverability of the main tax receivable (ICMS) is estimated by the subsidiary as follows:

(In € millions)	December 31, 2014
Within 1 year	**184**
1-5 years	**506**
Over 5 years	**16**
TOTAL GPA TAX RECEIVABLES (ICMS)	**705**

GPA recognizes the tax credits owed to it, especially the ICMS each time it is able to validate and gather the documentation proving its rights as well as the estimate of the use of these rights within a reasonable time frame. These credits are recognized as a reduction of the cost of goods sold. In 2014, Via Varejo, among other credits, recognized a previously unused credit for an amount of 302 million reais (€97 million). The data, especially legal data, that allowed its recognition and use were obtained during the fiscal year.

As at December 31, 2014, management estimated, to the best of its current knowledge, that there were no commitments that could have a significant impact on the present or future financial position of the Group other than those indicated in this note.

The exhaustive nature of this inventory is monitored by the financial, legal and tax departments, which are also involved in preparing the contracts that bind the Group.

Commitments related to current activities primarily concern the Group's operating activities, as well as the confirmed and unused lines of credit, which constitute a financing commitment.

Off-balance sheet commitments related to future transactions with minorities are reported in Note 3.4.2.

— 6.10.1 *Commitments given*

The amounts of the commitments indicated in the table below represent the potential maximum amounts (not discounted), which the Group would have to pay under guarantees given. These amounts are not reduced by the sums which the Group might possibly recover under collection actions or due to counter-guarantees received.

(In € millions)	December 31, 2014	December 31, 2013, restated
Assets given as collateral (1)	271	263
Securities and bank guarantees given (2)	2,591	1,773
Commitments on fixed purchase orders (3) *	48	70
Guarantees granted in connection with non-current asset disposals	232	238
Other commitments	90	91
Total commitments given	**3,233**	**2,436**
Maturities:		
<1 year	197	200
1 to 5 years	2,967	2,168
> 5 years	69	68

* Reciprocal commitments.
(1) Corresponds to non-current assets, which have been pledged or mortgaged and to current assets encumbered with real sureties.
(2) In 2014, includes €2,437 million relating to GPA which granted securities and bank guarantees mainly in connection with tax-related disputes (€1,646 million in 2013).
(3) Corresponds to commitments to purchase goods and services signed by the Group; any installments paid are deducted from these firm purchase commitments.

— 6.10.2 *Commitments received*

The amounts of the commitments indicated in the table below represent the potential maximum amounts (not discounted), which the Group would receive under guarantees received.

(In € millions)	December 31, 2014	December 31, 2013, restated
Securities and bank guarantees received	88	80
Financial assets accompanied by guarantees	70	79
Confirmed lines of credit not used (Note 11.6.7)	6,299	5,248
Other commitments	31	25
Total commitments received	**6,488**	**5,432**
Maturities:		
<1 year	543	545
1 to 5 years	4,973	4,175
> 5 years	972	712

NOTE 7 • LEASES

Finance leases that transfer to the Group the majority of the risks and rewards inherent in the ownership of the leased assets are recognized in the balance sheet at the start of the lease period at the fair value of the leased asset or, if lower, at the present value of the minimum payments under the terms of the lease.

Non-current assets at the disposal of the Group through lease finance contracts are recognized under non-current assets (based on type) and are offset by a loan recorded as a financial liability.

Assets acquired under a lease finance contract are depreciated over their expected useful life in the same way as other non-current assets of the same type or over the term of the lease, if shorter, and if the Group is not reasonably certain that it will gain ownership of the asset at the end of the lease.

Future payments made under financial leases are discounted and posted in the Group statement of financial position under financial liabilities. Payments made under operating lease contracts are recorded as expenses from the period during which they are incurred.

In certain countries, the Casino Group pays rents in advance related to land use. These advance rent payments are recognized as a prepaid expense and are deferred over the duration of the contracts.

7.1 | OPERATING LEASE EXPENSES

The amount of rents relating to operating leases amounted to €1,295 million at December 31, 2014 (of which €1,217 million under real estate assets) and €1,242 million at December 31, 2013 (of which €1,164 million under real estate assets).

The amounts of future lease payments for operating leases and the minimum future lease payments receivable for non-cancelable sub-lease agreements are presented in Note 7.3.

7.2 | PREPAID RENTS

Prepaid non-current expenses include €229 million in prepaid rents (€214 million in 2014). They are for land-use rights in certain Asian countries, for an average period of 29 years, whose cost is spread over the duration of use.

7.3 | COMMITMENTS ON OPERATING LEASES (OFF-BALANCE SHEET)

Lessee under operating leases on real estate assets

The Group either owns the premises in which its businesses operate, or leases them under operating leases.

The minimum future lease payments payable for operating leases are as follows:

(In € millions)	**2014**	**2013 restated**
Within 1 year	**837**	872
1-5 years	**1,035**	1,016
More than 5 years	**724**	599

The amount of the minimum future lease payments receivable under non-cancelable sub-lease agreements stood at €2 million at the end of fiscal year 2014 versus €6 million at year end 2013.

Lessee under capital equipment leases

The Group has taken out operating leases for various types of equipment, in cases where it was not in the Group's interest to purchase the assets.

The minimum future lease payments payable for operating leases are as follows:

(In € millions)	**2014**	**2013 restated**
Within 1 year	**34**	40
1-5 years	**45**	59
More than 5 years		

Lessor under operating leases

The Group is also a lessor under operating leases through its real estate business. The minimum future lease payments receivable for operating leases which cannot be terminated are as follows:

(In € millions)	2014	2013 restated
Within 1 year	117	92
1-5 years	106	74
More than 5 years	86	25

The amount of contingent rental payments received by the Group and included in the income statement for 2014 totaled €13 million compared with €10 million in 2013.

7.4 | LEASE FINANCE EXPENSES

The amount of contingent rental payments related to lease finance contracts and included in the income statement for 2014 totaled €1 million (compared with €1 million in 2013).

The amounts of future lease payments for lease finance contracts and the minimum future lease payments receivable for non-cancelable sub-lease agreements are presented in Note 7.6.

7.5 | PROPERTY, PLANT AND EQUIPMENT ACQUIRED UNDER FINANCE LEASES

The finance lease contracts concern real estate and investment property which include the following:

(In € millions)	December 31, 2014			December 31, 2013, restated		
	Gross	Depr. & Amort.	Net	Gross	Depr. & Amort.	Net
Land and improvements	31	(2)	29	30	(2)	28
Buildings and improvements	221	(119)	102	207	(114)	94
Other property, plant and equipment	538	(481)	57	560	(489)	71
Property, plant and equipment acquired under finance leases	**791**	**(602)**	**189**	**798**	**(605)**	**193**

7.6 | COMMITMENTS ON FINANCE LEASE CONTRACTS (OFF-BALANCE SHEET)

Lessee under real estate finance leases

The Casino Group has entered into finance leases for real estate and investment property. The reconciliation between the minimum future lease payments for finance leases and the present value of the net minimum lease payments is as follows:

(In € millions)	December 31, 2014		December 31, 2013, restated	
	Minimum payments	Present value of payments	Minimum payments	Present value of payments
Within 1 year	4	1	6	3
1-5 years	16	5	13	2
More than 5 years	50	12	49	10
Total minimum payments under lease	**70**	**18**	**68**	**16**
Amounts representing financing expenses	(52)		(52)	
Present value of minimum payments under lease	**18**	**18**	**16**	**16**

Lessee under capital equipment finance leases

The Casino Group has entered into finance leases and rent-to-own agreements for various types of equipment. The reconciliation between the minimum future lease payments for finance leases and the present value of the net minimum lease payments is as follows:

(In € millions)	December 31, 2014		December 31, 2013, restated	
	Minimum payments	Present value of payments	Minimum payments	Present value of payments
Within 1 year	24	17	31	25
1-5 years	73	55	60	48
More than 5 years	26	23	8	7
Total minimum payments under the lease	**123**	**95**	**100**	**81**
Amounts representing financing expenses	(28)		(19)	
Present value of minimum payments under the lease	**95**	**95**	**81**	**81**

NOTE 8 • PAYROLL EXPENSES

8.1 | PAYROLL EXPENSES BY DESTINATION

Payroll expenses by destination are presented in Note 6.3.

8.2 | PENSION COMMITMENTS AND SIMILAR BENEFITS

The companies within the Group grant various types of benefits to their employees, based on the laws and practices in each country, as described below.

— *8.2.1 Defined contribution plan*

Defined contribution plans are pension contracts under which an employer agrees to make regular payments to a management company. The employer limits its commitment to the payment of contributions and does not guarantee the pension amount the employees receive. There is therefore no need for the recognition of a provision and the contributions are expensed in the income statement.

This type of plan mainly concerns the employees of the Casino group's French subsidiaries. These plans fall within the general social security plan administered by the French Government.

The defined contribution plan expense for fiscal year 2014 was €329 million and concerned, for 85%, the Casino Group's French subsidiaries (€315 million and 88%, respectively, for fiscal year 2013).

— 8.2.2 *Defined benefits plan*

Pursuant to IAS 19 revised, the commitments are assessed using the projected credit unit method based on the agreements or contracts in force within each company. According to this method, each service period gives the employee the right to an additional unit of benefits and each unit is measured separately to obtain the final obligation. This obligation is then discounted to present value. These valuations are made by independent actuaries and take into account the future level of compensation, the employee's probable period of activity, life expectancy and personnel turnover.

Actuarial gains and losses stem from the difference between the actuarial estimates and the actual results. They are immediately recognized in equity.

Past service cost is defined as the increase in an obligation due to the introduction of a new plan or a modification of an existing plan. It is immediately expensed.

The expenses related to this type of plans are recognized in "Current operating income" (costs of services rendered) and as "Other financial income and expenses" (financial costs and expected asset returns).

The provision recognized in the balance sheet corresponds to the present value of the commitments less the fair value of the plan assets.

In certain countries, legislation or a bargaining agreement provides for the payment of benefits to employees at certain due dates either upon retirement (pot-employment benefits), or at certain post-retirement due date. These plans are essentially at Casino Group level.

Schedule of undiscounted future cash flows:

(In € millions)	Schedule of undiscounted cash flows						
	On the balance sheet	**2015**	**2016**	**2017**	**2018**	**2019**	**> 2019**
Post-employment benefits	249	8	6	8	11	13	417

Main assumptions adopted

Defined benefit plans are exposed to risks related to the interest rate, the salary growth rate, and the mortality rate.

The main actuarial assumptions used to determine the commitments are detailed in the table below:

(In € millions)	**France**		**International**	
	2014	**2013**	**2014**	**2013**
Discount rate	**2.0%**	2.0%	**2.2%-6.9%**	3.2%-7.1%
Expected salary growth rate	**1.8%-3.0%**	2.5%-3.0%	**0.82%-10.0%**	2.5%-10.0%
Retirement age	**62-64 years**	62-64 years	**55-65 years**	55-65 years

With respect to France, the discount rate is determined on the basis of the Bloomberg 15-year index on AA composites.

Sensitivity analysis

The impact of a change of +/-25 basis points in the discount rate would generate a change of -3.0% and +2.8%, respectively, in the total amount of commitments.

A change of +/-25 basis points in the salary growth rate would impact the total amount of commitments by +2.7% and -2.8%, respectively.

Changes in commitments and hedging assets

The following tables permit a reconciliation between the evaluation of the commitments of all the companies and the provisions recorded in the consolidated financial statements as at December 31, 2014 and 2013.

(In € millions)	France		International		Total	
	2014	2013 restated	2014	2013 restated	2014	2013 restated
ACTUARIAL DEBT AT THE BEGINNING OF THE PERIOD	**252**	**228**	**29**	**33**	**282**	**262**
Elements included in the income statement	**18**	**17**	**4**	**3**	**22**	**20**
Cost of services rendered	12	11	2	2	14	13
Interest on defined benefit liabilities	7	6	2	2	8	8
Cost of past services						
Impact of plan reductions / liquidations						
Elements included in Other elements of comprehensive income	**2**	**(8)**	**1**	**(5)**	**3**	**(13)**
Actuarial gains or losses associated with:	2	(8)	**1**	(1)	**3**	(9)
• *changes in financial assumptions*	*15*	*(1)*	*1*	*(1)*	*16*	*(2)*
• *changes in demographic assumptions*	*(3)*				*(3)*	
• *experience effects*	*(10)*	*(7)*			*(10)*	*(7)*
Foreign currency changes				(4)		(4)
Other	**(18)**	**15**	**(3)**	**(2)**	**(21)**	**12**
Benefits paid - Disbursals	(11)	(16)	(3)	(2)	(13)	(19)
Change in scope of consolidation		37				37
Other transfers	(7)	(6)			(7)	(6)
Actuarial debt at the end of the period A	**253**	**252**	**31**	**29**	**287**	**282**
Weighted average term of the plans					**15**	**15**
Fair value of hedging assets at the beginning of the period	38	43			39	43
Elements included in the income statement		**1**				**1**
Interest on defined benefit assets		1				1
Elements included in Other elements of comprehensive income	**1**	**3**			**1**	**3**
Actuarial gains or losses associated with the experience effect	1	3			**1**	3
Other	**(5)**	**(8)**			**(5)**	**(8)**
Benefits paid - Disbursals	**(5)**	(13)			**(5)**	(13)
Change in scope of consolidation		4				4
Fair value of hedging assets at the end of the period B	**34**	**38**			**35**	**39**
NET PENSION COMMITMENT A - B	**221**	**214**	**31**	**29**	**252**	**243**
Financial hedging of financial commitments	**198**	**192**	**30**		**201**	**192**
Present value of hedged obligations	**233**	230	3		**236**	230
Fair value of plan assets	**(35)**	(38)			**(35)**	(38)
Present value of unhedged obligations	**23**	**22**	**28**	**29**	**51**	**51**

The hedging asset is a euro fund composed mainly of fixed-rate bonds.

Reconciliation of balance sheet provisions

(In € millions)	France		International		Total	
	2014	2013 restated	2014	2013 restated	2014	2013 restated
Beginning of fiscal year	**214**	**185**	**29**	**33**	**243**	**218**
Expenses for the fiscal year	18	17	4	3	22	20
Actuarial gains and losses recognized in equity	1	(11)	1	(1)	2	(12)
Foreign currency changes				(4)		(4)
Benefits paid - Disbursals	(6)	(16)	(3)	(2)	(8)	(19)
Partial repayments of plan assets		13				13
Changes in scope of consolidation		32				32
Other transfers	(7)	(6)			(7)	(6)
END OF FISCAL YEAR	**221**	**214**	**31**	**29**	**252**	**243**

Expense components for the period

(In € millions)	France		International		Total	
	2014	2013 restated	2014	2013 restated	2014	2013 restated
Cost of services rendered	12	11	2	2	14	13
Net interest on net defined benefits liabilities [1]	6	5	2	2	8	7
INCREASES FOR THE YEAR	**18**	**17**	**4**	**3**	**22**	**20**

(1) Elements of net financial income (loss).

8.3 | SHARE-BASED PAYMENT

The Group's executive officers and certain employees are granted stock options and bonus shares.

The benefit awarded under stock option plans, measured at fair value at the time of the option award, corresponds to additional compensation. It is recognized under payroll expenses over the period required to fully vest the rights corresponding to the granted benefit or under Other operating expenses where the benefit granted is linked to a transaction recognized in "Other operating income and expenses". The fair value of options include market data (current price of underlying equities, volatility, risk-free interest rate, etc.) during the allocation, but also the assumption of the beneficiary's continuing presence at the close of the vesting period.

Valuation of bonus shares follows the same method as the stock option plans. If a plan does not stipulate vesting conditions, then the full amount is expensed as soon as the plan is awarded; if not, the expense is recognized over the vesting period, depending on the fulfillment of conditions.

— 8.3.1 *Impact of share-based compensations on income and shareholders' equity*

The impact on the income statement of share-based payments granted by Rallye amounted to €2 million in 2014.

The impact on the income statement of share-based payments granted by Group companies amounted to €27 million in 2014. This net expense is offset by an identical increase in shareholders' equity.

— 8.3.2 *Characteristics of the parent company's stock option plans*

Subscription plans

Since 2011, Rallye no longer grants options plans, as at December 31, 2014, there remained one stock option plan with the following characteristics:

Grant date	**09/06/2010**
Maturity date	**03/05/2016**
Number of initial beneficiaries	12
Number of options initially awarded	124,485
Number of options waived	13,736
Number of options exercised	22,954
Number of outstanding options at period end	87,795
Exercise price, in euros	26.44
Fair value of the shares in euros	5.99
Volatility	40.72%
Lifetime of the option	5.5 years
Risk-free interest rate	1.92%
Projected dividend (growth rate)	0%

The number of non-exercised stock options and the average weighted exercise price changed as follows in the fiscal years below:

	2014		**2013**	
	Weighted average exercise price (in €)	**Number of options**	**Weighted average exercise price (in €)**	**Number of options**
Outstanding at the beginning of period	22.88	187,652	33.14	598,535
Options waived during the period	26.44	(12,000)		
Exercised during the period	18.85	(87,857)	14.24	(100,372)
Expired during the period			45.44	(310,511)
Outstanding at the end of the period	**26.44**	**87,795**	**22.88**	**187,652**
of which exercisable options		**87,795**		**187,652**

Bonus share allotment plants

The final vesting of the shares for beneficiaries is subject to presence conditions and to the achievement of company performance criteria, which is assessed annually and results each year in a determination of the percentage of shares vested for the year in question. The total number of bonus shares definitively vested is equal to the average of the annual award. The performance criteria used for the 2012, 2013, and 2014 plans are for 50% the coverage of financial expenses by EBITDA and for 50% a cost of debt level.

The details of the bonus share plans as at December 31, 2014 are provided in the table below:

Grant date	**05/23/2012**	**12/17/2013**	**07/29/2014**
Maturity date	**05/23/2015**	**12/17/2016**	**07/29/2017**
Number of initial beneficiaries	58	29	**31**
Number of shares initially awarded	185,883	69,963	**57,487**
Number of shares waived	10,000		
Number of shares outstanding at the period end	175,883	69,963	**57,487**
Valuation of shares:			
Fair value of the shares in euros	15.66	20.88	**38.55**
Vesting period	3 years	3 years	**3 years**

— 8.3.3 *Characteristics of stock option plan of operating subsidiaries*

The tables below summarize the characteristics of share-based payments with a potentially diluting effect in the Group's financial statements.

Stock option plans

Grant date	Options exercise start date	Expiration date	Number of options granted *(thousands)*	Option exercise price	Number of options outstanding as at 12/31/2014 *(thousands)*
CASINO, GUICHARD-PERRACHON					
April 29, 2010 plan	10/29/2013	10/28/2015	49	€64.87	**18**
Dec. 4,2009 plan	06/04/2013	06/03/2015	73	€57.18	**38**
Weighted average exercise price as at December 31, 2014:				**€59.64**	**55**
GPA [(1)]					
B1-of May 30, 2014	05/30/2017	11/30/2017	239	R$ 0.01	**202**
C1-of May 30, 2014	05/30/2017	11/30/2017	239	R$ 83.22	**202**
A7-Gold of March 15, 2013	03/31/2016	03/14/2017	358	R$ 0.01	**194**
A7-Silver of March 15, 2013	03/31/2016	03/14/2017	358	R$ 80.00	**194**
A6-Gold of March 15, 2012	03/31/2015	03/31/2016	526	R$ 0.01	**165**
A6-Silver of March 15, 2012	03/31/2015	03/31/2016	526	R$ 64.13	**165**
A5-Gold of May 31, 2011	05/31/2014	05/31/2015	299	R$ 0.01	**3**
A5-Silver of May 31, 2011	05/31/2014	05/31/2015	299	R$ 54.69	**3**
Weighted average exercise price as at December 31, 2014				**R$ 38.16**	**1,128**

(1) The exercise price of "Silver" options corresponds to the average closing price of the GPA share on the BOVESPA exchange during the last 20 trading days, to which a 20% discount is applied. The number of shares issued following the exercise of "Silver" options is fixed, contrary to "Gold" options; the number of shares that are allocated if "Gold" options are exercised is variable because it depends on the "ROIC" (Return on Invested Capital) performance criteria for the series A2 to series A5 Gold plans. The performance criteria for the Series A6 and A7 - Gold are the "ROCE" ratio (Return on Capital Employed). "Gold" options may not be exercised separately from "Silver" options.

The assumptions used to evaluate the stock option plans of operating subsidiaries are as follows:

Casino, Guichard-Perrachon

Grant date	Share price at the award date	Life span (in years)	Projected dividend	Expected volatility	Risk-free interest rate	Fair value of the option
04/29/2010	€65.45	5.5	5%	29.32%	1.69%	€10.33
12/04 /2009	€58.31	5.5	5%	30.02%	2.09%	€8.59

GPA

The assumptions used are as follows:

- dividend yield rate of 0.96%;
- expected volatility of 22.09%;
- risk-free interest rate of 11.70%.

The average fair value of existing options was 69.71 Brazilian reais as at December 31, 2014.

Cnova

On November 19, 2014, Cnova granted 1.3 million deferred bonus shares, without any conditions, to some managers. The latter will obtain their shares on the fourth anniversary of the offer. The expense recognized under "other operating expense" (with the Cnova IPO costs) amounted to €10 million. It is based on Cnova's share price on the date of the rights award.

On that same date, Casino granted stock appreciation rights (SARs) to some Cnova managers. These are instruments that give the right to a cash payment corresponding to the difference on the vesting date (four years) between the smallest amount between 220% of the IPO price and the share price on the vesting date and 120% of the IPO price. SARs are share-based transactions which are paid in cash. The expense for the period is €1 million.

The main assumptions are:

- dividend yield: 0%;
- volatility of estimated share price: 32.5%;
- risk-free rate: 0.33%;
- maturity: 4 years.

Bonus share allotment plants

Grant date	Number of shares allotted	End of allotment period	Holding period	Share price at allotment	Adopted performance rate	Fair value of shares	Number of outstanding shares as at Dec. 31, 2014 (thousands) *
Casino, Guichard-Perrachon							
05/06/2014	3,750	05/06/2019	05/06/2019	€90.11	(1)	€61.49	4
05/06/2014	36,672	05/06/2017	05/06/2019	€90.11	(1)	€59.78	35
05/06/2014	3,046	05/06/2017	05/06/2019	€90.11		€71.12	3
05/06/2014	5,601	05/06/2016	05/06/2018	€90.11		€73.35	6
05/06/2014	1,139	05/06/2018	05/06/2018	€90.11		€76.79	1
10/18/2013	2,705	10/18/2017	10/18/2017	€83.43		€70.09	3
10/18/2013	22,650	10/18/2015	10/18/2017	€83.43		€67.63	18
10/18/2013	7,857	10/18/2018	10/18/2018	€83.43		€66.27	5
10/18/2013	58,724	10/18/2016	10/18/2018	€83.43		€65.42	53
10/19/2012	11,350	10/19/2015	10/19/2017	€69.32	(1)	€52.46	11
03/29/2012	6,422	03/29/2015	03/29/2017	€74.10		€56.31	6
04/15/2011	26,585	04/15/2014	04/15/2016	€70.80	(1)	€56.34	22
							167

* Before application of performance conditions. All the plans include a presence condition.
(1) The performance criteria used mainly relate to the level of organic growth in revenue and the level of current operating income and depend on the Company with which the beneficiary is associated.
As at December 31, 2014, the performance rates were as follows:
- Monoprix: 100% for 2014 plans and 0% for 2012.
- Other companies: 100% for 2014 and 27% for 2011.

8.4 | GROSS COMPENSATION TO EXECUTIVES AND MEMBERS OF THE BOARD OF DIRECTORS

(In € millions)	2014	2013
Short-term benefits excluding social security costs (1)	**7**	7
Short-term benefits: social security costs	**3**	2
Post-employment benefits		
Retirement payments owed to principal executives		
Share-based payments (2)		1
TOTAL	**10**	**10**

(1) Gross salaries, bonuses, benefits in-kind and directors' fees.
(2) Expense recorded on the income statement for the year for stock option plans and bonus share allocation plans.

NOTE 9 • TAXES

Income tax expense corresponds to the sum of the current tax due from the various Group companies, corrected for deferred tax.

Consolidated French subsidiaries that satisfy tax consolidation criteria are generally included at various tax consolidation levels.

The sum of current taxes payable represents the tax due from the parent companies of the tax groups and from all other companies that are not members of the tax group.

Deferred tax assets correspond to the tax calculated and deemed recoverable for certain assets on timing differences, tax loss carry forwards and certain consolidation adjustments.

Deferred tax liabilities are recognized for:

- taxable timing differences, except where the deferred tax liability results from the recognition of a non-deductible impairment of goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and which, at the time of the transaction, affects neither accounting profit, nor taxable profit, nor tax loss;
- taxable timing differences on investments in subsidiaries, associates and joint ventures, except where the Group controls the timing of the repayment of the difference and where it is probable that the temporary difference will not be reversed in the foreseeable future.

Deferred taxes are recognized using the balance sheet approach and, under IAS 12, they are not discounted. The amount of tax as thus determined may be affected by the change in the receivable or debt caused by the change in the corporate tax rate from one year to the next (variable carry-forward method).

The prospects of recovering deferred tax assets are periodically reviewed by tax entity and may, as applicable, result in no longer recognizing previously recognized tax assets. These recovery prospects are analyzed on the basis of a tax plan indicating the projected level of taxable income.

The taxable income taken into account is the income obtained over a period of five years. The assumptions included in the tax plan are consistent with those included in budgets and the medium term plan prepared by the Group's entities and approved by Executive Management.

The "businesses added value contribution" (*Cotisation sur la Valeur Ajoutée des Entreprises* (C.V.A.E)), based on the added value resulting from the corporate financial statements is presented on the income tax expense line.

Where payments made to bearers of equity instruments are tax deductible, the Group recognizes the tax effect in profit or loss.

9.1 | INCOME TAX EXPENSE

— 9.1.1 *Analysis of the income tax expense*

(In € millions)	2014			2013 restated		
	France	International	Total	France	International	Total
Tax due	(33)	(278)	(311)	(103)	(180)	(283)
Other taxes (CVAE)	(66)		(66)	(66)		(66)
Deferred taxes	133	(77)	56	53	(98)	(45)
Total tax expenses on the income statement	**34**	**(355)**	**(321)**	**(116)**	**(278)**	**(394)**
Taxes on items recognized in "Other elements of comprehensive income" (Note 12.7.2)	**(5)**		**(5)**	**(5)**		**(5)**
Taxes recognized in shareholders' equity	**7**	**(5)**	**2**	**(7)**	**(46)**	**(53)**

— 9.1.2 *Theoretical tax liability and recognized tax liability*

(In € millions)	**2014**	**2013 restated**
Earnings before tax and associates	**941**	**1,645**
Theoretical tax rate	34.43%	*34.43%*
Theoretical tax liability (1)	**(324)**	**(567)**
Impact of tax on foreign subsidiaries	77	89
Mercialys' non-taxable income (2)		36
Income from revaluations of interests previously held in takeover or loss of control transactions and sales of shares (3)		246
Recognition of tax revenues from tax losses and other deductible temporary differences not previously recognized	45	33
Non-recognition of deferred tax assets on reportable deficits or other deductible temporary differences	(67)	(87)
Impairment of goodwill		(4)
CVAE net of taxes	(41)	(39)
Non-deductible financing expenses (4)	(31)	(22)
Tax credit	12	14
CICE tax credit (Note 6.3)	33	26
Additional contribution of 3% on dividend distributions	(14)	(11)
Temporary difference on the value of Mercialys shares held (Note 3.2.2)	(18)	(134)
Reduced tax rate on sale of Mercialys shares in 2012		(20)
Tax effect associated with the GPA total return swap		13
Reversal of deferred tax liabilities related to the Bartira call		37
Exito fairness tax	(14)	(16)
Taxable amortization and depreciation of goodwill (Exito)	17	19
Put option losses associated with master franchises		(4)
Other	3	(2)
INCOME TAX EXPENSE	**(321)**	**(393)**

(1) For the fiscal years 2014 and 2013, the reconciliation of the Group's effective tax rate was based on an unchanged tax rate of 34.43%. The rate thus adopted by the Group does not take account of the transitional additional contribution of 10.7% in 2013 and 2014 for French corporate taxpayers with revenues above €250 million.
(2) For 2013 only, since Mercialys is consolidated under the equity method since June 21, 2013 (Note 3.2.2).
(3) In 2013, the transactions regarded Mercialys, Monoprix, and Bartira for €188, €49, and €9 million respectively.
(4) The 2012 Supplementary Budget Act imposed a new flat-rate ceiling on the deductibility of financial expenses borne by French companies. This limitation entails reintegrating 25% of these financial expenses into the taxable income for 2014 (15% for 2013).

9.2 | DEFERRED TAXES

— 9.2.1 *Changes in deferred tax assets*

(In € millions)	**2014**	**2013 restated**
As of January 1	**401**	**842**
(Expense)/Income for the fiscal year "continuing operations»	52	(388)
Impact of changes in scope of consolidation (1)	(3)	44
Impact of changes in foreign exchange, scope and reclassifications (1)	(83)	(85)
Changes recognized directly in equity	5	(12)
AS AT DECEMBER 31	**372**	**401**

(1) Corresponded in 2013 to that of Monoprix.

— 9.2.2 *Changes in deferred tax liabilities*

(In € millions)	2014	2013 restated
As of January 1	**1,407**	**1,293**
(Income)/expense for the year	(3)	(344)
Impact of changes in scope of consolidation [1]	1	619
Impact of changes in foreign exchange, scope and reclassifications [1]	14	(163)
Changes recognized directly in equity	7	1
AS AT DECEMBER 31	**1,426**	**1,407**

(1) Corresponded in 2013 to that of Monoprix.

— 9.2.3 *Origin of deferred tax assets and liabilities*

(In € millions)	Net	
	2014	2013 restated
Intangible assets	(1,115)	(998)
Property, plant and equipment	(758)	(596)
o/w lease finance contract	*(194)*	*(70)*
Inventories	46	36
Financial instruments	72	(28)
Other assets	(24)	(57)
Provisions	292	228
Regulated provisions	(184)	(201)
Other liabilities	122	84
o/w loan taken on finance leases	*14*	*13*
Tax loss carry forwards	493	526
Deferred tax assets (liabilities)	**(1,056)**	**(1,006)**
Deferred tax assets	371	401
Deferred tax liabilities	1,426	1,407
Net balance	**(1,056)**	**(1,006)**

The tax consolidation related to Casino, Guichard-Perrachon generated tax savings in 2014 of €287 million versus €94 million as of December 31, 2013.

The tax loss carry forwards were principally at the level of GPA and within Casino, Guichard-Perrachon; the future earnings prospects of these companies and the tax options implemented justify recognition of deferred taxes on these tax loss carry forwards.

— 9.2.4 *Unrecognized deferred taxes*

Unrecognized tax loss carry forwards amounted to €2,543 million at December 31, 2014 (impact of unrecognized deferred tax assets of €877 million) as opposed to €2,525 million in 2013 (impact of unrecognized deferred tax assets of €861 million). These loss carry forwards are especially localized within the Rallye tax consolidation group.

The maturities of unrecognized tax carry forwards are as follows:

(In € millions)	December 31, 2014	December 31, 2014
Less than 1 year		5
Between 1 and 2 years	1	2
Between 2 and 3 years	2	3
More than 3 years	874	851
TOTAL UNRECOGNIZED DEFERRED TAX ASSETS	**877**	**861**

NOTE 10 • INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY

Acquisition costs of non-current assets are included in the acquisition cost of these assets at the gross amount including taxes. For property, plant and equipment, intangible assets and investment property, these costs increase the value of the assets, and are accounted for in the same manner.

Assets acquired separately by the Group are measured at cost, and those acquired through a business combination at fair value.

10.1 | GOODWILL

On the acquisition date, goodwill is measured according to the accounting principle for "Business combinations" (Note 3).

Goodwill is not amortized but is tested annually for impairment or at any sign of impairment in the CGU or CGU group to which it is allocated. The methods used by the Group to test for impairment are described in "Impairment of non-current assets" in Note 10.5.

Negative goodwill is recognized directly in profit or loss for the year of acquisition, after measurement of any identifiable acquired assets, liabilities and contingent liabilities.

— 10.1.1 *Analysis by activity and geographic segment*

(In € millions)	Net	
	December 31, 2014	**December 31, 2013, restated**
France Retail	**6,515**	**6,403**
E-commerce	**496**	**491**
France	79	78
Brazil	417	413
Latam Retail	**3,695**	**3,636**
Argentina	18	21
Brazil (GPA food)	3,123	3,088
Colombia	490	464
Uruguay	64	63
Latam Electronics (Via Varejo)	**544**	**531**
Asia	**754**	**662**
Thailand	751	658
Vietnam	3	3
Food and general retailing	**12,004**	**11,723**
Other activities	**19**	**21**
GOODWILL	**12,023**	**11,744**

— 10.1.2 *Change in net book value*

(In € millions)	2014	2013, restated
As of January 1, net accumulated value	**11,744**	**10,934**
Goodwill recorded for the year [(1)]	173	1,812
Impairment losses for the year		(2)
Exits from scope	(1)	
Impact of foreign exchange gains and losses [(2)]	94	(965)
Reclassifications and other entries [(3)]	13	(35)
AS AT DECEMBER 31, NET ACCUMULATED VALUE	**12,023**	**11,744**

(1) As at December 31, 2014, the €173 million increase stemmed mainly from the takeovers of Super Inter for €68 million (Note 3.1.4), Le Mutant for €18 million (Note 3.1.2), various stores within the Franprix-Leader Price scope (primarily explained in Note 3.1.2) and Distribution Casino France for €32 and €30 million respectively. In 2013, the increase of €1,812 million was due to the takeover of Monoprix for €1,244 million (Note 3.2.1), transactions carried out by the Franprix-Leader Price sub-group for €321 million (Note 3.2.3), and the takeover of Bartira for €199 million (Note 3.2.5).
(2) The exchange rate difference recorded during 2013 was mainly the result of the appreciation of the euro with respect to the Brazilian (-€802 million), Thai (-€84 million), and Colombian (-€63 million) currencies.
(3) The -€35 million change recognized in 2013 stemmed primarily from the goodwill associated with some stores of the Franprix Leader-Price sub-group reclassified as assets held for sale (-€29 million).

10.2 | OTHER INTANGIBLE ASSETS

Intangible assets consist mainly of purchased software, the cost of software developed for internal use, trademarks, patents, and initial lease payments made upon the signing of a lease.

Trademarks that are created and developed internally are not recognized on the balance sheet. Intangible assets are depreciated on a straight-line basis over their expected useful lives determined for each type of asset:

Type of assets	Amortization period
Development costs	3 years
Software	3 to 10 years

Intangible assets with indefinite useful lives (lease premiums and acquired trademarks) are not amortized; they are tested annually for impairment or when an indication of impairment exists (see Note 10.5 “Impairment of non-current assets”).

The residual values, useful life and depreciation methods of the assets are reviewed at each year-end and modified if necessary on a prospective basis.

— 10.2.1 *Composition*

(In € millions)	December 31, 2014			December 31, 2013, restated		
	Gross	Amort and impairment	Net	Gross	Amort and impairment	Net
Concessions, trademarks, licenses, brands	2,536	(35)	2,501	2,543	(45)	2,499
Lease rights	1,140	(44)	1,095	1,110	(43)	1,067
Software	1,138	(610)	528	1,024	(519)	505
Other intangible assets	412	(206)	206	357	(182)	175
INTANGIBLE ASSETS	**5,226**	**(896)**	**4,330**	**5,035**	**(789)**	**4,246**

— 10.2.2 *Changes*

(In € millions)	Concessions, trademarks, licenses, brands	Lease rights	Software	Other non-current assets	Total
As of January 1, 2013, restated	**2,292**	**891**	**366**	**304**	**3,853**
Changes in scope of consolidation	587	314	61	(28)	934
o/w impact of the Monoprix takeover	*566*	*298*	*59*	*23*	*946*
Increases and other acquisitions	2	15	110	76	203
Assets de-recognized in the year		(7)	(3)	(8)	(18)
Amortization provisions (continuing operations)	(4)	(4)	(103)	(55)	(166)
Impairment reversals/(losses) (continuing operations)		(7)	(3)	(1)	(11)
Impact of foreign exchange gains and losses	(378)	(120)	(49)	(23)	(570)
Reclassifications and other entries		(15)	126	(90)	21
As at December 31, 2013, restated	**2,499**	**1,067**	**505**	**175**	**4,246**
Changes in scope of consolidation		7		2	9
Increases and other acquisitions	2	15	135	45	197
Assets de-recognized in the year		(4)	(2)	(3)	(9)
Amortization provisions (continuing operations)	(4)	(3)	(115)	(26)	(148)
Impairment reversals/(losses) (continuing operations)		1	(23)	(2)	(24)
Impact of foreign exchange gains and losses	4	7	1	(3)	9
Reclassifications and other entries		6	26	19	51
AS AT DECEMBER 31, 2014	**2,501**	**1,096**	**527**	**207**	**4,331**

The internally generated assets (mainly IT developments) were €19 million in 2014 versus €8 million in 2013.

As at December 31, 2014, intangible assets included the trademarks and lease premiums with an indefinite useful life, for €2,494 and €1,094 million, respectively; the latter are allocated by our operating subsidiaries to the following CGU groups:

(In € millions)	December 31, 2014	December 31, 2013, restated
Brazil (GPA food)	**1,636**	1,614
Latam Electronics (Via Varejo)	**698**	690
Colombia	**182**	200
Casino France	**77**	79
Franprix-Leader Price	**80**	68
Monoprix	**867**	862
Groupe GO Sport	**33**	31
Other	**16**	11
Trademarks and lease premiums with an indefinite useful life	**3,589**	**3,555**

10.3 | PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, excluding land (which is not amortized) are amortized over the estimated useful lives of each type of asset, with a residual value of zero. The residual values, useful life and depreciation methods of the assets are reviewed at each year-end and modified if necessary on a prospective basis. The amortization periods applied by the Group are as follows:

Type of assets	Amortization period
Land	
Buildings (building structure and brickwork)	20 to 40 years
Roof waterproofing	15 years
Shell fire protection	25 years
Land fittings and improvements	10 to 40 years
Building fixtures and improvements	5 to 20 years
Technical installations, machinery and equipment	3 to 20 years
Transportation equipment	5 years
Furniture, office and computer equipment	3 to 8 years

Subsequent costs are capitalized if they meet IAS 16 recognition criteria.

“Roof waterproofing” and “Shell fire protection systems” components are only identified as separate property, plant and equipment items in the case of major renovations. In other cases, they are included in the “Building structure and brickwork” component.

The borrowing costs which are directly attributable to the acquisition, construction or production of an asset, the preparation of which prior to the planned use or sale requires a substantial period (generally greater than six months), are included in the cost of this asset. All other borrowing costs are expensed in the fiscal year in which they are incurred. Borrowing costs are the interest and other costs borne by a company to borrow funds.

— 10.3.1 *Composition*

(In € millions)	December 31, 2014			December 31, 2013, restated		
	Gross	**Depr. & Amort. and impairment**	**Net**	**Gross**	**Depr. & Amort. and impairment**	**Net**
Land and improvements	2,388	(87)	2,301	2,279	(88)	2,191
Buildings and improvements	6,314	(2,322)	3,992	6,022	(2,196)	3,825
Other property, plant and equipment	8,796	(5,411)	3,385	8,345	(5,030)	3,315
Property, plant and equipment	**17,498**	**(7,820)**	**9,678**	**16,646**	**(7,314)**	**9,332**

— 10.3.2 *Changes in property, plant and equipment*

(In € millions)	Land and improvements	Buildings and improvements	Other property, plant and equipment	Total property, plant and equipment
As of January 1, 2013, restated	**1,665**	**3,517**	**2,895**	**8,077**
Changes in scope of consolidation	617	581	591	1,789
o/w impact of the Monoprix takeover	*610*	*555*	*457*	*1,622*
Increases and other acquisitions	95	324	901	1,320
Assets de-recognized in the year	(16)	(38)	(59)	(113)
Amortization provisions (continuing operations)	(5)	(204)	(556)	(765)
Impairment reversals/(losses) (continuing operations)	(4)	(18)	(17)	(39)
Impact of foreign exchange gains and losses	(153)	(442)	(225)	(821)
Reclassifications and other entries	(8)	106	(214)	(116)
As at December 31, 2013, restated	**2,191**	**3,825**	**3,315**	**9,332**
Changes in scope of consolidation	2	27	35	64
Increases and other acquisitions	192	303	880	1,375
Assets de-recognized in the year	(80)	(102)	(70)	(252)
Amortization provisions (continuing operations)	(5)	(222)	(565)	(792)
Impairment reversals/(losses) (continuing operations)	3	22	(35)	(10)
Impact of foreign exchange gains and losses	1	14	9	24
Reclassifications and other entries	(3)	124	(184)	(63)
AS AT DECEMBER 31, 2014	**2,301**	**3,992**	**3,385**	**9,678**

Property, plant and equipment were tested for impairment on December 31, 2014 using the methodology described in Note 10.5 "Depreciation of non-current assets"; the impact is presented in that same note.

10.4 | INVESTMENT PROPERTY

Investment property corresponds to real estate assets held to generate lease payments or appreciate the capital or both. The shopping malls owned by the Group are recognized as investment property.

After initial recognition, investment property is measured at cost less accumulated depreciation and any impairment losses. The depreciation methods and periods applied to investment property are identical to those used for property, plant and equipment.

— 10.4.1 *Composition*

(In € millions)	December 31, 2014			December 31, 2013, restated		
	Gross	Depr. & Amort. and impairment	Net	Gross	Depr. & Amort. and impairment	Net
Investment property	**921**	**(246)**	**675**	752	(189)	563

— 10.4.2 *Changes in investment properties*

(In € millions)	December 31, 2014	December 31, 2013, restated
As of January 1, net accumulated value	**563**	**543**
Changes in scope of consolidation	**(9)**	30
Increases and other acquisitions	**34**	35
Assets de-recognized in the year	**(1)**	
Amortization provisions (continuing operations)	**(28)**	(34)
Impact of foreign exchange gains and losses	**36**	(63)
Reclassifications and other entries	**80**	52
AS AT DECEMBER 31, NET ACCUMULATED VALUE	**675**	**563**

Investment property amounted to €675 million as at December 31, 2014, of which 62% (i.e., €420 million) was for the Big C Thailand subsidiary and 23% (i.e., €158 million) for the Exito subsidiary. At year end 2013, they amounted to €563 million (of which 66% and 17% relating to Big C Thailand and Exito respectively).

Method for measuring the fair value of investment property

The major investment property items can be found in the Big C Thailand subsidiary.

As at December 31,2014, the fair value of investment property amounted to €1,737 million (€1,381 million as of December 31, 2013). For the majority of the investment properties, this fair value was determined based on measurements carried out by independent external experts. The fair value was measured on the basis of an open market value, supported by market indicators, in conformance with international measurement standards and is considered a fair value of Level 3.

Fair value of investment property of the Big C Thailand subsidiary

The fair value of the Big C Thailand subsidiary investment property acquired during previous fiscal years was updated on the basis of an initial measurement by an independent expert. The fair value of the assets acquired during fiscal year 2014 was estimated by an independent expert. The measurement method used was to discount the cash flows to be generated by each investment property. The main assumptions regard the yield rate of rental income (between 0% and 5%) and the discount rate (between 10% and 14%).

The amounts recognized in profit or loss for rental income and operating expenses for investment properties can be summarized as follows:

(In € millions)	December 31, 2014	December 31, 2013, restated
Rental income from investment properties	**254**	218
Direct operating expenses related to investment properties which have not generated rental income during the period	**(12)**	(9)
Direct operating expenses related to investment properties which have generated rental income during the fiscal year	**(26)**	(20)

10.5 | IMPAIRMENT OF NON-CURRENT ASSETS

IAS 36 defines the procedures a company must apply to ensure that the net book value of a company's assets does not exceed their recoverable value, which is the amount that would be recovered through the use or sale of such assets.

Except for goodwill and intangible assets with an indefinite useful life, which are systematically tested for impairment once a year, the recoverable value of an asset is reassessed whenever there is an indication that the asset may have lost value.

These tests are conducted within each Cash Generating Unit (CGU) or CGU group.

Cash Generating Units (CGUs) and goodwill

A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The goodwill recognized upon business combinations is allocated to Cash Generating Units (CGUs) or groups of CGUs. These CGUs or groups of CGUs represent the monitoring level of goodwill.

Impairment tests

Impairment tests consist in comparing the recoverable value of assets or CGUs to their net book value.

Recoverable value of an asset

The recoverable value of an asset is the higher of its fair value less costs of disposal and its value in use.

- Fair value less costs of disposal is the amount obtainable from the sale of an asset under normal market conditions in a transaction at arm's length between knowledgeable, willing parties, less costs of disposal. In general and food retailing, this value is usually measured as a function of a multiple of revenue or EBITDA (current operating income + current operating depreciation and amortization).
- Value in use is the present value of estimated future cash flows expected to be derived from the continuous use of an asset plus a terminal value. Future cash flows are estimated based on budgets or forecasts for a maximum five-year period, beyond this period, they are extrapolated by applying a constant or declining growth rate and discounted to present value. The discount rate used is the average cost of capital employed for each CGU. The terminal value is generally calculated based on capitalization to perpetuity of a normative annual cash flow based on the cash flow from the last year of forecasts.

To monitor the value of goodwill, a determination of the recoverable values of the CGUs or associated groups of CGUs is made each year at year-end.

An impairment loss is immediately recognized whenever the book value of the asset, or of the CGU to which it belongs, exceeds its recoverable amount. Impairment losses are recognized in "Other Operating Expenses".

Impairment losses recognized in a prior year are reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. However, the increased book value of an asset due to a reversal of an impairment loss may not exceed the book value that would have been determined had no impairment loss been recognized for the asset in prior years.

Impairment losses on goodwill can never be reversed.

— 10.5.1 *Impairment losses on the goodwill of Rallye's operating subsidiaries*

The Cash Generating Units (CGUs) used are the Group's operating subsidiaries. The goodwill of the Casino Group CGU amounted to €1,011 million.

The value in use of this CGU is calculated from a growth rate to infinity of 2% (in line with the rate used in 2013) and a discount rate of 9.5% (versus 9.4% in 2013).

The value in use of the Group's operating subsidiaries has been measured and did not lead to the recognition of an impairment loss.

Based on reasonably foreseeable events as at December 31, 2014, Rallye Group considers that for the Casino Group, an increase of 100 basis points in the discount rate or a decline of 50 basis points in the EBITDA margin rate for the cash flow for the last forecast year used in the terminal value calculation would not have led to the recognition of an impairment loss.

— 10.5.2 *Impairment tests conducted in operating subsidiaries*

The Casino Group has defined its Cash Generating Units as follows:

- for hypermarkets, supermarkets and Discount, the CGU is the store;
- for other outlets, the CGU is the network.

Indications of impairment losses used in the Casino Group depends on the nature of the assets:

- for real-estate assets (land and buildings): loss of rental income or termination of the lease;
- for operating assets related to on-going businesses (assets belonging to a CGU): the ratio of the net book value of the store's non-current assets to gross revenue exceeding a threshold set by type of store;
- for assets related to support activities (headquarters and warehouses): termination of operations at the site or obsolescence of the production equipment used by the site.

The Casino Group also uses external sources of information (economic environment, market value of assets, etc.).

Based on the impairment tests conducted in 2014, the Casino Group recorded an impairment loss on intangible assets and property, plant and equipment of €46 million (of which €27 million of impaired IT assets in France and €5 million of impaired Via Varejo stores in the context of the obligation to sell linked to the takeover authorization by the local competition authority, the CADE).

Based on the impairment tests carried out in 2013, the Casino Group reported impairment of goodwill of €2 million and €55 million on intangible assets and property, plant and equipment (for the Franprix-Leader Price segment).

Impairments of Casino's goodwill

Parameters used to make internal calculations of values in use in 2014:

	Growth rate to infinity 2014 (1)	2014 discount rate after taxes (2)	Growth rate to infinity 2013 (1)	2013 discount rate after taxes (2)
France (food and general retailing) (3)	1.4%	5.5% (4)	1.6%	5.5%
France (other business segments) (4)	1.4% and 1.9%	5.5% to 7.3%	1.6% and 2.1%	5.5% to 7.6%
Argentina	10.2%	17.1%	11.4%	18.0%
Brazil (5)	6.5%	12.0% and 14.9%	5.7%	10.5% and 11.3%
Colombia (5)	4.1%	9.4%	3.6%	8.2%
Uruguay	9.5%	16.2%	7.5%	14.1%
Thailand (5)	1.4%	7.5%	2.4%	7.7%
Vietnam	7.0%	14.0%	8.5%	15.1%
Indian Ocean (6)	1.4% to 1.8%	5.5% to 15.0%	1.6% to 7.0%	5.5% to 13.9%

(1) The growth rate to infinity net of inflation ranges between 0% and +0.5% according to the nature of the CGU's business segment/banner.
(2) The discount rate used is the weighted average cost of capital in each of the countries. It is calculated at least once a year during the annual test, taking into consideration the segment's debt beta, a market risk premium, and the Casino group's cost of debt.
(3) With regard to business segments in France, the discount rate also takes into consideration the nature of the CGU's business segment/banner and the associated operating risks.
(4) Except for the Geimex CGU whose discount rate after taxes is 6.0%.
(5) The market capitalization of the listed subsidiaries GPA, BIG C, Exito and Cnova were €8,049, €4,899, €4,531, and €2,875 million, respectively, as at December 31, 2014. They were higher than the net worth of the three entities.
(6) The Indian Ocean zone includes Réunion, Mayotte, Madagascar, and Mauritius. The discount rates used reflect the risks intrinsic to each of these geographical areas.

The annual goodwill impairment test, performed at the end of the fiscal year, did not lead to the recognition of impairment as at December 31, 2014.

With the exception of Franprix-Leader Price, with regard to the surplus between the value in use and the book value, the Casino group estimates on the basis of reasonably foreseeable events at this point that any changes affecting the key assumptions mentioned above will not lead to the recognition of an impairment loss. For the Casino group, reasonable changes in the key assumptions correspond to an increase of 100 points in the discount rate or a reduction of 25 points in the growth rate to infinity used in the terminal value calculation, or to a reduction of 50 points in the EBITDA margin rate of normative annual cash flow used to calculate the terminal value.

Concerning Franprix-Leader Price, the recoverable value of this cash generating unit is established according to the calculation of the value in use, which is made from cash flow projections based on financial budgets approved by Executive Management over a period of three years and a discount rate of 5.5% (the same as in 2013).

Cash flow projects for the budget period are based on the following assumptions:

- after the pricing investments made, the subsidiary foresees volume returns by 2015 enabling the prospect of roughly 20% growth in sales on a like-for-like basis by 2015-2017. Furthermore, an expansion plan, especially in franchises, will drive volume growth;
- the two banners will become more profitable by improving the sourcing of distributor brands for certain products and by optimizing store costs and upstream functions. As such, the subsidiary estimates that its EBITDA margin will be boosted by 200 basis point in 2014 and 2017;
- the continuing recognition of the CICE and the reduction of equivalent expenses.

Extrapolation of cash flows after the three-year period was based on a constant long-term annual rate of 1.4% (1.6% in 2013) of the revenue corresponding to long-term inflation in France and a gradual increase of its EBITDA margin rate close to the recognized historic level.

Management considers that a reasonable adjustment of a key assumption could lead to a book value greater than the recoverable value. The table below presents the individual changes in key assumptions for the estimated recoverable value of the FPLP cash generating unit to be equal to its book value (which includes €2,511 of goodwill).

Change required for the FPLP book value to be equal to its recoverable value	2014 (1)	2013
Discount rate	+90 bp	+130 bp
Growth rate to infinity	-90 bp	-140 bp
EBITDA margin rate of normative cash flow	-90 bp	-130 bp

(1) With an increase of 100 discount rate points, the book value of the FPLP cash generating unit would exceed its recoverable value by roughly €71 million. Management considers that no change in other key assumptions underlying the recoverable value would result in the book value of this cash generating unit exceeding its recoverable value.

— *10.5.3 Impairments of Casino brands*

A test to analyze the recoverable value of the brands using the relief-from-royalty method was performed at the end of the reporting period. With regard to the GPA brands, the main assumption used in the tests regarded the royalty rates (between 0.4% and 1.4% depending on the brand). These tests did not lead to the recognition of an impairment loss.

NOTE 11 • FINANCIAL STRUCTURE AND FINANCIAL COSTS

Financial assets

DEFINITIONS

Financial assets are classified in four categories according to their type and intended holding period:

- assets held to maturity;
- financial assets measured at fair value through profit or loss;
- loans and receivables;
- available-for-sale assets.

Financial assets are classified as current or non-current, based on their maturity as of the closing date: less than or greater than one year.

MEASUREMENT AND RECOGNITION OF FINANCIAL ASSETS

With the exception of assets measured at fair value through profit or loss, all financial assets are initially recognized at cost which corresponds to the fair value of the price paid plus acquisition costs.

Assets held to maturity

These are exclusively fixed income securities acquired with the intention and ability to hold them until maturity. They are measured at amortized cost using the effective interest method. Amortized cost is calculated for the period from the acquisition of an investment to its maturity date, taking into account any premium or discount upon acquisition. Gains and losses are recognized in income when the assets are de-recognized or impaired and also through the amortization process.

Financial assets measured at fair value through profit or loss

These are financial assets held for trading, i.e., they have been acquired for the purpose of being sold in the short term. They are measured at fair value and gains and losses arising from changes in fair value are recognized in income. Some assets may be voluntarily classified in this category.

Loans and receivables

These are financial assets issued or acquired by the Group in exchange for cash, goods or services to a debtor. They are measured at amortized cost using the effective interest method. Long-term loans and receivables that are non-interest-bearing or that bear interest at below the market rate are discounted when the amounts involved are material. Any impairment losses are recognized in income.

Available-for-sale assets

They correspond to all other financial assets. They are measured at fair value. Changes in fair value are recognized in other elements of comprehensive income until the asset is sold, collected, or otherwise removed, or until there is evidence that there has been a sustained or significant loss in the value of the asset. In such an event, the profit or loss that had been recognized until then in other elements of comprehensive income, is transferred to profit or loss.
If the asset available for sale is an equity instrument, an impairment loss is final. Subsequent increases in fair value are recognized directly in other elements of comprehensive income.
If the available-for-sale financial asset is a debt instrument, any subsequent increases in value are recognized on the income statement, up to a maximum of the amount of the impairment previously recognized in profit or loss.
This category mainly includes unconsolidated investment securities. Available-for-sale assets are presented in non-current financial assets.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term investments.
To qualify as cash and cash equivalents in accordance with IAS 7, investments must fulfill four conditions. They must be:
- short-term;
- highly liquid;
- readily convertible into a known amount of cash;
- subject to an insignificant risk of changes in value.

DE-RECOGNITION OF FINANCIAL ASSETS

A financial asset is de-recognized in the following two cases:
- contractual rights to the cash flows from the asset have expired; or
- such contractual rights have been transferred to a third party, under certain conditions:
  - if the transferor has transferred substantially all of the risks and rewards, the asset is fully de-recognized;
  - if the transferor has retained virtually all of the risks and rewards, then the asset remains fully recognized.

The Group assigns receivables to financial institutions. In general, these disposals meet the de-recognition of financial assets criteria set out in IAS 39. The risk of dilution attached to assigned receivables initially recognized on the balance sheet (risk of cancellation of the receivable because of credits issued or offsetting payments) is considered to be non-existent. In practice, these are mainly receivables on invoices issued for contractual services rendered under the contract between the Group and its suppliers, based on the amount of business it does with each supplier, respectively. The other risks and rewards attached to these receivables have been transferred to the assignee. Consequently, as substantially all of the risks and rewards had been transferred to the assignee at the balance sheet date, the receivables have been de-recognized.

Some subsidiaries continue to manage the debt recovery of assigned receivables. In consideration for this service, the latter receive compensation as part of a delegation mandate; this compensation was considered immaterial as of the fiscal year-closing.

Financial liabilities

DEFINITIONS

Financial liabilities are classified in two categories and comprise:
- financial liabilities at amortized cost;
- financial liabilities recognized at fair value through profit or loss.

Financial liabilities are classified as current or non-current, based on their maturity as of the closing date: less than or greater than one year.

MEASUREMENT AND RECOGNITION OF FINANCIAL LIABILITIES

The measurement of financial liabilities depends on their classification under IAS 39.

Financial liabilities recognized at amortized cost

Borrowings and other financial liabilities are generally recognized at amortized cost calculated using the effective interest rate. They are subject, where applicable, to hedge accounting.

Arrangement fees, issue premiums, redemption premiums and the initial values of embedded derivatives are part of the amortized cost of borrowings and financial debts. They are stated as decreases or increases in the corresponding borrowings and, depending on the case, are amortized on an actuarial basis.

Financial liabilities measured at fair value through profit or loss

These are financial liabilities that are held for trading, that is, with a view to be realized on in the short term. They are measured at fair value and gains and losses arising from changes in fair value are recognized through profit or loss.

MEASUREMENT AND RECOGNITION OF DERIVATIVES

All derivatives are stated in the balance sheet at fair value.

Derivatives classified as hedging instruments: recognition and presentation

In accordance with IAS 39, the Group uses hedge accounting for:

- fair value hedges (e.g., swaps to convert fixed rate debt to floating rate). In this case, the debt is measured at fair value, up to the amount of the risk covered, with gains and losses arising from subsequent measurement at fair value recognized in profit or loss. The change in fair value of the derivative is also recognized in profit or loss. If the hedge is entirely effective, the loss or gain on the hedged debt is offset by the gain or loss on the derivative;

- for cash flow hedges (for example variable-rate loan swapped for fixed rate, hedging of a foreign currency purchasing budget), the change in the fair value of the derivative is recognized in profit or loss for the ineffective portion, and as other elements of comprehensive income for the effective portion, with recognition as income symmetrically with the recognition of the hedged flows and in the same item as the hedged element (current operating income for operating cash flow hedges and financial income for other hedges);
- when net investment hedges are made in a foreign entity, the effective portion of the change in fair value attributable to the exchange rate risk covered is recognized net of taxes in other elements of comprehensive income and the ineffective portion is recognized in income. The gains or losses accumulated in other elements of comprehensive income are transferred to profit or loss at the date of the liquidation or sale of the net investment.

Hedge accounting applies if:
- the hedging relation is clearly defined and documented on the date it is set up; and
- the effectiveness of the hedge can be demonstrated from origination and for as long as it lasts.

Derivatives not classified as a hedge

When a derivative financial instrument has not (or is no longer) classified as a hedge, its successive changes in fair value are recognized directly in profit or loss for the period under “Other financial income and expenses”.

11.1 | NET CASH POSITION

— 11.1.1 *Breakdown of cash and cash equivalents*

(In € millions)	December 31, 2014	December 31, 2013, restated
Cash equivalents	**4,527**	3,526
Cash	**3,152**	2,161
Gross cash and cash equivalents	**7,680**	**5,686**
Current bank facilities	**(167)**	(196)
NET CASH AND CASH EQUIVALENTS	**7,512**	**5,490**

The gross cash of the parent company and fully-owned companies totaled €321 million. All 100% reported cash positions carried by companies in which there are non-controlling interests represent around €7,359 million. The cash of fully-consolidated companies is entirely available for the Group since the latter, despite the present of non-controlling interests, retains control over the distribution policy subject to restrictions linked to banking covenants.

— 11.1.2 *Analysis of gross cash by currency*

The main currencies in 2014 were the Brazilian real, the euro, the Colombian peso corresponding to €3,720 million (48%), €2,479 million (32%) and €866 million (11%) respectively.

11.2 | BORROWINGS AND LOANS

When a loan contains an embedded derivative, the latter must be measured and separated from the host agreement. Derivatives are allocated by type:
- equity instruments are recognized in equity (IAS 32);
- classic options are allocated to other liabilities and at each closing the change in fair value is recognized through profit or loss (IAS 39).

— 11.2.1 Net financial debt

(In € millions)	December 31, 2014			December 31, 2013, restated		
	Non-current	Current	Total	Non-current	Current	Total
Bond issues	9,797	1,974	11,770	9,113	1,381	10,494
Other financial debt	1,687	3,412	5,100	1,821	1,980	3,801
Lease contracts	87	18	105	68	29	97
Debts related to puts on minority interests (1)	38	24	62	42	33	75
Financial derivatives recognized as liabilities	2	12	14	20	11	31
Total financial liabilities	**11,611**	**5,441**	**17,051**	**11,064**	**3,434**	**14,499**
Financial derivatives recognized as assets	(452)	(136)	(589)	(102)	(189)	(291)
Investment and other securities		(18)	(18)		(236)	(236)
Cash and cash equivalents		(7,680)	(7,680)		(5,686)	(5,686)
Total financial assets	**(452)**	**(7,834)**	**(8,286)**	**(102)**	**(6,111)**	**(6,213)**
NET FINANCIAL DEBT	**11,158**	**(2,393)**	**8,765**	**10,963**	**(2,677)**	**8,286**

(1) Note 3.4.1.

— 11.2.2 Change in financial debt

(In € millions)	2014	2013 restated
Financial debt at the beginning of the period	**14,208**	**14,640**
New borrowings (1)	4,606	2,789
Repayments (principal and interest) (2)	(2,466)	(3,168)
Changes in fair value (through profit or loss)	11	
Translation adjustments	101	(543)
Changes in consolidation scope (3)	16	929
Changes in debt related to puts on non-controlling interests4	(13)	(439)
FINANCIAL DEBT AT THE END OF THE PERIOD	**16,463**	**14,208**
Financial liabilities (Note 11.2.1)	17,051	14,499
Financial derivative assets (Note 11.2.1)	(589)	(291)

(1) In 2014, new borrowings mainly included; (a) the issuance by Casino, Guichard-Perrachon and Rallye of bonds for a total of €1,550 million, (b) €1,281 million net change in the Group's commercial paper, (c) €610 million of new loans contracted by Brazilian subsidiaries (d) the bond swaps described in this note, which raised the debt by €668 million. In 2013, new borrowings consisted primarily of the transactions described below: (a) the issuance by Casino, Guichard-Perrachon and Rallye of new bonds for a total amount of €2,175 million, (b) the subscription of new borrowings by Rallye and its Brazilian, Colombian, and Vietnamese subsidiaries for respectively €160, €45, €39, and €30 million (c) the debt component of the Monoprix ORA issuance of €79 million (Note 12.6) and (d) the net flows of commercial paper for €169 million.
(2) In 2014, loan repayments mainly concerned Rallye, Casino Guichard-Perrachon, GPA, Franprix-Leader Price and Big C Thailand for €1,044, €551, €552, €102 and €108 million respectively. In 2013, bond redemptions mainly correspond to the following events: redemptions (a) of bonds on Casino, Guichard–Perrachon, Rallye, GPA and Exito for €544, €357, €195, and €32 million respectively, (b) of other borrowings and financial debt associated with Rallye and its holdings, Franprix-Leader Price, GPA, Casino Guichard-Perrachon, and Big C Thailand for €410, €355, €340, €184, and €66 million respectively, (c) to the redemption of lines of credit used by Monoprix for €453 million, and (d) to bank overdrafts for €109 million.
(3) In 2013, changes in scope of consolidation mainly concerned the Monoprix takeover (Note 3.2.1) and those of the Franprix-Leader Price sub-group (Note 3.2.3) in the amount of €311 and €622 million respectively.
(4) In 2013, the change in debt associated with puts on minority interests mainly concerned the equity swap transaction with the Diniz family for €399 million (Note 3.2.4).

Rallye financing operations

On March 17, 2014, Rallye successfully placed a bond issue in the amount of €500 million with a seven-year maturity, bearing a yield of 4%.

At the close of a redemption offer for bonds maturing in January 2015 (8.5% yield) and November 2016 (7.7% yield), a portion of the bonds (€111 million) were swapped for bonds expiring in 2021. This transaction had no impact on earnings for the 2016 line for lack of substantial changes to the bonds' swapped before and after the swap. In view of the quantitative criteria defined by IAS 39, the 2015 line was substantially amended, resulting in treatment of the swap transaction as an extinguishment of debt. As such, Rallye recorded a charge in cost of financial debt as part of the premium paid on redemption and unamortized fees for a total amount of €7 million. Following this transaction, the par value of the 2016 maturity reached €389.4 million. During the second half of the year, Rallye redeemed an additional €11 million of the 2015 line, bringing the par value to €378.4 million.

These liability management transactions have enabled the Rallye Group to extend the maturity of its debt without a significant impact on the financial earnings for the period.

Casino financing transaction

On February 21, 2014, Casino completed a 10-year, €900 million bond issue remunerated at 3,248%.

On that occasion, €214 and €336 million of bonds maturing in April 2016 (4.47% coupon) and February 2017 (4.38% coupon) respectively were swapped, bringing their par values to €386 and 552 million respectively.

This transaction was treated as an extension of financial debt given the non-substantial nature of the modifications to contractual terms. The impact of the bond swaps (€601 million) corresponds to an adjustment of the book value of the 2024 bond and will be amortized on an actuarial basis over the residual life of the amended liability. This accounting treatment also applies to unamortized issuance premiums and costs associated with the swapped bond lines and all costs borne under the swap (commissions, fees, swap premium) which will be amortized in 2024 for €73 million. Similarly, the impact of the unwinding of the hedges attached to the initial debts (€7 million) will be amortized over the life of the new debt.

On February 28, 2014, the Casino Group announced the signature of a confirmed five-year line of credit in the amount of €1.2 billion with a group of 18 banks, replacing an existing line in the same amount. Casino also benefits from two one-year extension options that remain subject to the agreement of the banks.

On July 30, 2014, the Casino Group completed a 12-year, €900 million bond issue with a coupon of 2,798%.

On December 2, 2014, Casino Group issued a 10-year, €650 million bond, with a coupon of 2.33%.

— 11.2.3 *Bond breakdown*

(In € millions)	Currency	Par value	Rate [1]	Maturity	Maturity date	December 31, 2014 [2]	December 31, 2013 [2] restated
Rallye 2010 2014 bond	EUR	500	fixed rate 5,875%	4 years	March 2014		500
Rallye 2010 [3] OREA	EUR	100	variable rate	5 years	February 2015		100
Rallye 2009 2015 bond	EUR	378	fixed rate 8,375%	5 years 3 months	January 2015	378	498
Rallye 2009 2016 bond	EUR	389	fixed rate 7,625%	7 years	November 2016	388	496
Rallye 2012 2018 EMTN	EUR	300	fixed rate 5,000%	6 years	October 2018	305	306
Rallye 2013 2019 EMTN	EUR	300	fixed rate 4,250%	6 years	March 2019	298	298
Rallye 2013 2020 exchangeable bond	EUR	375	fixed rate 1,000%	7 years	October 2020	340	329
Rallye 2014 2021 EMTN	EUR	500	fixed rate 4,000%	7 years	January 2021	503	
Casino 2007 and 2008 2014 bond	EUR	578	fixed rate 4,880%	5 years 10 months 7 years	April 2014		582
Casino 2009 2015 bond	EUR	750	fixed rate 5,500%	5 years 6 months	January 2015	752	771
Casino 2011 2016 bond	EUR	386	fixed rate 4,470%	4 years 6 months	April 2016	388	600
Casino 2010 2017 bond	EUR	552	fixed rate 4,380%	7 years	February 2017	551	863
Casino 2010 2018 bond	EUR	508	fixed rate 4,480%	7 years 6 months	November 2018	543	530
Casino 2012 and 2013 2019 bond	EUR	1,000	fixed rate 3,160%	6 years 4 months 7 years	August 2019	1,054	1,015
Casino 2012 2020 bond	EUR	600	fixed rate 3,990%	8 years	March 2020	642	608
Casino 2011 2021 bond	EUR	850	fixed rate 4,730%	10 years	May 2021	912	843
Casino 2013 2023 bond	EUR	1,000	fixed rate 3,310%	9 years 9 months 10 years	January 2023	1,097	993
Casino 2014 2024 bond	EUR	900	fixed rate 3,250%	10 years	March 2024	908	
Casino 2014 2025 bond	EUR	650	fixed rate 2,330%	10 years 2 months	February 2025	647	
Casino 2014 2026 bond	EUR	900	fixed rate 2,800%	12 years	August 2016	928	
Exito / Carulla Bond issues	COP	52	variable rate IPC + 7.50	10 years	May 2015	52	56
GPA Bond	BRL	61	variable rate 109.5% CDI	5 years	December 2014		61
GPA 2014 bond	BRL	187	variable rate 107.7% CDI	3 years	January 2014		187
GPA 2015 bond	BRL	248	variable rate 108.5% CDI	3 years and 6 months	June 2015	248	245
GPA 2015 bond	BRL	124	variable rate 100% CDI + 1%	3 years and 6 months	July 2015	124	123
GPA 2015 bond	BRL	372	variable rate CDI + 1%	3 years and 6 months	November 2015	372	368
GPA 2014 bond	BRL	61	variable rate CDI + 0.72%	2 years and 6 months	December 2014		61
GPA 2015 bond	BRL	62	variable rate CDI + 0.72%	2 years and 7 months	January 2015	62	61
GPA 2019 bond	BRL	278	variable rate 107.7% CDI	5 years	Sept.-19	278	
TOTAL BONDS						**11,770**	**10,494**

(1) IPC (Index Price Consumer) – CDI (Certificado de Depósito Interbancário).
(2) The amounts above include the impact of fair value hedges.
(3) Bonds repaid before maturity.

— 11.2.4 *Breakdown of other borrowings and financial debt*

(In € millions)	Currency	Par value	Rate	Maturity	Maturity date	December 31, 2014 [2]	December 31, 2013 [2] restated
Rallye Bank loan	EUR	150	variable rate	7 years	May 2014		150
Alpetrol [1] Bank loan	EUR	100	variable rate	3 years and 6 months	January 2016		100
Rallye Structured loan	EUR	150	variable rate	5 years	July 2017	**150**	149
Rallye Bank loan	EUR	50	variable rate	10 years	February 2018	**50**	50
Rallye Bank loan	EUR	160	variable rate	5 years	January 2018	**159**	159
Rallye Private placement	EUR	110	3,400%	7 years and 6 months	January 2022	**109**	
Casino Alaméa	EUR	300	variable rate	5 years	April 2015	**300**	300
Casino Other bank borrowings [2]	EUR					**342**	210
Casino [3] Latin America						**892**	804
Casino Other international [4]						**690**	635
Other bank borrowings						**156**	92
Commercial paper						**1,684**	474
Bank facilities						**167**	196
Accrued interest [5]						**401**	482
TOTAL BANK BORROWINGS						**5,100**	**3,801**

(1) Repaid before maturity.
(2) Of which Franprix-Leader Price for €164 and €113 million respectively in 2014 and 2013.
(3) €889 million for GPA in 2014. In 2013 GPA and Exito contributed €768 and €36 million respectively.
(4) In 2014 and 2013 relates primarily to Big C Thailand for €618 and €583 million respectively.
(5) The accrued interest relates to the total financial debt, including bond borrowings.

11.3 | OTHER DEBT

(In € millions)	December 31, 2014			December 31, 2013 restated		
	Non-current	Current	Total	Non-current	Current	Total
Financial derivatives recognized as liabilities	**262**	**7**	**269**	128	201	329
Tax and social security liabilities	**205**	**1,768**	**1,973**	361	1,722	2,083
Other liabilities	**22**	**1,158**	**1,179**	15	1,107	1,122
Debts on non-current assets	**22**	**260**	**281**	25	211	236
Current accounts		**56**	**56**		80	80
Financing of lending activities	**42**	**851**	**893**	48	837	885
Prepaid income [1]	**265**	**182**	**446**	153	85	238
OTHER DEBT	**817**	**4,281**	**5,098**	**731**	**4,242**	**4,972**

(1) In 2014, includes prepaid income recognized in Via Varejo following the receipt of an advance payment of 850 millions reias (€264 million) for a warranty extension exclusive sale contract with Zurich Minas Brasil Seguros S.A.
Previously, Via Varejo had terminated a contract between it and the previous warranty extension provider before the expiry date. It therefore paid the provider (i) compensation of 186 million reais (€57 millions) recognized under intangible assets and (ii) reimbursed the advance payment of 398 million reais (€123 millions) it had received.

11.4 | NET FINANCIAL INCOME (LOSS)

The cost of net financial debt consists of the interest on net financial debt, including gains and losses on the sale of cash equivalents, gains and losses on related interest- or exchange-rate hedges, and changes in the fair value of derivatives (assets and liabilities) used in fair value hedge accounting for the debt and in the interest expense related to lease finance contracts.

Other financial income and expenses include: the dividends received from unconsolidated companies, the changes in fair value of the non-cash financial assets and in derivatives not affected by hedge accounting, gains and losses on the sale of financial assets other than cash and cash-equivalents, gains and losses from discounting (including discounting of pension provisions), and foreign exchange translation gains and losses on items other than the components of net financial debt.

Cash discounts are recognized in financial income for the portion corresponding to the normal market interest rate and as a deduction from the cost of goods sold for the remaining balance.

— 11.4.1 *Cost of net financial debt*

(In € millions)	2014	2013 restated
Income from sale of cash equivalents	1	
Income from cash and cash equivalents	204	179
Income from cash and cash equivalents	**205**	**179**
Interest expense on financing activities after hedging	(1,004)	(997)
Financial lease expenses	(12)	(11)
Cost of gross financial debt	**(1,016)**	**(1,008)**
COST OF NET FINANCIAL DEBT	**(812)**	**(829)**

— 11.4.2 *Other financial income and expenses*

(In € millions)	2014	2013 restated
Financial income from investments	1	
Foreign exchange gains (excluding financing activities)	25	46
Income from discounting and undiscounting calculations	3	2
Positive change in the fair value of non-hedging derivatives (1)	134	71
Positive change in the fair value of financial assets measured at fair value	2	2
Other financial income	97	128
Total other financial income	**262**	**249**
Foreign exchange losses (excluding financing activities)	(20)	(56)
Expenses from discounting and undiscounting calculations	(17)	(18)
Negative change in the fair value of non-hedging derivatives (1)	(75)	(95)
Negative change in the fair value of financial assets measured at fair value	(2)	(4)
Other financial expenses	(129)	(165)
Total other financial expenses	**(244)**	**(338)**
TOTAL OTHER FINANCIAL INCOME AND EXPENSES	**19**	**(89)**

(1) Net income of €59 million in 2014 primarily reflects the change in value of the Big C Thailand TRS (+€38 million), GPA derivatives (-€35 million), Mercialys TRS for 1.37% of the capital (+€4 million) and other derivatives (+€40 million). The net expense of €24 million in 2013 corresponds mainly to the change in value of the Big C Thailand and GPA TRS, of the GPA forward, of the stock options on GPA preferred shares (see below), of swaps, and of other derivatives.

The Casino Group contracted with a financial institution in December 2011 a Total Return Swap (TRS) with a maturity of 2.5 years for 7.9 million GPA ADR (American Depository Receipts). The contract does not provide for physical delivery of the shares. Following a modification during the fiscal year, this instrument carries a 3-month Euribor coupon of +2.61% and matures in July 2017. Furthermore, due to a change in the TRS's entry price, Casino realized income of €50 million in 2013. The TRS is a derivative measured at fair value and changes to the TRS are recognized through profit or loss. As of December 31, 2014, the instrument concerned 7.8 million shares (i.e. 2.9% of GPA's capital) and has a notional value of €332 million and a fair value of -€96 million (compared to 7.8 million shares, a notional value of €332 million, and a fair value of -€80 million as of December 31, 2013).

The Casino group contracted with a financial institution at the end of December 2012 for a forward contract concerning 7.8 million GPA ADRs with a maturity of two years. The contract does not provide for physical delivery of the shares. After the forward contract's entry price was modified in 2013 and 2014, Casino realized income of €43 million and €7 million respectively. Furthermore, the instrument now carries a Libor interest rate of + 2.50% and matures in December 2016. This forward is a derivative measured at fair value and any changes to the value are recognized through profit or loss. As of December 31, 2014, the instrument concerned 5.8 million shares (i.e. 2.2% of GPA's capital) and had a notional value of USD333 million (€274 million) and a fair value of -€97 million (compared to 5.8 million shares, a notional value of €319 million, and a fair value of -€43 million as at December 31, 2013).

In 2012, the Casino Group contracted with a financial institution for a TRS concerning 20.6 million Big C Thailand shares. The contract does not provide for physical delivery of the shares. After the TRS's entry price was modified in 2013 and 2014, Casino realized income of €2 million and €17 million respectively. Furthermore, the instrument now carries a 3-month Euribor coupon of + 2.23% and matures in July 2016. This TRS is a derivative measured at fair value and any changes to the value are recognized through profit or loss. As at December 31, 2014, the instrument had a notional value of €127 million and fair value of -€5 million.

11.5 | FAIR VALUE OF FINANCIAL INSTRUMENTS

The methods used to measure fair value are classified into three categories that reflect the complexity of the techniques used.

Financial assets and liabilities recorded in the financial statements at fair value are classified on the basis of their valuation method. This hierarchy consists of three levels:

- the instrument is listed on an active market (level 1);
- the measurement uses valuation techniques based on directly observable data (price) or indirectly observable data (price derivatives) (level 2);
- at least one significant fair value component is based on non-observable data (level 3).

The fair value of financial instruments traded on active markets is based on stockmarket prices on the balance sheet date. A market is considered active if stockmarket prices are readily and regularly available from an exchange, dealer, broker, appraiser or a regulatory agency, and those prices are based on regular transactions. These instruments are classified in level 1.

The fair value of financial instruments not traded on an active market (such as OTC derivatives) is determined using measurement techniques. These different methods maximize the use of observable market data, if any, and do not rely on the Group's own estimates. The instrument is classified in level 2 if all the inputs required to calculate such an instrument's fair value are observable.

The instrument is classified in level 3 if one or several of the key calculation inputs are not based on observable market data.

— 11.5.1 *Breakdown of financial assets and liabilities by instrument category*

(In € millions)	Book value	Non-financial assets	Value of financial assets	Breakdown by instrument category: Assets held for trading	Assets designated at fair value through profit or loss	Hedge accounting instruments	Assets held to maturity	Loans and receivables	AFS – Measured at fair value	AFS – Measured at cost
As at December 31, 2014										
Other non-current financial assets	**2,443**	**962**	**1,481**		3	453	12	776	186	51
Trade receivables	**1,532**		**1,532**					1,532		
Other current assets	**1,725**	**639**	**1,086**			28		1,058		
Other current financial assets	**154**		**154**		9	136		6	3	
Cash and cash equivalents	**7,680**		**7,680**	422				7,258		
As at December 31, 2013, restated										
Other non-current financial assets	1,792	711	1,080		1	103	11	676	233	56
Trade receivables	1,503		1,503					1,503		
Other current assets	1,518	619	899		1			898		
Other current financial assets	425		425		30	189		66	140	
Cash and cash equivalents	5,686		5,686	403				5,283		

(In € millions)	Book value	Non-financial liabilities	Value of financial liabilities	Breakdown by instrument category: Liabilities recognized at amortized cost	Liabilities held for sale	Liabilities designated at fair value through profit or loss	Hedge accounting instruments
As at December 31, 2014							
Bond issues	**11,770**		**11,770**	11,749			21
Other borrowings and financial debts	**5,176**		**5,176**	5,100	62		14
Finance leases	**105**		**105**	105			
Trade payables	**8,412**		**8,412**	8,413			
Other debt	**5,098**	**1,929**	**3,169**	2,883	286		
As at December 31, 2013							
Bond issues	10,494		10,494	10,494			
Other borrowings and financial debts	3,908		3,908	3,802	75		31
Finance leases	97		97	97			
Trade payables	7,080		7,080	7,080			
Other debt	4,972	1,749	3,223	2,895	319		9

— 11.5.2 *Hierarchy of the fair value of financial assets and liabilities*

The tables below compare the book value and the fair value of consolidated assets and liabilities whose book values are not based on reasonable estimates of fair values such as trade receivables, trade payables, cash and cash equivalents, and bank loans. The fair value of investment property is presented in Note 10.4.

As at December 31, 2014 *(In € millions)*	Book value	Fair value	Hierarchy of fair values		
			Market price Level 1	Models with observable parameters Level 2	Models with non-observable parameters Level 3
ASSETS					
Assets recognized at fair value:					
Financial assets available for sale (1)	189	189	35	20	134
Derivative assets at fair value (2)	590	590		590	
Other derivative assets	35	35		35	
Other financial assets	5	5	3		2
LIABILITIES					
Liabilities recognized at fair value:					
Derivative hedging liabilities at fair value (2)	14	14		14	
Other derivative liabilities (2)	269	269		269	
Debts related to the purchase of minority interests3	62	62			62
Liabilities whose fair value is presented in the notes:					
Bonds (4)	11,770	12,733	12,521	212	
Other borrowings and financial debts (5)	5,100	5,210	161	5,049	

As at December 31, 2013, restated *(In € millions)*	Book value	Fair value	Hierarchy of fair values		
			Market price Level 1	Models with observable parameters Level 2	Models with non-observable parameters Level 3
ASSETS					
Assets recognized at fair value:					
Financial assets available for sale (1)	373	373	159	13	201
Derivative assets at fair value (2)	292	292		292	
Other derivative assets	24	24	23	1	
Other financial assets	7	7	7		
LIABILITIES					
Liabilities recognized at fair value:					
Derivative hedging liabilities at fair value (2)	31	31		31	
Other derivative liabilities (2)	328	329		328	
Debts related to the purchase of minority interests (3)	75	75			75
Liabilities whose fair value is presented in the notes:					
Bonds (4)	10,494	10,728	8,375	2,353	
Other borrowings and financial debts (5)	3,801	4,098		4,097	

(1) The fair value of financial assets available for sale is generally determined based on standard measurement techniques. The financial assets available for sale whose fair value could not be reliably determined are not presented in this note.
(2) The derivatives are subject to a (internal and external) measurement based on standard measurement techniques for such instruments. The measurement models incorporate observable market parameters (in particular the yield curve) and counterparty quality.
(3) The fair value of commitments to acquire non-controlling interests is determined based on the contract calculation formulas and, if necessary discounted; the formulas are considered to be representative of fair value, including the use of EBITDA multiples.
(4) The market value of listed bonds was determined based on the latest market price at the end of the period; the market value of the other bonds was determined based on other valuation methods such as the discounted cash flow method, taking into consideration interest rate conditions at the end of the period.
(5) The fair value of the other bonds was determined on the basis of other valuation methods such as the discounted cash flow method reflecting the Group's credit risk and interest rate conditions on the reporting date. For the others, the calculation of fair value was based on other valuation methods such as the discounted cash flow method reflecting interest rate conditions on the reporting date.

11.6 | FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main risks inherent to the financial instruments used by the Group are market risks (interest rate, foreign exchange, and equity risks), counterparty risks, and liquidity risks.

To manage its exposure to interest rate and foreign exchange fluctuations, the Group uses financial derivatives such as interest rate swaps, currency swaps and forward instruments. These mainly involve over-the-counter instruments traded with first-tier counterparties. Most of these derivative instruments are eligible for hedge accounting. However, in order to implement a more dynamic and more flexible management of its interest rate position, in 2011 the Group introduced a minor and strictly contained portion of speculation into the management of its hedges, in line with the policy of other major corporations in this area. This leads to enhanced flexibility on the trading portion for both the fixing/variabilization policy, as well as counterparty risk management for the portfolio.

— 11.6.1 *Summary of derivative instruments*

All the derivatives reported in the balance sheet break down as follows:

(In € millions)	Interest rate risks	Foreign exchange risk	Other market risks	December 31, 2014	December 31, 2013
ASSETS					
Derivatives – at fair value through profit or loss			7	**7**	24
Derivatives - cash flow hedges		28		**28**	
Derivatives - fair value hedges	570	20		**590**	295
TOTAL DERIVATIVES ASSETS	**570**	**48**	**7**	**625**	**319**
of which non-current	*443*	*10*	*3*	***457***	*103*
of which current	*127*	*37*	*4*	***169***	*216*
LIABILITIES					
Derivatives – at fair value through profit or loss	26		242	**269**	319
Derivatives - cash flow hedges					10
Derivatives - fair value hedges	11	3		**14**	31
TOTAL DERIVATIVE LIABILITIES	**37**	**3**	**243**	**283**	**361**
of which non-current	*28*		*236*	***264***	*148*
of which current	*9*	*3*	*7*	***19***	*213*

As at December 31, 2014, the IFRS cash flow hedge reserve had a credit balance of €28 million (€10 million as at December 31, 2013).

No material ineffectiveness has been measured on the cash flow hedges.

The fair value of derivative financial instruments which do not qualify for hedge accounting within the meaning of IAS 39 totaled -€262 million as at December 31, 2014 (-€296 million as at December 31, 2013).

The measurement of derivatives as at December 31, 2014 took into consideration the Credit Value Adjustment (CVA) and the Debt Value Adjustment (DVA) required under IFRS 13. These adjustments did not have material impacts.

— 11.6.2 *Interest rate risk*

The Group's strategy is based on a dynamic debt management, which consists of keeping certain lines of credit variable in order to take advantage of lower rates and to hedge against possible rate increases.

As part of the management of its exposure to interest rate risk, the Group uses various interest-rate derivative instruments.

The main derivative instruments are interest rate swaps. Although they are not all eligible for hedge accounting, all interest-rate instruments are subscribed in the framework of the above mentioned interest- and exchange-rate risk management policy.

The Group's finance policy consists of managing its interest cost by combining variable and fixed rate derivative instruments.

Analysis of sensitivity to interest rates

(In € millions)	December 31, 2014	December 31, 2013 restated
Borrowings	5,213	3,332
Finance leases	18	29
Current bank facilities and spot credits	167	196
Total variable-rate debt (excluding accrued interest) [(1)]	**5,398**	**3,557**
Cash equivalents	4,527	3,526
Cash	3,151	2,159
Total Cash and cash equivalents	**7,678**	**5,685**
Net position before management	**(2,280)**	**(2,128)**
Derivative instruments	7,545	5,860
Net position after management	**5,265**	**3,732**
Net position to be renewed at less than one year	5,265	3,732
Change of 1%	53	37
Average duration remaining until the end of the fiscal year	1	1
CHANGE IN INTEREST EXPENSE	**53**	**36**
Cost of debt	812	829
Impact of change in interest expense/financial charges	**6.49%**	**4.35%**

(1) The maturity date of variable-rate assets and liabilities corresponds to the date on which the rates are revised. Debt items not exposed to interest rate risks, primarily debts linked to put options and accrued interest not due, are not included in this calculation.

— *11.6.3 Foreign exchange risk*

Through the geographic diversification of its businesses, the Group is exposed to currency translation risk, i.e., the fact that its balance sheet and income statement, and consequently its financial structure ratios, are sensitive to changes in exchange rate parities in the consolidation of the accounts of its foreign subsidiaries outside the eurozone, and to trading risk for non-euro transactions.

With respect to operating foreign exchange risk, the Group's hedging policy is to cover highly probable budget exposures, linked primarily to monetary flows resulting from purchases in a currency other than its functional currency, such as merchandise purchased in US dollars hedged by forward purchases and foreign exchange currency swaps. The Group's policy is to hedge all purchasing budgets with derivatives that have the same payment date as the budgeted supplies.

Since these are financial investments recognized at fair value in financial assets available for sale, the Group's policy is to hedge the investments denominated in foreign currencies with forward sales.

The Group's net exposure based on notional amounts after taking account of hedges, is concentrated on the following major currencies (excluding the functional currencies of entities):

Price of one euro in foreign currencies	2014		2013	
	closing	average	closing	average
US Dollar (USD)	1.2141	1.3285	1.3791	1.3281
Polish Zloty (PLN)	4.2732	4.1842	4.1543	4.1975
Romanian Leu (RON)	4.4828	4.4443	4.4710	4.4193
Argentine Peso (ARS)	10.2716	10.7684	8.9838	7.2859
Uruguayan Peso (UYP)	29.5402	30.8353	29.4805	27.1368
Thai Baht (THB)	39.91	43.1468	45.1780	40.8297
Colombian Peso (COP)	2,884.27	2,652.56	2,657.29	2,482.68
Brazilian Real (BRL)	3.2207	3.1211	3.2576	2.8702
Vietnamese Dong (VND)	25,794.76	28,093.23	29,010.75	27,915.096

(In € millions)	USD	Other	December 31, 2014	December 31, 2013 restated
Exposed trade receivables	(8)	(1)	**(9)**	(7)
Other exposed financial assets	(192)	(35)	**(227)**	(575)
Exposed trade payables	145	25	**170**	105
Exposed financial liabilities	258		**258**	121
Gross debt/(receivable) exposure	**203**	**(11)**	**192**	**(356)**
Hedged trade receivables				
Other hedged financial assets	(84)		**(84)**	(287)
Hedged trade payables	90		**90**	45
Hedged financial liabilities	245		**245**	119
Net debt/(receivable) exposure	**(48)**	**(11)**	**(59)**	**(233)**

As at December 31, 2014, the net balance sheet exposure amounted to -€59 million related principally to the US dollar.

Sensitivity analysis of the net exposure to foreign exchange risk after hedging

A 10% increase in the value of the euro as at December 31 in relation to these currencies would have resulted in the decreases reported below. For the purposes of this analysis, it is assumed that all other variables, particularly interest rates, remain constant.

A 10% decrease in the value of the euro as at December 31 in relation to these currencies would have resulted in the opposite effects.

(In € millions)	2014	2013
US Dollar	**(4)**	(18)
Other currencies	**(1)**	
TOTAL	**(5)**	**(19)**

— 11.6.4 *Equity risk*

In the course of its daily cash management, the Group only employs money-market instruments not subject to equity risk.

Consolidated interests

The Group may use equity derivative instruments (total return swaps, forwards, calls) to create synthetically an economic exposure to its subsidiaries' listed shares. The book value applied to these instruments corresponds to the valuation estimate at the closing date provided by a financial institution. The valuation of these instruments takes market parameters such as interest rates and stock market prices into account.

Investment portfolio

The Group continued with its program of disposals from the financial investment portfolio in 2014, thus reducing its financial exposure.

Rallye's financial investments benefit from a high level of diversification, in geographical and segment terms but also according to investment type, partner and size, which allows risks to be pooled effectively. This risk management is further strengthened by the number of investments and their small size: as at December 31, 2014, the portfolio had approximately 50 lines, of which close to 90% had an estimated value of €4 million or less, with the largest being €14 million in net cash invested.

Price risk related to a negative change of 10% in the price of securities held:

(In € millions)	2014	2013
Balance sheet position (fair value)	**152**	192
Shareholders' equity sensitivity	**(14)**	(17)
Income sensitivity	**(1)**	(2)

— 11.6.5 *Credit risks*

Commercial credit risk

The Group's policy requires that the financial health of all of its customers who wish to obtain credit terms of payment be verified. In addition, client account balances are monitored regularly and, as a result, the Group does not have any significant exposure to bad debt.

The outstanding "commercial" trade receivables are analyzed below:

(In € millions)	Assets not due and not impaired	Assets due not impaired at the closing date				Impaired assets	Total
		Less than 1 month late	1-6 months late	More than 6 months late	Total		
2013 fiscal year restated	623	81	53	26	160	151	934
2014 FISCAL YEAR	**709**	**66**	**51**	**28**	**145**	**142**	**996**

The payment times for receivables due and not impaired may vary significantly based on the category of customers with whom the Group companies conduct their business, depending on whether they are private companies, individuals or public entities. The impairment policies used are determined, entity by entity, based on the specific features of the various customer categories. As indicated above, the Group believes it is not exposed to significant risk in terms of credit concentration.

Furthermore, the Group transfers receivables without recourse and without continuing involvement as defined in IFRS 7.

Credit risk on other assets

Other assets, mainly consisting of tax receivables and redemption fees, are neither past due nor impaired.

With respect to credit risk for other financial assets owned by the Group, such as cash and cash-equivalents, financial assets available for sale, and certain financial derivatives, the Group's exposure to potential problems caused by third parties is limited to a maximum equal to the book value of the instruments concerned. The Group's cash management policy covers cash and cash equivalent investments with first-tier counterparties and in instruments that also have first-tier ratings.

As part of transactions conducted on financial markets, the Company is exposed to counterparty risk. Rallye favors financial relations with various banks of international size who enjoy the best ratings from specialized agencies, while avoiding an excessive concentration of dealings with a limited number of financial institutions. Consequently, Rallye considers its exposure to counterparty risk to be low.

— 11.6.6 *Risk of accelerated repayment of financial debt*

The Group's bank and bond financing contain the normal undertakings and default clauses for this type of agreement, including maintaining the loan at its rank (pari passu), the limitation of security interests given to other lenders (negative pledge) and cross defaults.

Rallye financings

Rallye's bond issues do not contain any undertaking regarding financial ratios. Certain bank financing agreements are subject to the following financial ratios:

Description of covenants to be adhered to	Description of the financing subject to covenants	Ratios as at December 31, 2014
Consolidated EBITDA [1] / Consolidated cost of net financial debt >2.75	• Syndicated credit line for €680 million	3.96
Rallye SA shareholders' equity >1.2 billion	• Credit lines and bank loans for a cumulative amount of €1,305 million	1.7

(1) EBITDA corresponds to current operating income plus current operating depreciation and amortization.

Rallye has an EMTN (Euro Medium Term Notes) program, capped at €4,000 million. As at December 31, 2014, outstanding bonds issued under this program reached €1,100 million.

The bonds issued by Rallye carry an early redemption clause at the discretion of investors in the event of a change of control at either Casino Guichard-Perrachon or Rallye.

Rallye also has a commercial paper program capped at €750 million, of which €390 million was outstanding as at December 31, 2014.

Casino Group financing

Financing of Casino, Guichard-Perrachon

The majority of the Casino Group's debt is at the Casino, Guichard-Perrachon level. Resources are managed by the Corporate Finance department. The Group's main subsidiaries (GPA, Big C Thailand, Monoprix, Exito) also have their own financial resources.

All subsidiaries send a weekly cash report to the Casino Group. The arrangement of new financing sources have to be submitted to the Corporate Finance department for validation.

Casino, Guichard-Perrachon has an EMTN (Euro Medium Term Notes) program, capped at €9,000 million. As at December 31, 2014, outstanding bonds issued under this program totaled €8,095 million.

Casino, Guichard-Perrachon also has a commercial paper program, capped at €2,000 million; the amount outstanding as at December 31, 2014 was €1,295 million.

The Group's bank loans and bonds contain the standard commitment and default clauses found in such contracts: maintaining the loan at the same level ("pari passu"), limiting the securities allocated to other lenders (negative pledge) and cross-default.

For the case where the Company's majority shareholder changes, the Casino, Guichard-Perrachon's credit line contracts include an obligatory early redemption clause.

Furthermore, bonds issued by Casino, Guichard-Perrachon carry an early redemption (except for two perpetual super subordinated securities (TSSDI) issues) clause at the discretion of investors in the event that Casino, Guichard-Perrachon's senior long-term debt rating is downgraded to "non-investment grade," but only if this downgrade is the result of a change in the Company's majority shareholder. These bonds (excluding the TSSDI) are currently graded "BBB" by Standard & Poor's and Fitch Ratings.

In addition, they contain a "coupon step-up" clause which raises the interest rate in case the long-term senior debt of Casino, Guichard-Perrachon is downgraded to "non-investment grade".

Type of covenants	Description of the financing subject to covenants	Ratios as at December 31, 2014
Consolidated net financial debt [1] / Consolidated EBITDA [2] < 3.5	- Syndicated credit line of €1.2 billion - Syndicated credit line of USD1 billion - Bilateral lines and borrowings for a cumulative amount of €450 million	1.8
Consolidated net financial debt [1]/ Consolidated EBITDA [2] < 3.7	- Bilateral lines for an amount of €50 million - Alaméa borrowings of €300 million	

(1) The net financial debt as defined in the banking contracts may differ from that presented in the consolidated financial statements (Note 11.2); it is composed of borrowings and net financial debt in cash and cash equivalents and of the net impact of derivative assets and liabilities recorded as hedge accounting for borrowings and financial debts.
(2) EBITDA corresponds to current operating income plus current operating depreciation and amortization.

For the case where the majority shareholder changes, the Casino, Guichard-Perrachon credit line contracts include an obligatory early redemption clause.

Subsidiaries financing

The majority of the Group's other financing contracts include clauses requiring the financial ratios to be respected and are principally in place at the GPA and Big C Thailand subsidiaries (see table below).

Subsidiary	Type of covenants	Description of the financing subject to covenants
GPA [1]	Net debt [2] must not be higher than equity [3]	All bond financings and a portion of bank financing
	Consolidated net debt / EBITDA < 3.25	
	Equity / Total assets > = 0.3	BNDES financing in the amount of €75 million
	EBITDA / net financial debt >= 0.35	
BIC C Thailand	Net financial debt / EBITDA	Bank borrowings (Note 11.2.3)
	Net financial debt / shareholders' equity	

(1) All GPA's covenants regard GPA's consolidated data.
(2) Debt minus cash and cash equivalents and receivable trade.
(3) Consolidated shareholders' equity (Group share and non-controlling interests).

As at December 31, 2014 these ratios had been met.

— 11.6.7 *The Group's liquidity position*

As at December 31, 2014, the Group's liquidity position was solid.

(In € millions)	Rate	Amount available	
		Casino Group [(1)]	Rallye
Confirmed bank lines < 1 year	Variable	310	205
Confirmed bank lines > 1 year	Variable	1,970	1,210
Total lines authorized		**2,280**	**1,415**
Total lines used		**100**	0
Syndicated lines < 1 year	Variable	0	
Syndicated lines > 1 year	Variable	2,024	800
Total lines authorized		**2,024**	**800**
of which total lines used		0	**120**

(1) Casino, Guichard-Perrachon contributes €2,974 million. Syndicated lines include the €1,200 million line (maturing in February 2019) and the USD1 billion line with a July 2018 maturity date.

The tolerance level for the next 12 month is deemed very comfortable in terms of the Group respecting its financial covenants.

Schedule of financial liabilities cash flows as at December 31, 2014

(In € millions)	Book value	Contractual cash flows	Less than 1 year	1-5 years	Over 5 years
Financial liabilities					
Bonds and other borrowings excluding derivatives	16,870	**19,551**	5,775	6,808	6,968
Lease finance contracts	105	**193**	28	89	76
IFRS liabilities (recognition of puts)	62	**69**	24	5	40
Trade payables and other liabilities (excluding social security and tax liabilities)	11,311	**11,311**	11,216	67	28
Total	**28,348**	**31,124**	**17,043**	**6,969**	**7,112**
Derivative financial instruments					
cash entries		**1,385**	474	659	252
cash withdrawals		**(873)**	(367)	(359)	(147)
derivative contracts settled net		**(5)**	(15)	10	
Total	**342**	**507**	**92**	**310**	**105**

This table represents the repayment schedule of financial assets recorded as at December 31, 2014, at par value, including interest and excluding discounting.

As regards derivative financial instruments, the table was created on the basis of net or gross contractual flows to be paid or received depending on the instruments' settlement method. When the amount to be paid or received is not fixed by interest-rate hedging instruments, the amount presented was determined with reference to the current interest rate yield curve as of the closing date.

NOTE 12 • SHAREHOLDERS' EQUITY AND EARNINGS PER SHARE

Shareholders' equity includes two categories of owners: the owners of the parent company (Rallye's shareholders) and the holders of non-controlling interests (minority shareholders of the subsidiaries). A non-controlling interest is defined as the portion of interest in a subsidiary which is not directly or indirectly attributable to a parent company (hereinafter "minority interests" or "non-controlling interests.")

Transactions carried out (buying or selling) with non-controlling interests which do not change the control of the parent company, only affect shareholders' equity. Cash flows from these transactions are included in net cash flows linked to financing activities.

In the case of an acquisition of an additional interest in a fully-consolidated subsidiary, the Group recognizes the difference between the acquisition cost and the book value of the non-controlling interests as a change in shareholders' equity attributable to the shareholders of the parent company. The costs associated with these transactions are also recognized in shareholders' equity. The same is true for sales without loss of control.

In the case of a disposal of majority interests resulting in a loss of control, the Group reports a 100% disposal of the securities held. The profit or loss from the disposal is reported under "Other operating income and expenses" if it involves a partial disposal; the retained portion is therefore remeasured. The cash flows from a takeover or a loss of control in a subsidiary are assigned to net cash flows from investing activities.

Equity instruments and hybrid instruments

An instrument is considered as an equity instrument if:

- redemption is at the borrower's initiative (indefinite term), the remuneration is subordinated to the payment of a dividend; or
- the instrument is redeemed through the delivery of a fixed number of shares for an amount determined at the issuance of the corresponding instrument at market price. When there is a "debt" component, it is measured separately and recorded in "financial debt."

Transaction costs in shareholders' equity

External and internal costs (when eligible) directly attributable to capital or own equity instruments transactions are charged, net of tax, to shareholders' equity. Other costs are recorded as expenses for the fiscal year.

Treasury shares

Treasury shares are deducted from shareholders' equity at cost. Proceeds from any sale of treasury shares are credited directly to equity, such that capital gains and losses, net of the related tax effect, have no impact on net income for the fiscal year.

Options on treasury shares

Options on treasury shares are treated according to their characteristics as derivative instruments, own equity instruments or financial liabilities.

Options described as derivatives are recorded at fair value through profit or loss. Options described as equity instruments are recorded under shareholders' equity at their initial amount; changes in value are not recognized. The accounting treatment of financial liabilities is described in Note 11.

12.1 | CAPITAL MANAGEMENT

The Group's policy is to maintain a solid capital base in order to maintain the confidence of investors, creditors and the market, and to support the future growth of the business. The Group pays attention to the number and diversity of its shareholders as well as to the level of dividends paid to shareholders.

In June 2005, Rallye implemented a liquidity contract complying with the ethics charter developed by the AMAFI (*Association française des marchés financiers pour les professionnels de la bourse et de la finance*) in order to ensure a liquid market.

Under a stock buyback program approved by the Shareholders' Meeting, Rallye is authorized to purchases shares of the Company in order to cover stock option plans for new or existing shares, allot bonus shares to employees and executives, ensure market liquidity for the Company's shares, retain them for subsequent remittal as payment or exchange in possible M&A transactions, and retire them up to a maximum number not to exceed 10% of share capital.

12.2 | INFORMATION ABOUT SHARE CAPITAL

Share capital consisted of 48,721,948 shares representing a par value of €146 million. Share, merger and contribution premiums and other additional paid-in capital amounted to €1,037 million, €363 million and €40 million respectively.

Under the authority granted to the Board of Directors, the total amount of the capital increases that may be executed, immediately or in the future, other than through the capitalization of profits, reserves or premiums, may not exceed a par value of €66 million.

12.3 | SECURITIES WITH ENTITLEMENT TO NEW SHARES

The Group granted stock options to its employees under a stock option plan presented in Note 8.3.

12.4 | TREASURY SHARES

As at December 31, 2014, the Group had a total of 554,631 treasury shares, worth €19 million, including 418,250 treasury shares held under the liquidity agreement signed with Rothschild & Cie Banque.

12.5 | PERPETUAL "SUPER SUBORDINATED" SECURITIES (TSSDI)

At the start of 2005, the Casino Group issued 600,000 indefinite-term "super subordinated" securities (TSSDI), representing a value of €600 million. The future repayment of this instrument will be decided by the Casino Group and its compensation is subordinate to payment of a dividend for the common shares during the course of the last 12 months. Due to these specific duration and compensation characteristics, this instrument is classified in shareholders' equity, for an amount of €600 million.

The dividend, at the rate of a Constant Maturity Swap at 10 years +100 bp (the rate may not exceed 9%), is recognized as a reduction in shareholders' equity.

On October 18, 2013, the Casino Group launched a perpetual hybrid bond issue of €750 million comprising 7,500 bonds. The future repayment of this instrument will be decided by the Casino Group, with a first call on January 31, 2019. The notes will pay a coupon of 4.87% until this date (and will be recognized as a reduction in shareholders' equity). This rate will be reset every five years thereafter. Taking into account its specific duration and interest-bearing characteristics, this instrument is classified as shareholders' equity in the amount of €750 million. The issuance expenses, net of tax effects, have been charged to shareholders' equity.

12.6 | OTHER EQUITY INSTRUMENTS

On October 27, 2013, Monoprix issued bonds convertible into Monoprix preferred shares (*obligations remboursables en actions* or ORA) in three tranches for a total amount of €500 million in favor of CACIB. These ORA bonds have a 3-year maturity; they will pay a coupon of 6-month Euribor +5.1%. The redemption rate is fixed. Monoprix has the discretionary power to postpone coupon payments into preferences Shares on the redemption date of the ORA bonds.

In addition, the Casino Group has a call option on these ORA bonds which can be exercised at par plus accrued interest, in whole or in part, until October 2016.

The holders of the ORAs have certain protective rights, in particular with regard to the level of Monoprix's external debt, investments, and external growth transactions, as well as with regard to disposals of stores, above a certain threshold.

At maturity, the holders of the ORAs will receive Monoprix preferred shares representing 21.2% of its capital and entitling them to a double dividend on the distribution share corresponding to earnings after the ORAs conversion date. The preferred shares come with a voting right and the same additional protective rights as the ORAs.

The Casino group has evaluated the transaction as follows:

- the ORA at fixed par is an equity instrument with the exception of the interest. The ORA call option is at Casino's discretion and does not require the ORA to be reclassified as financial debt;
- the Casino Group estimates that the valuation of the ORA bonds on their issuance date was very representative of a market value and that the characteristics of the preferred shares delivered and their value do not commit it to an implicit obligation to exercise its call option on the ORA bonds, as well as the distribution policy, which is controlled by the Shareholders' Meeting (after the ORA bonds mature, distribution is projected to be 80% of the distributable benefits).

The ORA bonds are hybrid instruments which contain a debt component reported under "financial debt" corresponding to the discounted value of interest coupons until maturity and an equity component for the balance net of fees and taxes reported under "non-controlling interests". As at December 31, 2014, the equity component and the debt component amounted to €420 and €52 million respectively. The optional commitment to sell was recognized as a reduction in shareholders' equity attributable to owners of the parent in the amount of €2 million net of taxes.

The Casino Group granted a guarantee of Monoprix's consolidated net position (ended as at December 31, 2013) to CACIB in connection with the ORA bond issue. This guarantee is capped at €200 million, to which a deductible of €20 million is attached. This guarantee is in place until June 26, 2017.

12.7 | OTHER DISCLOSURES ON PREMIUMS AND CONSOLIDATED RESERVES

— 12.7.1 *Translation adjustments*

(In € millions)	Group share			Attributable to minority interests			2014 total
	Opening 2014	Changes 2014	Closing 2014	Opening 2014	Changes 2014	Closing 2014	
Brazil	(351)	(37)	(388)	(1,981)	106	(1,875)	(2,263)
Argentina	(56)	(5)	(61)	(52)	(4)	(56)	(117)
Colombia	33	(61)	(28)	54	(176)	(122)	(150)
Uruguay	16	4	20	5	10	15	35
United States	(7)	12	5	(1)	6	5	10
Thailand	1	42	43	(10)	102	92	135
Poland	10	(2)	8	9	(2)	7	15
Indian Ocean	(4)		(4)	(5)		(5)	(9)
Vietnam	(7)	13	6	(14)	17	3	9
TOTAL CURRENCY TRANSLATION ADJUSTMENTS	**(365)**	**(34)**	**(399)**	**(1,995)**	**59**	**(1,936)**	**(2,335)**

(In € millions)	Group share			Attributable to minority interests			2013 total
	Opening 2013	Changes 2013	Closing 2013	Opening 2013	Changes 2013	Closing 2013	
Brazil	(88)	(263)	(351)	(585)	(1,396)	(1,981)	(2,332)
Argentina	(41)	(15)	(56)	(37)	(15)	(52)	(108)
Colombia	117	(84)	33	319	(265)	54	87
Uruguay	23	(7)	16	18	(13)	5	21
United States	(1)	(6)	(7)	1	(2)	(1)	(8)
Thailand	36	(35)	1	75	(85)	(10)	(9)
Poland	12	(2)	10	10	(1)	9	19
Indian Ocean	(3)	(1)	(4)	(5)		(5)	(9)
Vietnam	(3)	(4)	(7)	(7)	(7)	(14)	(21)
TOTAL CURRENCY TRANSLATION ADJUSTMENTS	**52**	**(417)**	**(365)**	**(211)**	**(1,784)**	**(1,995)**	**(2,360)**

The changes in 2013 resulted primarily from the appreciation of the euro against the Brazilian currency.

— 12.7.2 *Notes to the consolidated statement of comprehensive income*

(In € millions)	2014	2013 restated
Financial assets available for sale	**(26)**	**10**
Change in fair value for the period	(31)	7
Reclassification to profit or loss	(1)	5
Income tax (expense)/revenue	6	(2)
Cash flow hedges	**22**	**(3)**
Change in fair value for the period	34	(5)
Reclassification to profit or loss		1
Income tax (expense)/revenue	(12)	1
Net investment hedge		
Change in fair value for the period		
Reclassification to profit or loss		
Income tax (expense)/revenue		
Translation adjustments	**25**	**(2,199)**
Change for the period	25	(2,199)
Reclassification to profit or loss		
Actuarial gains and losses		**8**
Change for the period	(2)	13
Income tax (expense)/revenue	2	(5)
TOTAL	**21**	**(2,184)**

12.8 | MATERIAL NON-CONTROLLING INTERESTS

(In € millions)	GPA [3]	Exito	Cnova	Big C	Casino [2]	Other	2014 non-controlling interests
As of January 1, 2014, restated	**5,590**	**1,327**		**352**	**4,697**	**508**	**12,475**
% held by minority interests [1]	*61.9%*	*45.2%*		*41.4%*	*51.6%*		
% of non-controlling interests held [1]	*0.06%*	*45.2%*		*41.4%*	*40.5%*		
Net income	420	79	(12)	71	154	16	**728**
Other elements of comprehensive income	66	(112)		58	5	10	**27**
Dividends paid / to be paid	(94)	(37)		(22)	(182)	(10)	**(345)**
Other transfers	(375)	18	80		18	(25)	**(284)**
DECEMBER 31, 2014	**5,607**	**1,275**	**67**	**458**	**4,692**	**499**	**12,601**
% held by minority interests [1]	*58.7%*	*45.2%*	*41.9%*	*41.4%*	*51.6%*		
% of non-controlling interests held [1]	*0.06%*	*45.2%*	*6.6%*	*41.4%*	*39.6%*		

(1) These percentages correspond to Casino's direct holdings in these subsidiaries with the exception of Cnova which also includes indirect holdings.
(2) The minority interests recognized at the level of the Rallye scope of consolidation come principally from the Casino Group (the percentage held by minority interests at the level of Rallye is 51.6%).
(3) As required by Brazilian legislation, the minimum dividends paid to the shareholders of CBD and Via Varejo amounted to €76 million.

(In € millions)	GPA [5]	Exito	BIC C Thailand	Mercialys [6]	Casino [4]	Other [2]	2013 non-controlling interests
As of January 1, 2013, restated	**5,574**	**1,434**	**347**	**288**	**4,191**	**81**	**11,915**
% held by minority interests [1]	*61.8%*	*45.2%*	*41.4%*	*59.8%*	*50.9%*		
% of non-controlling interests held [1]	*0.06%*	*45.2%*	*41.4%*	*59.8%*	*40.7%*		
Net income	437	80	72	60	447	22	1,118
Other elements of comprehensive income	(1,112)	(180)	(49)		(428)	(8)	(1,777)
Dividends paid / to be paid	(107)	(35)	(17)		(173)	(18)	(350)
Other transfers [3]	798	28		(348)	660	431	1,569
DECEMBER 31, 2013	**5,590**	**1,327**	**352**		**4,697**	**508**	**12,475**
% held by minority interests [1]	*61.9%*	*45.2%*	*41.4%*		*51.6%*		
% of non-controlling interests held [1]	*0.06%*	*45.2%*	*41.4%*	*0.0%*	*40.5%*		

(1) These percentages correspond to Casino's direct holdings in these subsidiaries and do not include the potential impact of the non-controlling interests of their sub-levels.
(2) Until April 2013, Monoprix was consolidated under the proportionate method. Since that date, Monoprix has been fully consolidated.
(3) The equity instruments issued by Casino for €750 million and by Monoprix for €500 million (less discounted coupons of €79 million) are allocated to minority interests.
(4) The minority interests recognized at the level of the Rallye scope of consolidation come principally from the Casino Group (the percentage held by minority interests at the level of Rallye is 51.6%).
(5) As required by Brazilian legislation, the minimum dividends paid to the shareholders of CBD and Via Varejo amounted to €30 million.
(6) Note 3.2.

The table below presents the summarized financial disclosures from subsidiaries in which the Group holds material non-controlling interests. These disclosures are presented in accordance with IFRS, adjusted if necessary to reflect fair value remeasurements on the date control was taken or lost and restatements to ensure consistency of accounting principles with those of the Group. The amounts are presented before eliminations of inter-group accounts and transactions.

(In € millions)	Casino Group		Including Casino Group major subsidiaries						
			GPA		Cnova	Exito [3]		BIG C Thaïlande	
	2014	2013 restated	2014 [1]	2013 restated	2014 [2]	2014	2013 restated	2014	2013 restated
Revenue	**48,493**	47,870	**19,367**	20,136	**1,657**	**3,691**	3,716	**3,025**	3,093
Net income from continuing operations	**826**	1,525	**591**	619	**(32)**	**169**	173	**171**	172
Of which non-controlling interests	***703***	*1,108*	***420***	*437*	***(12)***	***79***	*80*	***71***	*72*
Other elements of comprehensive income	***31***	(2,188)	***73***	(1,557)	***(12)***	***(236)***	(357)	***133***	(112)
Comprehensive income for the year	**856**	(664)	**663**	(938)	**(44)**	**(67)**	(184)	**304**	60
Of which non-controlling interests	***729***	*(671)*	***486***	*(675)*	***(12)***	***(33)***	*(100)*	***129***	*23*
Current assets	**16,165**	13,246	**6,284**	5,868	**1,352**	**1,477**	1,528	**694**	484
Non-current assets	**29,115**	27,709	**11,148**	10,847	**940**	**2,112**	2,100	**2,016**	1,781
Current liabilities	**(17,270)**	(13,995)	**(5,954)**	(5,293)	**(1,691)**	**1,057**	950	**1,114**	875
Non-current liabilities	**(12,402)**	(11,483)	**(2,831)**	(3,180)	**(13)**	**121**	165	**417**	467
Net asset	**15,608**	15,476	**8,647**	8,242	**587**	**2,411**	2,513	**1,180**	922
Of which non-controlling interests	***12,512***	*12,376*	***5,607***	*5,590*	***258***	***1,276***	*1,347*	***459***	*352*
Net cash flow from operating activities	**2,874**	3,120	**1,243**	1,886	**442**	**370**	316	**288**	269
Net cash flow from investing activities	**(1,611)**	(3,454)	**(467)**	(676)	**(45)**	**(258)**	(63)	**(84)**	(174)
Net cash flow from financing activities	**861**	21	**(487)**	(773)	**188**	**(124)**	(74)	**(106)**	(135)
Impacts of monetary changes on cash	**(37)**	(679)	**23**	(482)	**(12)**				
Change in cash	**2,087**	(992)	**312**	(45)	**573**	**(12)**	178	**97**	(39)
Dividends paid to non-controlling interests for the year	**(346)**	(350)	**(51)**	(116)	0	**(44)**	(43)	**21**	19

(1) Excluding entities of the Cnova sub-group for 2014.
(2) Reported amounts correspond to the Cnova group since its creation on July 24, 2014.
(3) Excluding Devoto and the Grupo Disco de Uruguay sub-group (consolidated under the equity method).

12.9 | DIVIDEND

In 2014, Rallye paid a dividend of €1.83 per share for 2013;

The Board of Directors will propose a dividend payout of €1.83 per share for 2014. The financial statements presented prior to distribution do not reflect this dividend, which is subject to the approval of the Ordinary Shareholders' Meeting.

12.10 | EARNINGS PER SHARE

Basic earnings per share are calculated on the basis of the average weighted number of shares depending on the stock issue date during the fiscal year, except for shares issued as dividends and treasury stock.

Diluted earnings per share is calculated as follows:

- the numerator is the result adjusted for the dilutive effects on income of subsidiaries and the impact of potential bond conversions on financial interests;
- the denominator, according to the treasury stock method, is the basic number of shares plus the number of potential shares that will result from dilutive instruments (options, warrants and bonus shares), minus the number of shares that may be purchased at the market price with the funds received from exercise of the instruments in question. The market price used in the calculation is the average stock price over the fiscal year.

Share equivalents are only included in the above calculation if they have a dilutive effect on earnings per share.

— 12.10.1 *Number of shares*

	2014	2013
Weighted average number of shares	48,677,233	48,707,605
Weighted average number of treasury shares	(493,795)	(672,827)
Weighted average number of shares before dilution	**48,183,438**	**48,034,778**
Share equivalents originating from stock options	87,795	402,762
Non-dilutive instruments (off-market or covered by calls)		(316,490)
Weighted average number of dilutive instruments	87,795	86,272
Theoretical number of shares purchased at market price (1)	(81,079)	(169,973)
Dilutive effect of stock option plans	**6,716**	**(83,701)**
Bonus share allotment plan	264,155	316,375
Impact of all potentially dilutive shares	**270,871**	**232,674**
WEIGHTED AVERAGE NUMBER OF SHARES AFTER DILUTION	**48,454,309**	**48,267,452**

(1) Under the share buyback method, funds received upon the exercise of options are assumed to be allocated prior to shares bought back at the market price. The theoretical number of shares to be thus bought back reduces the total number of shares that would result from the exercise of rights. The theoretical number is capped at the number of shares that would result from the exercise of rights.

— 12.10.2 *Earnings attributable to common shares*

(In € millions)	2014	2013 restated
Net income, share attributable to company owners	**(33)**	**174**
Impact of Monoprix ORA bonds	(20)	
DILUTED NET EARNINGS, SHARE ATTRIBUTABLE TO COMPANY OWNERS	**(53)**	**174**
Net income from discontinued operations	(1)	
Diluted net earnings from continuing operations	**(52)**	**174**

— 12.10.3 *Earnings per share*

Consolidated net earnings per share of the consolidated entity attributable to company owners:

	2014	2013 restated
Net income, share attributable to company owners *(in € millions)*	(33)	174
Weighted average number of shares outstanding	48,183,438	48,034,778
Basic earnings per share *(in €)*	**(0.68)**	**3.63**
Diluted net earnings, share attributable to company owners *(in € millions)*	(53)	174
Weighted average number of shares outstanding after dilution	48,454,309	48,267,452
Per diluted share *(in €)*	**(1.09)**	**3.61**

Net earnings from continuing operations attributable to company owners:

	2014	2013 restated
Net income, share attributable to company owners *(in € millions)*	(32)	175
Weighted average number of shares outstanding	48,183,438	48,034,778
Basic earnings per share *(in €)*	**(0.66)**	**3.65**
Diluted net earnings, share attributable to company owners *(in € millions)*	(52)	175
Weighted average number of shares outstanding after dilution	48,454,309	48,267,452
Per diluted share *(in €)*	**(1.08)**	**3.63**

NOTE 13 • PROVISIONS

A provision is recorded when the Group has a present obligation (legal or implicit) as a result of a past event, the amount of the obligation can be reliably estimated, and when it is probable that an outflow of resources will be required to settle the obligation. Provisions are discounted to present value when the related discount is material.

In accordance with the above principle, a provision is recorded to cover the cost of providing after-sales service for equipment sold under warranty. The provision represents the expected cost of repairs to be performed during the warranty period, estimated on the basis of actual costs incurred in prior years. Each year, the provision is reversed in the amount of the actual repair costs recognized in expenses.

Provisions for restructuring costs are recognized whenever an implicit commitment has been made to third parties as a result of a Management decision that has been formalized before the closing date in a detailed restructuring plan and communicated to the parties concerned.

Other provisions correspond to specifically identified contingencies and expenses.

Contingent liabilities correspond to possible obligations arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the entity's control, or present obligations whose settlement is not expected to require an outflow of resources. They are not recognized but are disclosed in a note.

13.1 | BREAKDOWN AND CHANGES

(In € millions)	As of January 1, 2014, restated	Provisions	Reversals used	Reversals not made	Changes in consolidation and transfers	Foreign currency changes	Other	As at December 31, 2014
After-sale service	5	1	(5)					**1**
Retirement	243	11	(5)	(6)	1		9	**252**
Seniority awards	30	2	(1)					**32**
Services rendered	12							**12**
Various disputes	59	23	(17)	(17)	2			**51**
Various risks and contingencies	821	315	(147)	(157)	(9)	6	(8)	**821**
Restructuring	18	20	(11)	(6)	3			**23**
TOTAL PROVISIONS	**1,188**	**371**	**(185)**	**(184)**	**(4)**	**6**	**1**	**1,191**
of which non-current	*971*	*31*	*(21)*	*(18)*	*(9)*	*5*	*61*	***1,019***
of which current	*217*	*341*	*(164)*	*(167)*	*5*		*(60)*	***172***

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

More specifically, the various risks and contingencies amounted to €821 million and primarily represent the provisions relative to GPA (Note 13.2).

13.2 | BREAKDOWN OF THE PROVISIONS FOR GPA RISKS AND CONTINGENCIES

(In € millions)	PIS / Cofins / CPMF disputes *	Other tax disputes	Wage disputes	Civil disputes	Total
As at December 31, 2014	**59**	**389**	**162**	**72**	**682**
As at December 31, 2013	147	332	102	59	640

(*) VAT and related taxes.

In these disputes, GPA contests the payment of certain taxes, contributions, and social security obligations. Pending final decisions from the administrative courts, these disputes have required deposits and security payments in the corresponding amounts (Note 6.9). The guarantees given by GPA are to be added to these payments (Note 6.10).

13.3 | CONTINGENT LIABILITIES AND ASSETS

The Group is involved in a number of disputes and arbitrations with third parties or the tax authorities of certain countries. Provisions are recorded for these disputes and arbitrations if there is a legal, contractual or constructive obligation to a third party as at the closing date, if it is probable that an outflow of resources without compensation will be required to settle the obligation, and if a sufficiently reliable estimate can be made of the amount of the obligation.

Contingent liabilities arising from investments in associates and joint ventures are described in Note 3.3.6.

— *Dispute with the Baud family*

The Casino Group considers these various disputes resulting from complaints by the Baud family as baseless. They were still pending as at December 31, 2014.

— *Defense procedure at the initiative of sellers of a controlling interest in Globex Utilidades SA*

In June 2009, GPA, via one of its subsidiaries, acquired a controlling interest in Globex Utilidades SA, a leading player in electronic and household electrical goods under the banner name “Ponto Frio”.

The previous majority shareholder (Morzan Empreendimentos) judged that GPA and jointly and severally its controlling shareholders, including GPA’s majority shareholder Wilkes, but also Casino, Guichard-Perrachon and three of its other sub-holding companies, had breached the provisions of the agreement relating to the payment conditions for the share payable in GPA shares. Morzan Empreendimentos thus initiated an arbitration proceeding before the International Chamber of Commerce via a petition dated May 30, 2012.

The arbitration tribunal is currently examining the case. In any event, both GPA and its controlling shareholders consider that the request is unfounded. Furthermore, with the exception of GPA and Wilkes, which are parties to the share disposal agreement, none of the other parties named as defendants are bound by the provisions of the said agreement. This was confirmed by the arbitration tribunal on July 9, 2013. The case was heard on the merits on June 9 and 12, 2014 and a brief was submitted to the arbitration tribunal on September 30, 2014. The verdict is expected at the beginning of the second quarter of 2015.

— *The Thai disaster*

During the events of the second quarter of 2010 in Bangkok, the Big C Thailand subsidiary suffered losses from a fire resulting in the complete or partial destruction of a number of assets and operating losses. Discussions with the insurance companies are now being finalized, which should lead to the payment in 2015 of compensation recognized in the accounts for €10 million.

— *GPA's contingent liabilities*

(In € millions)	2014	2013
INSS (employer contributions to the Brazilian national social security program)	**99**	87
IRPJ - IRRF and CSLL (income tax)	**425**	398
COFINS, PIS and CPMF (VAT and similar taxes)	**286**	302
ISS, IPTU and ITBI (tax on services, tax on urban real estate ownership, and tax on real estate transactions)	**102**	96
ICMS (VAT)	**1,334**	995
Civil disputes	**157**	209
TOTAL	**2,402**	**2,087**

GPA uses the services of consultancy firms in the context of tax disputes. The fees of these firms depend on a positive outcome for GPA. As at December 31,2014, their estimated value amounted to €20 million (€12 million as at December 31, 2013).

NOTE 14 • TRANSACTIONS WITH RELATED PARTIES

Related parties include:

- parents companies (mainly Foncière Euris, Finatis and Euris);
- entities which exercise joint control or notable influence over the entity;
- subsidiaries (Note 18);
- associates (mainly Mercialys Note 3);
- joint ventures (Note 3);
- members of the Board of Directors and members of the Executive Board (Note 8.4).

As part of the day-to-day management of the Group, the Company is involved in normal business relationships with all its subsidiaries. The Company also benefits from the guidance of Euris, the Group's ultimate controlling company, under the terms of a strategic advisory services agreement signed in 2003.

Cdiscount sold receivables for a total amount of €122 million to Banque du Groupe Casino in the first half of 2013.

A transaction was signed with Mercialys and with a Foncière Euris subsidiary regarding the expansion of the Toulouse Fenouillet shopping center at a cost of €98 million. As the controlling entity, Foncière Euris is carrying 90% of the project and Mercialys 10%. It will be delivered in 2016. Casino is responsible for works on market terms.

Furthermore, Casino Group signed two transactions in 2014 with a subsidiary of Foncière Euris. The first transaction concerned the sale of a Polish real estate asset that led to cash-in of €16 million. The second is a real estate transaction where Mayland, Casino's Polish subsidiary and Foncière Euris have invested 20% and 80% respectively in a host structure for a shopping center (Centrum Senenada) development project. Foncière Euris is the controlling entity of the structure. As at December 31, 2014, Mayland had sold to Centrum Serenada a plot of land and its studies for an amount of €25 million and signed a property development contract with that same structure.

Transactions with related parties who are individuals (directors, executive officers, and members of their families) were not material.

NOTE 15 • SUBSEQUENT EVENTS

No events occurred between the balance sheet date and February 16, 2015, the date on which the consolidated financial statements were closed by the Board of Directors and their communication approved.

NOTE 16 • STATUTORY AUDITORS' FEES

The fees recognized as expenses for the audit of the Rallye group's financial statements amounted to €11 million as at December 31, 2014 (€11 million at December 31, 2013).

Fees for directly-related procedures, meanwhile, came to €0.3 million for the fiscal year ending December 31, 2014 (€0.6 million as at December 31, 2013).

NOTE 17 • STANDARDS AND INTERPRETATIONS PUBLISHED, BUT NOT YET EFFECTIVE

Below are IASB published standards, amendments to standards and interpretations that have not yet been adopted by the European Union:

Standards	Application dates for the Group
IFRS 9 - "Financial Instruments"	January 1, 2018
IFRS 15 "Revenue from contracts with customers"	January 1, 2017
Amendment to IAS 1 "Disclosure Initiative"	January 1, 2016
Amendment to IFRS 11 "Acquisition of an interest in a joint operation"	January 1, 2016
Amendment to IAS 16 and IAS 39 "Clarification of acceptable methods of depreciation and amortization"	January 1, 2016
Amendment to IFRS 10 and IAS 28 "Sale or contribution of assets between an investor and its associate or joint venture"	January 1, 2016
Annual improvements to IFRS - 2012-2014 cycle	January 1, 2016
Amendment to IAS 19 "Employee Contributions"	July 1, 2014
Annual improvements to IFRS - 2010 - 2012 and 2011- 2013 cycle	July 1, 2014

The Group applied in advance the amendment to IFRS 7 regarding continuing involvment in service contracts.

The Group has not applied any of these new standards or interpretations at advance and is currently assessing the impacts of first-time application.

NOTE 18 • MAIN CONSOLIDATED COMPANIES

Company	Method of conso.	2014		2013	
		% of interest	% of control	% of interest	% of control
Rallye SA*		**Parent company**		**Parent company**	
Alpétrol SAS	FC	**100.0**	**100.0**	100.0	100.0
Bruyère (La) SA	FC	**92.5**	**92.5**	67.0	67.0
Cobivia SAS	FC	**100.0**	**100.0**	100.0	100.0
Genty Immobilier SAS	FC	**100.0**	**100.0**	100.0	100.0
H.M.B SAS	FC	**100.0**	**100.0**	100.0	100.0
Kergorju SCI	FC	**100.0**	**100.0**	100.0	100.0
Magasins Jean SAS	FC	**100.0**	**100.0**	100.0	100.0
Matignon Sablons SAS	FC	**100.0**	**100.0**	100.0	100.0
MFD Inc.	FC	**100.0**	**100.0**	100.0	100.0
Miramont Finance & Distribution SA	FC	**100.0**	**100.0**	100.0	100.0
Perrières (Des) SCI	FC	**100.0**	**100.0**	100.0	100.0
Sables (Les) SCI	FC	**62.5**	**62.5**	62.5	62.5
Parande SAS	**FC**	**100.0**	**100.0**	**100.0**	**100.0**
Centrum Alexa Sàrl	FC	**60.0**	**60.0**	60.0	60.0
Centrum Baltica SA	EM	**25.0**	**25.0**	-	-
Centrum Development Luxembourg SA	FC	**100.0**	**100.0**	100.0	100.0
Centrum Gdynia Sàrl	EM	**27.3**	**32.5**	27.3	32.5
Centrum Handlowe Koniczynka SP Zoo	EM	**27.3**	**32.5**	-	-

* Listed companies.

Company	Method of conso.	2014		2013	
		% of interest	% of control	% of interest	% of control
Centrum Lacina SP Zoo	EM	**9.5**	**27.0**	50.0	50.0
Centrum NS Luxembourg Sàrl	EM	**33.3**	**33.3**	33.3	33.3
Centrum Poznan SA	EM	**35.0**	**35.0**	100.0	100.0
Centrum Posnania SP Zoo	EM	**9.5**	**27.0**	-	-
Centrum Regionalne Poznan SP Zoo	EM	**9.5**	**27.0**	-	-
Centrum Riviera SP Zoo	EM	**25.0**	**25.0**	-	-
Centrum Warta SA	EM	**35.0**	**35.0**	-	-
Centrum Weiterstadt SA	FC	**60.0**	**60.0**	60.0	60.0
Einkaufszentrum Am Alex GmbH	FC	**54.0**	**90.0**	54.0	90.0
Gutenbergstrasse BAB5 GmbH	FC	**48.0**	**80.0**	48.0	80.0
IG Real Estate Investments SRL	FC	**81.6**	**100.0**	81.6	100.0
IG Romanian Investments Ltd	FC	**81.6**	**81.6**	81.6	81.6
Loop 5 Shopping Centre GmbH	EM	**24.0**	**50.0**	24.0	50.0
Parande Ventures (partnership)	FC	**99.0**	**99.0**	99.0	99.0
Pargest SAS	FC	**100.0**	**100.0**	100.0	100.0
Pargest Holding SAS	FC	**100.0**	**100.0**	100.0	100.0
Parinvest SAS	FC	**100.0**	**100.0**	100.0	100.0
Pont de Grenelle SCI	EM	**20.0**	**20.0**	20.0	20.0
Projekt SP Zoo	EM	**33.0**	**33.0**	-	-
Ruban Bleu Saint-Nazaire SCI	EM	**50.0**	**50.0**	50.0	50.0
Euristates Inc.	**FC**	**100.0**	**100.0**	**100.0**	**100.0**
Beacon Pleasant Street LLC	FC	**84.4**	**86.2**	84.4	86.2
EREC Ventures LLC	FC	**97.9**	**100.0**	97.9	100.0
EREC Ventures II LLC	FC	**99.8**	**100.0**	99.8	100.0
Euris North America Corp.	FC	**100.0**	**100.0**	100.0	100.0
ENAC Ventures LLC	FC	**99.4**	**100.0**	99.4	100.0
Euris Real Estate Corp.	FC	**100.0**	**100.0**	100.0	100.0
Parande Brooklyn Corp.	FC	**100.0**	**100.0**	100.0	100.0
Parande Brooklyn Ventures LLC	FC	**95.7**	**100.0**	95.7	100.0
Repton Place LLC	FC	**84.4**	**100.0**	84.4	100.0
Groupe GO Sport SA	**FC**	**100.0**	**100.0**	**94.4**	**94.6**
Buissières (Les) SAS	FC	**100.0**	**100.0**	94.4	100.0
Courir France SAS	FC	**100.0**	**100.0**	94.4	100.0
GO Sport France SAS	FC	**100.0**	**100.0**	94.4	100.0
GO Sport Les Halles SNC	FC	**100.0**	**100.0**	94.4	100.0
GO Sport Polska SP Zoo	FC	**100.0**	**100.0**	94.4	100.0
Grand Large Sport SAS	FC	**100.0**	**100.0**	94.4	100.0
Groupe GO Sport Suisse Sàrl	FC	**100.0**	**100.0**	94.4	100.0
International Sports Retail Development (ISRD) Sàrl	EM	**50.0**	**50.0**	47.2	50.0
Sports Trade Marketing International (STMI) Sàrl	EM	**50.0**	**50.0**	47.2	50.0
Casino, Guichard-Perrachon SA*	**FC**	**48.4**	**60.4**	**48.4**	**59.5**
Alaméa Investments [(1)]	FC	**48.4**	**5.0**	48.4	5.0
Banque du groupe Casino	EM	**24.2**	**50.0**	24.2	50.0
Bergsaar BV	FC	**48.4**	**100.0**	48.4	100.0
Big C Group* (Thaïlande)	**FC**	**28.3**	**58.6**	**28.3**	**58.6**
Casino Carburants SAS	FC	**48.4**	**100.0**	48.4	100.0
Casino Finance	FC	**48.4**	**100.0**	48.4	100.0
Casino Information Technology SAS	FC	**48.4**	**100.0**	48.4	100.0
Casino International SAS	FC	**48.4**	**100.0**	48.4	100.0
Casino Restauration SAS	FC	**48.4**	**100.0**	48.4	100.0
Casino Services SAS	FC	**48.4**	**100.0**	48.4	100.0

* Listed companies.
(1) Alamea Investments is a Luxembourg limited company 95% owned by a bank and 5% owned by the Casino Group. This company is a structured special purpose entity which is fully consolidated due to the characteristics of the arranged structure.

Company	Method of conso.	2014		2013	
		% of interest	% of control	% of interest	% of control
Cavi Ltd	FC	**48.4**	**100.0**	48.4	100.0
Cavi Real Estate Ltd	FC	**48.4**	**100.0**	48.4	100.0
Cavi Retail Ltd	FC	**48.4**	**100.0**	48.4	100.0
Distribution Casino France SAS (DCF)	FC	**48.4**	**100.0**	48.4	100.0
Distridyn SA	EM	**24.2**	**50.0**	24.2	50.0
Easydis SAS	FC	**48.4**	**100.0**	48.4	100.0
EMC Distribution SAS	FC	**48.4**	**100.0**	48.4	100.0
Espace BigC An Lac	FC	**38.7**	**100.0**	38.7	100.0
Espace BigC Hai Phong	FC	**48.4**	**100.0**	48.4	100.0
Espace Bourbon Than Long	FC	**31.4**	**100.0**	31.5	100.0
Floréal SA	FC	**48.4**	**100.0**	48.4	100.0
Forézienne de participations	FC	**48.4**	**100.0**	48.4	100.0
Géant Foncière BV	FC	**48.4**	**100.0**	48.4	100.0
Géant Holding BV	FC	**48.4**	**100.0**	48.4	100.0
Géant International BV	FC	**48.4**	**100.0**	48.4	100.0
Geimex SA	EM	**24.2**	**50.0**	24.2	50.0
Gelase SA	FC	**48.4**	**100.0**	48.4	100.0
Green Yellow SAS	FC	**47.2**	**97.5**	45.0	90.8
Intexa SA *	FC	**47.4**	**97.9**	47.4	97.9
Latic	FC	**48.4**	**100.0**	48.4	100.0
Libertad SA	FC	**48.4**	**100.0**	48.4	100.0
L'Immobilière groupe Casino SAS	FC	**48.4**	**100.0**	48.4	100.0
Marushka Holding BV	FC	**48.4**	**100.0**	48.4	100.0
Mayland	FC	**48.4**	**100.0**	48.4	100.0
Mercialys SA* (France)	**EM**	**19.5**	**40.3**	**19.5**	**40.3**
Plouescadis SAS	FC	**48.4**	**100.0**	48.4	100.0
Polca Holding SA	FC	**48.4**	**100.0**	48.4	100.0
Restauration Collective Casino SAS	FC	**48.4**	**100.0**	48.4	100.0
Saowanee	FC	**23.7**	**100.0**	23.7	100.0
Ségisor SA	FC	**48.4**	**100.0**	48.4	100.0
Spice Espana S.L.	FC	**48.4**	**100.0**	48.4	100.0
Sudaco	FC	**48.4**	**100.0**	48.4	100.0
Sudéco SAS	FC	**48.4**	**100.0**	48.4	100.0
Tevir SA	FC	**48.4**	**100.0**	48.4	100.0
Tonquin BV	FC	**48.4**	**100.0**	48.4	100.0
Viet Nhat Real Estate	FC	**48.4**	**100.0**	48.4	100.0
Vindémia Logistique	FC	**48.4**	**100.0**	48.4	100.0
Vindémia Distribution	FC	**48.4**	**100.0**	48.4	100.0
Wilkes	FC	**48.4**	**100.0**	48.4	100.0
Cnova NV Group* (Netherlands)	**FC**	**28.1**	**93.4**	**-**	**-**
Cdiscount Group	FC	**28.1**	**100.0**	48.4	100.0
Cdiscount SA	FC	**28.2**	**100.0**	48.3	99.8
Cnova Finança	FC	**28.1**	**100.0**	-	-
Cnova Comercio Electronico	FC	**28.1**	**100.0**	-	-
E-trend	FC	**28.1**	**100.0**	29.3	71.3
GPA Group* (Brazil)	**FC**	**20.0**	**99.9**	**18.4**	**99.9**
Novasoc Comercial Ltda ("Novanosc") (2)	FC	**2.0**	**100.0**	1.8	100.0
Sé Supermercado Ltda ("Sé")	FC	**20.0**	**100.0**	18.4	100.0
Sendas Distribuidora SA ("Sendas")	FC	**20.0**	**100.0**	18.4	100.0

* Listed companies.
(2) Although GPA only owns a 10% stake in Novasoc, this company is fully consolidated as GPA holds 99.98% of Novasoc's voting rights in accordance with the shareholders' pact.

Company	Method of conso.	2014 % of interest	2014 % of control	2013 % of interest	2013 % of control
GPA Malls & Properties Gestão de Ativos e Serviços. Imobiliários Ltda. ("GPA M&P")	FC	20.0	100.0	18.4	100.0
Financeira Itaú CBD SA - Crédito, Financiamento e Investimento ("FIC") (3)	EM	8.4	50.0	7.7	50.0
Via Varejo * (Brazil)	**FC**	**8.7**	**62.3**	**8.0**	**62.3**
Indústria de Móveis Bartira Ltda ("Bartira") (4)	FC	8.7	100.0	8.0	100.0
Banco Investcred Unibanco SA ("BINV") (3)	EM	1.9	50.0	1.7	50.0
Éxito Group * (Columbia)	**FC**	**26.5**	**54.8**	**26.5**	**54.8**
Devoto	FC	25.7	96.8	25.6	96.6
SA Didetexco	FC	24.9	94.0	24.9	94.0
Grupo Disco Uruguay	EM	16.6	62.5	16.6	62.5
Trust Viva Villavincencio	FC	13.5	51.0	14.3	54.0
Monoprix Group	**FC**	**48.4**	**100.0**	**48.4**	**100.0**
Société L.R.M.D.	FC	48.4	100.0	48.4	100.0
Les Galeries de la Croisette	FC	48.4	100.0	48.4	100.0
Monoprix Exploitation (MPX)	FC	48.4	100.0	48.4	100.0
Monop'	FC	48.4	100.0	48.4	100.0
Naturalia	FC	48.4	100.0	48.4	100.0
Société Auxiliaire de Manutention Accélérée de Denrées Alimentaires "S.A.M.A.D.A".	FC	48.4	100.0	48.4	100.0
Codim 2 SA (Groupe Codim)	FC	48.4	100.0	48.4	100.0
Hyper Rocade 2 SNC	FC	48.4	100.0	48.4	100.0
Pacam 2 SNC	FC	48.4	100.0	48.4	100.0
Unigros 2 SNC	FC	48.4	100.0	48.4	100.0
Franprix-Leader Price Group	**FC**	**48.4**	**100.0**	**48.4**	**100.0**
Cafige SAS	FC	48.4	100.0	48.4	100.0
Cofilead SAS	FC	48.4	100.0	48.4	100.0
DBMH	FC	48.4	100.0	48.4	100.0
DFP (Baud SA)	FC	48.4	100.0	48.4	100.0
Distribution Leader Price SNC	FC	48.4	100.0	48.4	100.0
Groupe DSO	FC	48.4	100.0	48.4	100.0
Figeac	FC	48.4	100.0	48.4	100.0
Franprix Holding SA	FC	48.4	100.0	48.4	100.0
Franprix-Leader Price Finance	FC	48.4	100.0	48.4	100.0
Leader Price Exploitation SA (ex LPH)	FC	48.4	100.0	48.4	100.0
Norma SAS	FC	48.4	100.0	48.4	100.0
Parfidis SAS	EM	17.4	36.0	17.4	36.0
Pro Distribution SA	FC	29.0	60.0	29.0	60.0
R.L.P. Investissement SARL	FC	48.4	100.0	48.4	100.0
Sarjel SAS	FC	29.0	60.0	29.0	60.0
Sédifrais SA	FC	48.4	100.0	48.4	100.0
Groupe Sofigep	FC	48.4	100.0	48.4	100.0

* Listed companies.
(3) FIC and BINV finance the purchases of GPA's customers. These entities are the result of a partnership between Banco Itaú Unibanco S.A ("Itaú Unibanco"), GPA, and Via Varejo and are consolidated using the equity method as GPA only has a significant influence on the direction of the Company's operational and financial policies.
(4) Until the end of October 2013, Bartira was proportionately consolidated even though GPA only held, via its Via Varejo subsidiary, 25% of the voting rights. The remaining 75% is owned by the Klein family through Casa Bahia Comercial Ltda. GPA and the Klein family signed a partnership agreement establishing joint control of this subsidiary which states that all operational or financial decisions must be unanimously approved by the partners.

NOTE 19 • CROSS-REFERENCE TABLE

	2014 Presentation	2013 Presentation
General Accounting Principles	**Note 1**	**APM (1)**
Reporting Standards	1.1	APM 1.2
Basis for Preparation and Presentation of the Consolidated Financial Statements	1.2	APM 1.5
Changes in accounting method and restatement of comparative data	1.3	
Significant events	**Note 2**	**Note 1**
Consolidation scope	**Note 3**	**Note 2**
Accounting principles linked to the consolidation scope	3	APM 1.7-1.8 and 1.11
2014 consolidation scope transactions	3.1	
2013 consolidation scope transactions	3.2	Note 2
Investments in associates and joint ventures	3.3	Notes 10, 18, 19 and 35.2
Commitments related to the consolidation scope	3.4	Note 33.2.1
Discontinued operations, assets/liabilities held for sale	3.5	APM 1.21 and 1.38, Note 12
Additional information regarding the cash flow statement	**Note 4**	**Note 4**
Change in working capital requirement related to operating activities	4.1	Note 4.1
Impact on cash of changes in scope of consolidation with change of control	4.2	Note 4.2
Impact on cash of transactions with minority interests with no change of control	4.3	Note 4.4
Segment reporting	**Note 5**	**APM 1.40**
Key indicators by operating segment	5.1	Note 5.1
Key indicators by geographical area	5.2	Note 5.2
Business data	**Note 6**	
Revenue	6.1	APM 1.29 and Note 6.1
Full cost of goods sold	6.2	APM 1.30 and Note 6.2
Type of expense by function	6.3	APM 1.31, 32 and 33- and Note 6.3
Amortization	6.4	
Other operating income and expenses	6.5	APM1.34 and Note 7
Inventories	6.6	APM1.19 and Note 21
Trade receivables	6.7	APM1.18.3 and Note 22
Other current assets	6.8	Notes 23 and 24
Other Assets	6.8.1	Note 23.1
Impairment of other receivables and current accounts	6.8.2	Note 23.2
Other current financial assets	6.8.3	Note 24
Other non-current operating assets	6.9	Notes 20
Off-balance sheet commitments related to current operations	6.10	Note 33.1
Commitments given	6.10.1	Note 33.1.1 and 33.2.1
Commitments received	6.10.2	Note 33.1.2
Leases	**Note 7**	**APM 1.14**
Operating lease expenses	7.1	
Prepaid rents	7.2	Note 20.3
Commitments on operating leases (off-balance sheet)	7.3	Note 33.4.2
Finance lease expenses	7.4	
Property, plant and equipment acquired under finance leases	7.5	Note 15.3
Commitments on finance lease contracts (off-balance sheet)	7.6	Note 33.4.1
Payroll expenses	**Note 8**	**APM 1.23.1 and 1.22.2**
Payroll expenses by destination	8.1	Note 6.3
Pension commitments and similar benefits	8.2	Note 28
Share-based payment	8.3	Note 26.10
Gross compensation to executives and members of the Board of Directors	8.4	Note 35.3

(1) APM = Accounting principles and methods.

	2014 Presentation	2013 Presentation
Taxes	**Note 9**	**APM 1.37**
Income tax expense	**9.1**	Note 9.1
Deferred taxes	**9.2**	Note 9.2
Intangible assets, property, plant and equipment and investment property	**Note 10**	**APM 1.12, 1.13.1.15**
Goodwill	**10.1**	APM 1.12.1 and Note 13
Other intangible assets	**10.2**	APM 1.12.2 and Note 14
Property, plant and equipment	**10.3**	APM 1.13 and Note 15
Investment property	**10.4**	APM 1.15 and Note 16
Impairment of non-current assets	**10.5**	APM 1.17 and Note 17
Financial structure and financial costs	**Note 11**	**APM 1.18, 1.24 and 1.25**
Net cash position	**11.1**	Note 25
Borrowings and loans	**11.2**	Note 29
Other debt	**11.3**	Note 30
Net financial income (loss)	**11.4**	Note 8
Fair value of financial instruments	**11.5**	Note 31
Financial risk management objectives and policies	**11.6**	Note 32
Shareholders' equity	**Note 12**	**APM 1.22**
Capital management	**12.1**	Note 26.1
Information about share capital	**12.2**	Note 26.2
Securities with entitlement to new shares	**12.3**	
Treasury shares	**12.4**	Note 26.1
Perpetual "super subordinated" securities (TSSDI)	**12.5**	Note 26.5
Other equity instruments	**12.6**	Note 26.6
Other disclosures on premiums and consolidated reserves	**12.7**	Notes 26.7 and 26.8
Subsidiaries with material non-controlling interests	**12.8**	Note 26.9
Dividends	**12.9**	Note 26.11
Earnings per share	**12.10**	APM 1.39 and Note 11
Provisions	**Note 13**	**APM 1.23.2**
Breakdown and change	**13.1**	Note 27.1
Breakdown of the provisions for GPA risks and contingencies	**13.2**	Note 27.2
Contingent liabilities and assets	**13.3**	Note 3.3
Transactions with related parties	**Note 14**	**Note 35**
Subsequent events	**Note 15**	**Note 37**
Statutory Auditors' fees	**Note 16**	**Note 36**
Standards and interpretations published, but not yet effective	**Note 17**	**APM 1.4**
Main consolidated companies	**Note 18**	**List of major consolidated companies**

STATUTORY AUDITORS' REPORT
on the consolidated financial statements

–

This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in French and is provided solely for the convenience of English-speaking users.

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures.

This report also includes information relating to the specific verification of information given in the Group's management report.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Year end December 31, 2014

To the Shareholders,

In compliance with the assignment entrusted to us by your General Meetings, we hereby present to you our report on the year ended December 31, 2014, on:

- the audit of the accompanying consolidated financial statements of Rallye;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I. OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2014 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without qualifying the opinion expressed above, we draw your attention to the matter set out in Note 1.3 to the consolidated financial statements, which describes the changes to accounting methods as a result of the application of IFRS 11 on joint arrangements and the interpretation of IFRIC 21 on the recognition of levies.

II. JUSTIFICATION OF ASSESSMENT

In accordance with the requirements of Article L. 823-9 of the French Commercial Code, we bring to your attention the following matter:

Your Group has made a number of estimates and assumptions concerning impairment tests for goodwill and other non-current assets (Note 10.5). The recoverable amount of non-current assets is determined, among other things, on the basis of forecasts of future results and cash flows derived from the multi-year financial plans approved by management. We examined the consistency of the assumptions made and the quantitative expressions thereof as well as the documentation available to us and based on the above, we assessed the reasonable nature of the estimates made.

These assessments were made as part of our audit of the consolidated financial statements, taken as a whole, and thus contributed to the opinion we formed which is expressed in the first section of this report.

III. SPECIFIC VERIFICATION

As required by law, we have also specifically verified, in accordance with the professional standards applicable in France, the information presented in the Group's management report.

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

Paris-La Défense, March 6, 2015

The Statutory Auditors

KPMG Audit

Department of KPMG S.A.

Catherine Chassaing

ERNST & YOUNG et Autres

Pierre Bourgeois

COMPANY FINANCIAL STATEMENTS

Income Statement

–

(In € millions)	Note	2014	2013
Net revenue	1	1.3	3.0
Other purchases and external expenses		(17.0)	(17.2)
Taxes		(0.5)	(0.6)
Payroll expenses		(5.2)	(7.0)
Net provisions (reversals) for depreciation, amortization and provisions		(7.4)	(7.8)
Other net operating expenses		(0.2)	(0.1)
Operating income (loss)	1	**(29.1)**	**(29.7)**
Financial income		270.0	456.2
Financial expenses		(285.1)	(374.5)
Net financial income (loss)	2	**(15.1)**	**81.7**
Income from current operations before income tax		**(44.2)**	**52.0**
Non-recurring income		0.2	0.7
Non-recurring expenses		(2.7)	(3.5)
Net extraordinary income (loss)	3	**(2.4)**	**(2.8)**
Income tax	4	(2.7)	(1.5)
NET INCOME (LOSS)		**(49.3)**	**47.7**

COMPANY FINANCIAL STATEMENTS

Balance Sheet

ASSETS

(in € millions)	Note	Gross	Amortization, depreciation and impairment	2014	2013
Intangible assets	5	18.1	0.2	**17.9**	17.9
Property, plant and equipment	5	0.6	0.4	**0.2**	0.3
Financial investments	6	3,179.4	628.5	**2,550.9**	2,532.8
Total fixed assets		**3,198.0**	**629.1**	**2,568.9**	**2,551.0**
Receivables	7	2,078.5	0.0	**2,078.5**	2,308.9
Marketable securities	8	307.0		**307.0**	271.7
Cash and cash equivalents	8				100.1
Total current assets		**2,385.5**	0.0	**2,385.5**	**2,680.8**
Prepaid expenses	9	0.6		**0.6**	0.2
Deferred bond issue costs	9	34.9		**34.9**	22.3
Bond redemption premiums	9	1.1		**1.1**	1.6
Translation adjustments					11.9
TOTAL ASSETS		**5,620.1**	**629.1**	**4,991.0**	**5,267.6**

EQUITIES AND LIABILITIES

(in € millions)	Note	2014	2013
Share capital		**146.2**	146.2
Share issue premium		**1,440.0**	1,439.7
Reserves		**76.4**	76.4
Retained earnings		**136.1**	177.1
Net income for the fiscal year		**(49.3)**	47.7
Total shareholders' equity	10	**1,749.5**	**1,887.1**
Provisions	11	**30.2**	60.3
Borrowings and loans	12	**3,177.4**	3,255.5
Accounts payable	13	**5.6**	5.2
Other debt	13	**22.0**	51.6
Prepaid income	13	**6.3**	7.9
Total debt		**3,211.4**	**3,320.2**
TOTAL EQUITIES AND LIABILITIES		**4,991.0**	**5,267.6**

COMPANY FINANCIAL STATEMENTS

Cash Flow Statement

(In € millions)	2014	2013
Cash flow from operating activities:		
Net income	(49.3)	47.7
Elimination of expenses and income without impact on cash flow or not related to operating activities:		
• Amortization, depreciations and provisions	52.5	8.4
• Capital gains on disposals net of tax	0.1	1.7
Cash flow	**3.3**	**57.8**
Change in working capital requirements related to operating activities		
• Net inventories		
• Net operating receivables	0.0	(0.1)
• Accounts payable	(0.2)	(7.2)
Net cash flow from operating activities (A)	**3.1**	**50.5**
Cash flow from investing activities:		
Acquisition of property, plant and equipment and intangible assets	(0.0)	
Disposable of property, plant and equipment and intangible assets	0.0	
Acquisition of financial investments	(91.1)	(2.8)
Disposal of financial investments	0.1	
Net cash flow from investing activities (B)	**(91.0)**	**(2.8)**
Cash flow from financing activities:		
Dividends paid to Company shareholders	(88.6)	(49.8)
Capital increase in cash	1.7	1.4
Change in treasury shares	2.8	0.1
Increase in financial debt	978.0	1,044.2
Decrease in financial debt	(1,053.7)	(584.1)
Change in financial instruments		(3.9)
Change in accrued interests	(35.5)	8.7
Current account advances to Company subsidiaries	222.9	(104.7)
Net cash flow from financing activities (C)	**27.5**	**311.9**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**(60.4)**	**359.5**
Cash at beginning of period (D)	362.7	3.2
Cash at end of period (E)	302.3	362.7
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (E-D)	**(60.4)**	**359.5**

COMPANY FINANCIAL STATEMENTS

Notes to the Financial Statements

I. ACCOUNTING RULES AND METHODS

The financial statements have been prepared in accordance with the principles, standards and methods set out in the French National Chart of Accounts in conformity with Regulation no. 2014-03 of June 5, 2014 of the French Accounting Authority.

Information which is not mandatory appears only if it is of significant importance. Accounting entries are valued on the basis of the historical cost method.

1.1 • INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

Intangible assets, property, plant and equipment are stated in the balance sheet at their acquisition or contribution value. Fixed assets are amortized on a straight-line basis over the following periods:

Type of assets	Amortization period
Software	1 year
Office furniture and equipment	2 to 10 years
Transportation equipment	4 years
Fittings and improvements	10 years

As required by CRC Regulation 2004-01, merger losses must be recorded under intangible fixed assets.

1.2 • FINANCIAL INVESTMENTS

> SHARE INVESTMENT

Share investment securities are recognized in the balance sheet at their acquisition or contribution value and provisions are recognized for impairment where the value in use is less than the book value.

Rallye measures the value in use of its investments in associates on the basis of several criteria, including net worth, revalued net asset value, present value of financial income less debt, stock market price and external appraisals. Impairment of the current account or provisions for contingencies may be recorded when the shareholders' equity of the subsidiary is negative.

> OTHER FINANCIAL INVESTMENTS

Loans and receivables and other long-term investments are recorded in the balance sheet at their acquisition cost under “Other financial investments”. Impairment losses are recorded when their expected net realizable value is lower than their book value.

With regard to Rallye shares acquired in connection with buyback arrangements, the expected net realizable value is the average share price over the last twenty days of the financial year.

1.3 • RECEIVABLES

Receivables are recorded under assets at their nominal value. An allowance for impairment is recorded when their fair value, based on collectability, is lower than their book value.

1.4 • MARKETABLE SECURITIES

Marketable securities are recognized at their acquisition value. Impairment is recorded when their acquisition value is lower than:

- the average share price from the last twenty days of the fiscal year for treasury shares; and
- the year-end net asset value for other marketable securities.

Impairments are not recorded for treasury shares allocated to bonus share and stock option plans, due to the existing allocation commitments towards employees and to the contingency provision recognized as a liability.

1.5 • DEFERRED BOND ISSUE COSTS

Issue costs of borrowings and bonds are spread out over the life of the issue, in line with scheduled redemption.

1.6 • TRANSLATION ADJUSTMENTS

Receivables and debts denominated in foreign currencies are converted at the closing exchange rate. Any differences which may arise between the amounts originally recorded and the amounts as converted at the closing exchange rate are booked under unrealized foreign exchange rate gains and losses. Where the Company can justify an overall foreign exchange position of similar terms, unrealized gains and losses may be offset and only the net loss will be subject to a provision.

1.7 • PROVISIONS

In accordance with CRC Regulation no. 2000-06 on liabilities, provisions are recorded for the liabilities and contingencies arising from the Company's obligations toward third parties, which are expected to result in the use of resources without any consideration in return.

Provisions for retirement obligations reflect the forecast liability based on the aggregate rights vested by employees, in accordance with CNC Recommendation 2003 R-01. This provision was calculated using the projected unit credit method and taking into account social security charges. As of December 31, 2014, the provision stood at €382,201.

The conditional redemption premium on bond issues may be provisioned if the payment of the premium becomes likely. The provision is spread out over the life of the issue. The Company has assessed the need to provision redemption premiums, in particular, taking into account the maturity date of the bonds and the difference between the current market price of the underlying shares and the redemption value of the bonds.

The Company has granted bonus share allocation plans and as such, booked a provision equal to the acquisition cost of shares which should be allocated according to the terms of the plan as at the date of closure. This provision is established in accordance with CRC Regulation No. 2008-15 of December 4, 2008.

Other provisions are made for specifically-identified risks and expenses. The amount of the provisions is given in Note 11 to the parent company financial statements.

1.8 • DEBT

Trade payables and other payables are recorded at nominal value under liabilities.

1.9 • FINANCIAL INSTRUMENTS

Rallye uses derivative financial instruments to hedge its exposure to interest rate risk. Income and expenses resulting from the financial instruments are included on an accrual basis in the income statement for the period. When hedge accounting is not applied, a provision is booked for net unrealized capital losses resulting from the estimated market value of financial instruments.

Financial instruments that qualify as hedging instruments are included in off-balance sheet commitments at their nominal value.

1.10 • INCOME FROM CURRENT OPERATIONS

Income from current operations corresponds to the income and expenses arising from the Company's ordinary operations as well as operations carrying on from such activities.

1.11 • NET EXTRAORDINARY INCOME (LOSS)

Net extraordinary income (loss) includes the income and expenses arising from transactions outside the Company's ordinary operations, as well as income and expenses of material amounts.

1.12 • INCOME TAX

Rallye has opted for tax consolidation and assumes the income tax due for the consolidated group. As at December 31, 2014 the Group includes 12 companies.

The tax consolidation agreement signed between Rallye and its subsidiaries sets out the methods for sharing out the tax burden between the companies, as follows:

- Rallye personally and finally bears the cost of corporate tax, additional income tax payments, as well as taxes on capital gains made by its subsidiaries included in the tax consolidation group;
- in the event that a subsidiary leaves the tax consolidation perimeter, Rallye is solely liable for the payment of tax and any other payments which may be due. Rallye may compensate the exiting subsidiary for additional taxes which might be due as a result of having belonged to the Group.

II. FISCAL YEAR HIGHLIGHTS

SUCCESSFUL SEVEN-YEAR, €500 MILLION BOND ISSUE SIMULTANEOUSLY WITH A BOND TENDER OFFER

On March 17, 2014, Rallye announced the successful placement of a bond issue in the amount of €500 million with a seven-year maturity, bearing a yield of 4%. Rallye simultaneously announced the launch of a tender offer for bonds maturing in January 2015 and November 2016, for an amount to be determined, launched by BNP Paribas.

On March 25, 2014, Rallye announced the success of thetender offer with the purchase of €110.6 million for each of the two bonds. Bonds bought back by BNP Paribas through the tender offer were transferred to Rallye, and then cancelled.

Following this transaction, the nominal amount of both bonds was reduced to €389.4 million.

In the second half, Rallye bought an additional 11 million euros of the 2015 bond, bringing the nominal amount to €378.4 million.

SUCCESSFUL SIMPLIFIED TENDER OFFER FOR GROUPE GO SPORT SHARES

On September 30, 2014, Rallye filed a simplified tender offer to buy the shares of Groupe GO Sport not yet included in its direct or indirect holdings. The offer, which was declared compliant on October 14, 2014 by the French financial markets authority, was completed at a price of €9.10 per share. It was followed by a squeeze-out implemented on November 5, 2014. Since that date, Rallye holds directly or indirectly 100% of the capital and voting rights of Groupe GO Sport. As of December 31, 2014, the valuation of Groupe GO Sport shares was based on the price of the simplified tender offer.

III. COMMENTS ON SOME ITEMS OF THE FINANCIAL STATEMENTS

NOTE 1 ▪ OPERATING INCOME (LOSS)

1.1 | BREAKDOWN

(In € millions)	2014	2013
Revenue	1.3	3.0
Operating income	**1.3**	**3.0**
Other purchases and external expenses	17.0	17.2
Taxes	0.5	0.6
Payroll expenses	5.2	7.0
Amortization, depreciation, and provisions	7.4	7.8
Other operating expenses	0.2	0.1
Operating expenses	**30.4**	**32.7**
OPERATING INCOME (LOSS)	**(29.1)**	**(29.7)**

1.2 | OPERATING INCOME

Revenue is generated in France and mainly comprises services to subsidiaries and parent companies:

(In € millions)	2014	2013
Services	0.4	2.0
Financial services	0.9	1.0
REVENUE	**1.3**	**3.0**

1.3 | OPERATING EXPENSES

Other purchases and external expenses mainly include bank commissions and fees.

Other operating expenses mainly concern Directors' fees awarded to the Company's directors.

Transfers of expenses were allocated by type of expense according to the details below:

(In € millions)	2014	2013
Other purchases and external expenses (1)	5.1	12.4
Payroll expenses	0.7	1.0
TRANSFERS OF OPERATING EXPENSES	**5.8**	**13.4**

(1) These transfers of expenses correspond to €5.1 million of bond issue costs in 2014 and €12.3 million in 2013.

1.4 | WORKFORCE AND COMPENSATION PAID TO MEMBERS OF ADMINISTRATIVE AND MANAGEMENT BODIES

	2014	2013
Managerial staff	21	23
Employees	2	5
Total average workforce	**23**	**28**
Compensations awarded to executives (in € millions)	0.9	0.7

NOTE 2 ▪ FINANCIAL INCOME (LOSS)

(In € millions)	2014	2013
Dividends	83.4	193.4
Provision reversals and expense transfers	48.2	102.2
Other interests and similar income	133.9	146.9
Foreign exchange gains	4.0	13.7
Net income/sale of securities	0.5	
Financial income	**270.0**	**456.2**
Interest and similar expenses	197.0	269.3
Financial provision allowances	75.2	103.3
Foreign exchange losses	12.9	1.9
Financial expenses	**285.1**	**374.5**
NET FINANCIAL INCOME (LOSS)	**(15.1)**	**81.7**

In 2014, Rallye received €83.4 million in dividends from Casino. In 2013, total dividends received amounted to €80.2 million from Casino and €113.2 million from Matignon Sablons.

In 2014, impairment, depreciation, amortization and provisions primarily included:

- the impairment of investment securities, amounting to €72.3 million (see Note 6.2);
- and the amortization of redemption premiums for €3 million.

Reversals of provisions for the year mainly concern:

- fixed income financial instruments for + €18.3 million;
- a provision for foreign exchange loss of +€11.9 million.

NOTE 3 ▪ EXTRAORDINARY INCOME (LOSS)

(In € millions)	2014	2013
Income (loss) on asset disposals	**(2.4)**	(1.8)
Provision reversals (expense)	**0.1**	0.6
Other non-recurring income (expenses)	**(0.1)**	(1.6)
NET EXTRAORDINARY INCOME (LOSS)	**(2.4)**	**(2.8)**

The loss from the disposal of fixed assets mainly stems from the sale of treasury shares (see Note 6.2).

NOTE 4 • CORPORATE INCOME TAX

As the head of the tax consolidation group, Rallye is personally and ultimately liable for tax on the companies in the Group.

For fiscal year 2014, an income tax expense of €2.7 million was booked to reflect the 3% contribution on distributed revenue.

Rallye's income tax expense would have been the same outside the tax consolidation group.

4.1 | BREAKDOWN OF TAXATION BETWEEN INCOME FROM CURRENT OPERATIONS AND NET EXTRAORDINARY INCOME

Tax on income from current and extraordinary operations taking into account their specific tax restatements, breaks down as follows:

(In € millions)	Earnings before tax	Corresponding tax	Earnings after tax
Income from current operations	(44.2)	(2.7)	(46.8)
Net extraordinary income (loss)	(2.4)		(2.4)

4.2 | UNREALIZED TAX POSITION

Tax loss carry-forwards totaling €2,247 million as at December 31, 2014, are recorded within the tax consolidation group and may be carried forward indefinitely.

Long-term capital loss carryforwards amounted to €1 million. They were recorded by the tax consolidation group and may be charged against long-term gains of the same nature subject to the 15% tax rate until December 31, 2022.

NOTE 5 ▪ INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

5.1 | BREAKDOWN

(In € millions)	2014	2013
Gross intangible assets [1]	**18.1**	18.1
Amortization	**(0.2)**	(0.2)
Net value of intangible assets	**17.9**	**17.9**
Land	**0.1**	0.1
Buildings	**0.3**	0.6
Other property, plant and equipment	**0.2**	0.6
Gross property, plant and equipment	**0.6**	**1.3**
Amortization	**(0.4)**	(1.0)
Net value of property, plant and equipment	**0.2**	**0.3**
NET INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT	**18.1**	**18.2**

(1) Of which merger losses of €17.9 million, all of these losses are assigned to investment securities.

5.2 | CHANGES

(In € millions)	Gross	Amortization	Net
As of January 1, 2013	**19.4**	**(1.1)**	**18.3**
Increases		**(0.1)**	(0.1)
Decreases		0.0	0.0
As at December 31, 2013	**19.4**	**(1.2)**	**18.2**
Increases	0.0	(0.0)	(0.0)
Decreases	(0.8)	**0.7**	(0.1)
AS AT DECEMBER 31, 2014	**18.7**	**(0.6)**	**18.1**

NOTE 6 • FINANCIAL INVESTMENTS

6.1 | BREAKDOWN

(In € millions)	2014	2013
Share investments	**3,164.8**	3,089.8
Impairment	**(626.5)**	(557.7)
Net values of share investments	**2,538.3**	**2,532.1**
Other financial investments	**14.5**	0.7
Impairment	**(2.0)**	
Net value of other financial investments	**12.6**	**0.7**
NET FINANCIAL INVESTMENTS	**2,550.9**	**2,532.8**

6.2 | CHANGES

(In € millions)	Gross	Provisions	Net
As of January 1, 2013	**3,087.7**	**(478.5)**	**2,609.2**
Increases	26.1	(87.2)	(61.2)
Decreases	(23.3)	8.0	(15.3)
As at December 31, 2013	**3,090.5**	**(557.7)**	**2,532.8**
Increases	117.9	(72.3)	45.6
Decreases	(29.0)	1.5	(27.5)
AS AT DECEMBER 31, 2014	**3,179.4**	**(628.5)**	**2,550.9**

In 2014, increases and decreases in financial investments are explained by:

- the subscription to the capital increase of Cobivia for €70 million;
- the acquisition of Groupe GO Sport shares through the simplified tender offer for €7.1 million;
- the cancellation of SCI Sivigral shares following the Company's dissolution for €2.1 million;
- the acquisition and disposal of €13.9 million worth of Rallye shares through the liquidity agreement.

In 2013, increases and decreases in financial investments were explained by:

- the acquisition of Groupe GO Sport shares for €2.8 million;
- the acquisition and disposal of €23.3 million worth of Rallye shares through the liquidity agreement.

Provisions booked mainly concernGroupe GO Sport shares for €46.8 million, Miramont Finance & Distribution for €20.9 million and Parande for €2.7 million.

Reversals of provisions during the year mainly concern the shares of the dissolved company, SCI Sivigral.

NOTE 7 • RECEIVABLES

The amounts and maturities of net receivables reported under balance sheet assets are as follows:

(In € millions)	2014	2013
Receivables booked to fixed assets	**0.1**	**0.1**
Trade receivables and related accounts	120.2	120.9
Current accounts	1,947.6	2,180.0
Other operating receivables (1)	10.7	8.0
Current receivables	**2,078.5**	**2,308.9**
of which: up to 1 year	2,078.5	2,308.9
over 1 year	0.1	0.1

(1) Of which €3.8 million in income receivable at December 31, 2014, and €1 million at December 31, 2013.

The current account advances made by Rallye to its subsidiaries are part of the Group's centralized cash management system. They are due within one year.

NOTE 8 • NET CASH POSITION

8.1 | MARKETABLE SECURITIES

(In € millions)	2014	2013
Treasury shares	4.8	9.0
Marketable securities	302.3	262.7
Gross value	**307.0**	**271.7**
Impairment		
Net value	**307.0**	**271.7**

As at December 31, 2014, "Treasury shares" comprises 136,381 Rallye shares intended to cover stock option and bonus shares plans.

"Marketable securities" comprise cash mutual funds, their market value at December 31, 2014 is fairly equal to their book value.

8.2 | TREASURY SHARES

	2014			2013
	Marketable securities	Financial investments	Total	
Number of shares held:				
As of January 1	**380,170**		**380,170**	**567,431**
Cancellations	(106,883)		(106,883)	(50,976)
Purchases		1,190,350	1,190,350	814,377
Sales	(136,906)	(772,100)	(909,006)	(950,662)
As at December 31	**136,381**	**418,250**	**554,631**	**380,170**
Gross value of shares held *(in € million)*:				
As of January 1	**9.0**		**9.0**	**11.4**
Cancellations	(1.4)		(1.4)	(0.6)
Purchases		40.8	40.8	23.3
Sales	(2.8)	(26.8)	(29.6)	(25.1)
As at December 31	**4.8**	**13.9**	**18.7**	**9.0**

In connection with the liquidity agreement entered into by Rallye and Rothschild & Cie Banque in June 2005, the Company acquired 1,190,350 shares and sold 772,100 Rallye shares.

During 2014, 124,906 Rallye shares were awarded to Group employees as part of the bonus share allocation plans that had reached maturity, 106,883 Rallye shares were cancelled to cover the dilution associated with the exercise of stock options and 12,000 shares were transferred to a Group company.

8.3 | NET CASH POSITION

(In € millions)	2014	2013
Marketable securities	302.3	262.7
Impairment		
Net value	**302.3**	**262.7**
Cash and cash equivalents		100.1
Bank overdrafts		(0.1)
NET CASH POSITION	**302.3**	**362.7**

NOTE 9 • ADJUSTMENTS ACCOUNTS AND SIMILAR

(In € millions)	2014	2013
Prepaid expenses	0.6	0.2
Deferred bond issue costs	34.9	22.3
Bond redemption premiums	1.1	1.6
Translation adjustments		11.9
ADJUSTMENTS ACCOUNTS AND SIMILAR	**36.6**	**36.0**

Borrowings issuance costs and bond redemption premiums are amortized over the life of the debt and credit lines, or in line with the debt redemption schedule.

NOTE 10 • SHAREHOLDERS' EQUITY

10.1 | BREAKDOWN

As at December 31, 2014, share capital totaled €146,165,844, made up of 48,721,948 shares with a par value of €3.

(In € millions)	2014	2013
Share capital	146.2	146.2
Share, merger and contribution premiums	1,440.0	1,439.7
Legal reserve	14.6	14.6
Regulated reserves	1.4	1.4
Other reserves	60.4	60.4
Retained earnings	136.1	177.1
Net income for the year	(49.3)	47.7
SHAREHOLDERS' EQUITY	**1,749.5**	**1,887.1**

10.2 | CHANGES IN SHAREHOLDERS' EQUITY

(In € millions)	2014	2013
As of January 1	**1,887.1**	**1,888.4**
Capital increase/decrease	**(0.1)**	0.2
Share premium	**0.3**	0.6
Other transfers	**0.6**	
Dividend paid	**(89.2)**	(49.8)
Net income for the year	**(49.3)**	47.7
AS AT DECEMBER 31	**1,749.5**	**1,887.1**

Changes in share capital and share premium are a result of:

- the creation of 87,857 shares as a result of the exercise of stock options,
- the cancellation of 106,883 shares, authorized by the Board of Directors on May 13, 2014.

10.3 | CHANGES IN THE NUMBER OF SHARES OUTSTANDING

	2014	2013
Number of shares as of January 1	**48,740,974**	**48,691,578**
Cancellation of shares	**(106,883)**	(50,976)
Exercise of stock options	**87,857**	100,372
NUMBER OF SHARES AS AT DECEMBER 31	**48,721,948**	**48,740,974**

10.4 | SHARE EQUIVALENTS

— *Stock option plans as at December 31, 2014*

Type of plan	Subscription
Grant date	09/06/2010
Maturity date	03/05/2016
Number of options initially awarded	124,485
Number of shares that may be issued	87,795
Number of options exercised	22,954
Number of options cancelled	13,736
Exercise price, in euros	26.44
Valuation of options at time of grant, in euros	5.99

This option plan was allocated without any performance conditions but was contingent on the beneficiaries' continuing presence in the Group.

— *Bonus share allocation plans as at December 31, 2014*

Grant date	05/23/2012	12/17/2013	07/29/2014
End of the share acquisition period	05/23/2015	12/17/2016	07/29/2017
End of the share retention period	05/23/2017	12/17/2018	07/29/2019
Number of shares initially awarded	185,883	69,963	57,487
Number of shares that may be issued or purchased	175,883	69,963	57,487
Number of shares cancelled	10,000		
Valuation of shares at time of grant, in euros	15.66	20.88	28.47
Conditions of presence	Yes	Yes	Yes
Performance conditions	Yes	Yes	Yes

As at December 31, 2014, 136,381 Rallye shares were assigned to hedge the bonus share allocation plans, and a provision of €4.1 million was booked accordingly under liabilities.

The bonus share plans that reached maturity in June 2014 generated an expense of €2.4 million for the year, this expense was covered by a provision of €1.5 million.

NOTE 11 • PROVISIONS

11.1 | BREAKDOWN

(In € millions)	Provisions		
	Redemption premiums	**Other risks**	**Total**
As of January 1, 2013	**54.2**	**84.2**	**138.5**
Provisions	2.8	14.4	17.2
Reversals	(57.0)	(38.3)	(95.3)
As at December 31, 2013		**60.3**	**60.3**
Provisions		1.6	1.6
Reversals		(31.7)	(31.7)
AS AT DECEMBER 31, 2014		**30.2**	**30.2**

The provision for other risks concerns the bonus share plans, financial instruments, foreign exchange losses, tax disputes and pension commitments.

11.2 | CHANGES

(In € millions)	**2014**	**2013**
As of January 1	**60.3**	**138.5**
Provisions	**1.6**	17.2
Reversals	**(31.7)**	(95.4)
AS AT DECEMBER 31	**30.2**	**60.3**
Of which operational	***0.1***	*2.4*
Of which financial	***(30.2)***	*(80.0)*
Of which extraordinary		*(0.6)*

NOTE 12 • FINANCIAL DEBT

12.1 | BREAKDOWN OF FINANCIAL DEBT

(In € millions)	**2014**	**2013**
Bonds exchangeable for Casino shares	**375.9**	375.9
Other bond issues	**1,933.0**	2,182.1
Bank borrowings	**478.1**	625.9
Commercial paper	**390.4**	71.5
Current bank facilities		0.1
BORROWINGS AND DEBT (1)	**3,177.4**	**3,255.5**
of which: fixed rate	***2,308.9***	*2,558.0*
variable rate	***868.5***	*697.5*

(1) Of which €74.3 million of expenses payable as at December 31, 2014 and €98.8 million as at December 31, 2013.

12.2 | MATURITY OF FINANCIAL DEBT

(In € millions)	2014	2013
Within 1 year	843.0	820.5
1-5 years	1,349.4	1,760.0
More than 5 years	985.0	675.0
TOTAL	**3,177.4**	**3,255.5**

As at December 31, 2014, Rallye had €1,815 million in undrawn credit lines.

Borrowings and debts due within one year to credit institutions correspond to:

- a €378.4 million bond expiring on January 20, 2015;
- €390.4 million in commercial paper;
- €74.3 million of accrued interest as at December 31, 2014.

12.3 | BOND FEATURES

— *Bond exchangeable for Casino shares*

	2020 exchangeable bond
Total par value	€375 million
Issue date	October 2013
Annual interest rate	1,000%
Par value	99.07
Normal maturity	October 2, 2020
Redemption value	108.34
Exchange (1)	1 share for 1 bond
Listing	yes
Number of bonds outstanding:	
• at issuance	3,785,202
• at December 31, 2014	3,785,202

(1) The exchange option may be exercised at any time up to the 30th business day preceding the bonds' maturity date, subject to the usual suspension periods.

— *Other bonds*

	2015 bond	2016 bond	2018 bond
Total par value	€500 million	€500 million	€300 million
Issue date	October 2009	November 2009	October 2012
Annual interest rate	8,375%	7,625%	5,000%
Par value	€50,000	€50,000	€100,000
Normal maturity	January 20, 2015	November 4, 2016	October 15, 2018
Redemption value	€50,000	€50,000	€100,000
Listing	yes	yes	yes
Bonds outstanding:			
• at issuance	10,000	10,000	3,000
• at December 31, 2014	7,568	7,788	3,000

	2019 bond	2021 bond
Total par value	€300 million	€500 million
Issue date	March 2013	April 2014
Annual interest rate	4,250%	4,000%
Par value	€100,000	€100,000
Normal maturity	March 11, 2019	April 2, 2021
Redemption value	€100,000	€100,000
Listing	yes	yes
Bonds outstanding:		
• at issuance	3,000	5,000
• at December 31, 2014	3,000	5,000

— *Private placements*

	2018 private placement	2022 private placement
Total par value	€300 million	€110 million
Issue date	October 2012	June 2014
Annual interest rate	5,000%	3,400%
Par value	€100,000	€100,000
Normal maturity	October 15, 2018	January 31, 2022
Redemption value	€100,000	€100,000
Listing	yes	no
Bonds outstanding:		
• at issuance	3,000	1,100
• at December 31, 2014	3,000	1,100

NOTE 13 • ACCOUNTS PAYABLE AND OTHER DEBT

(In € millions)	2014	2013
Accounts payable (1)	**5.6**	**5.2**
Current accounts	**13.5**	36.5
Other debt	**8.6**	15.1
Other debt (2)	**22.0**	**51.6**
Prepaid income	**6.3**	**7.9**
of which: up to 1 year	***29.3***	*58.4*
over 1 year	***4.6***	*6.3*

(1) Of which €4.1 million of expenses payable as at December 31, 2014 and €3.8 million as at December 31, 2013.
(2) Of which €8.4 million of expenses payable as at December 31, 2014 and €15 million as at December 31, 2013.

The loans received from Rallye's subsidiaries are paid into the current account as part of the Group's centralized cash management system.

NOTE 14 • OFF-BALANCE SHEET INFORMATION

14.1 | COMMITMENTS RELATED TO CURRENT OPERATIONS

(In € millions)	2014	2013
Interest rate hedging instruments (nominal amount)	400.0	
Total reciprocal commitments	**400.0**	
Securities and bank guarantees pledged	120.0	164.3
Bond redemption premiums	35.1	35.1
Other commitments given	11.8	20.7
Total commitments given	**166.9**	**220.1**
Unused confirmed credit lines	1,815.0	1,730.0
Other commitments received	3.6	3.7
Total commitments received	**1,818.6**	**1,733.7**

Rallye also guarantees its investment subsidiaries in connection with currency forward transactions concluded with leading financial institutions.

14.2 | MATURITY SCHEDULE OF CONTRACTUAL OBLIGATIONS AS AT DECEMBER 31, 2014

(In € millions)	<1 year	1 to 5 years	> 5 years	Total
Financial debt (nominal and accrued interests)	843.0	1,349.4	985.0	3,177.4
Operating leases	0.4	0.2		0.6
TOTAL	**843.4**	**1,349.6**	**985.0**	**3,178.0**

NOTE 15 • RISK EXPOSURE

15.1 | INTEREST RATE RISKS

As at December 31, 2014, total financial debt, from which the outstanding amount was €3,103.2 million is at a fixed rate for €2,352.8 million and at a variable rate for €750.4 million.

As at December 31, 2014, the market value of fixed-income financial instruments not classified as a hedge was -€22.7 million.

15.2 | LIQUIDITY RISKS

Rallye has substantial confirmed credit lines. As at December 31, 2014, these undrawn, confirmed credit lines amounted to €1,815 million.

Loans and credit lines may result in a pledge of Casino shares. As at December 31, 2014, 5,430,776 Casino shares had been pledged to financial institutions to guarantee loans and credit lines.

Certain bank borrowings must maintain the following financial ratios:

Type of covenants	Ratios to maintain	Ratios as at December 31, 2014
Consolidated EBITDA [1] / Consolidated cost of net financial debt	> 2.75	3.96
Rallye SA shareholders' equity	> €1.2 billion	€1.7 billion

(1) EBITDA corresponds to current operating income plus current operating depreciation and amortization.

As at December 31, 2014, these ratios had been maintained.

15.3 | SHARE RISKS

Rallye owns a 23.61% direct stake in Casino's capital. In accordance with Note 1.2 of the "Accounting Rules and Methods", this listed company was evaluated according to multiple criteria and did not require the recognition of a provision for impairment as at December 31, 2014.

As at December 31, 2014, Rallye held 136,381 Rallye shares at a cost price of €4.8 million. The shares are held to hedge the bonus share plans and stock options and had a market value at December 31, 2014 of €3.9 million. Accordingly, a €4.1 million provision was recognized under liabilities.

The Company also holds 418,250 Rallye shares under the liquidity agreement for a cost price of €13.9 million. At December 31, 2014, an impairment of €2 million was recognized for the shares based on the average share price from the last twenty days of the fiscal year.

Rallye issued in October 2013 a €375 million bond exchangeable for Casino shares together with a redemption premium which did not require the recognition of a provision in the accounts given the performance of the Casino share price at December 31, 2014.

NOTE 16 • AFFILIATED COMPANIES AND RELATED PARTIES

Affiliated companies correspond to fully-consolidated Rallye Group companies.

Balance sheet and income statement items concerning affiliated companies are as follows:

(In € millions)	2014
ASSETS	
Net financial investments	2,538.3
Net receivables	2,067.8
LIABILITIES	
Debt	14.5
INCOME	
Investment income	83.4
Other financial income	127.8
Financial expenses	1.1

Related parties comprise entities likely to be fully consolidated, parent companies, members of the Board of Directors and members of the Management Committee, and all jointly-controlled entities or entities over which Rallye has significant influence.

As part of the day-to-day management of the Group, Rallye is involved in normal business relationships with its related parties.

NOTE 17 • CONSOLIDATION

Rallye prepares consolidated financial statements. The Company's accounts are in turn integrated in the consolidated financial statements of parent company Foncière Euris, with registered office at 83, rue du Faubourg Saint-Honoré - 75008 Paris - France (Siren no. 702,023,508).

NOTE 18 • POST-CLOSING EVENTS

None.

COMPANY FINANCIAL STATEMENTS

Table of subsidiaries and equity interests

–

(In € millions)	Capital	Shareholders' equity excluding capital	Share of capital held (as a %)	Book value of shares held		Loans and advances agreed to by the Company and not yet repaid	Sureties and guarantees granted by the Company	Net revenue for the fiscal year ended	Income for the fiscal year ended	Dividends received by the Company during the fiscal year
				Gross	Net					
A- SUBSIDIARIES [1] (AT LEAST 50% OF THE CAPITAL HELD BY THE COMPANY)										
Cobivia	31.8	6.3	100%	124.9	124.9	568.4	155.0		61.6	
Genty Immobilier et Participations	0.3	(21.6)	100%	0.7	0.7	613.1			(14.7)	
Groupe GO Sport	45.0	95.6	69.78%	181.7	71.4		132.0	63.3	(30.4)	
L'Habitation Moderne de Boulogne	99.7	(23.2)	100%	187.6	187.6	407.1	125.0		(22.7)	
Magasins Jean	0.3	1.1	100%	2.2	1.4			6.3	0.1	
Matignon Sablons	10.8	2.6	100%	11.0	11.0				0.7	
Miramont Finance et Distribution	35.7	(12.4)	100%	307.5	23.3	7.2			(12.7)	
Parande	22.0	(9.4)	100%	283.8	62.9	142.4		0.1	2.7	
B- EQUITY INTERESTS [1] (10 TO 50% OF THE CAPITAL HELD BY THE COMPANY)										
Casino, Guichard-Perrachon	173.2	7,778.2	23.61%	2,055.2	2,055.2			136.8	370.4	83.4
C- OTHER SUBSIDIARIES AND EQUITY INTERESTS										
Subsidiaries other than in A				0.6	0.6	0.2				
Equity interests other than in B										

(1) With book value in excess of 1% of Rallye's share capital.

STATUTORY AUDITORS' REPORT
on the financial statements

–

This is a free translation into English of the statutory auditors' report on the financial statements issued in French and it is provided solely for the convenience of English-speaking users.

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.

This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to the shareholders.

This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

Year ended December 31, 2014

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meetings, we hereby report to you, for the year ended December 31, 2014, on:

- the audit of the accompanying financial statements of Rallye;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I. OPINION ON THE FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2014 and of the results of its operations for the year then ended in accordance with French accounting principles.

II. JUSTIFICATION OF ASSESSMENT

In accordance with the requirements of article L. 823-9 of the French commercial code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

- the accounting rules governing recognition of provisions for bond redemption premiums are described in the notes to the financial statements entitled "Accounting principles and methods," under section 1.7 "Provisions". As part of our assessment of the accounting rules and principles followed by your company, we verified the appropriateness of the accounting methods detailed above and of the information provided in Notes 2 and 11 of the notes to the financial statements, and we ascertained that they were correctly implemented;
- the rules for measuring financial investments and marketable securities are described under "Accounting principles and methods" in the notes to the financial statements under sections 1.2 "Financial investments" and 1.4 "Marketable securities". Our audit entailed assessing the data and assumptions underlying these estimates, reviewing the calculations made by your company and verifying the disclosures made in Notes 6 and 8 of the notes to the financial statements;
- these assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. SPECIFIC VERIFICATIONS AND INFORMATION

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L. 225-102-1 of the French commercial code (*Code de commerce*) relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the identity of the shareholders or holders of the voting rights has been properly disclosed in the management report.

Paris-La Défense, March 6, 2015

The statutory auditors

French original signed by

KPMG Audit

Department of KPMG S.A.

Catherine Chassaing

ERNST & YOUNG et Autres

Pierre Bourgeois

COMPANY FINANCIAL STATEMENTS

Financial performance of rallye over the past five years

–

(In €)	12/31/2010	12/31/2011	12/31/2012	12/31/2013	12/31/2014 (1)
I.- FINANCIAL SITUATION AT YEAR-END					
Share capital	132,900,009	139,398,480	146,074,734	146,222,922	**146,165,844**
Existing common shares	44,300,003	46,466,160	48,691,578	48,740,974	**48,721,948**
Maximum number of shares to be created:					
• through bond redemption					
• through exercise of subscription options	926,185	678,453	598,535	187,652	**87,795**
• through exercise of warrants					
• through bonus share allocations to be issued					
2.- OPERATIONS AND INCOME FOR THE YEAR					
Net revenue	4,852,631	2,205,828	1,906,658	3,027,899	**1,276,070**
Earnings before tax, employee profit sharing, depreciation, amortization and provisions	139,921,940	169,068,495	211,598,803	57,592,022	**4,435,851**
Income tax				(1,493,293)	**(2,658,164)**
Earnings after tax, employee profit sharing depreciation, amortization and provisions	75,559,074	80,256,091	169,931,443	47,681,147	**(49,260,763)**
Distributed earnings	81,069,005	85,033,073	89,105,588	89,195,982	**89,161,165**
3- EARNINGS PER SHARE					
Earnings after tax, employee profit sharing but before depreciation, amortization and provisions	3.16	3.64	4.35	1.15	**0.09**
Earnings after tax, employee profit sharing depreciation, amortization and provisions	1.71	1.73	3.49	0.98	**(1.01)**
Dividend per share	1.83	1.83	1.83	1.83	**1.83**
4 - WORKFORCE					
Average workforce during the period	35	31	30	28	**23**
Payroll expenses for the year	7,315,134	5,846,730	4,994,164	4,572,809	**3,377,533**
Amount paid in employee benefits for the period	3,478,638	3,314,856	3,233,507	3,393,957	**2,444,129**

(1) Subject to approval by the Shareholders' Meeting.

SHAREHOLDERS' MEETING OF MAY 19, 2015

Draft resolutions

RESOLUTIONS WITHIN THE COMPETENCE OF THE ORDINARY SHAREHOLDERS' MEETING

FIRST RESOLUTION

(Approval of the parent company financial statements for the year ended December 31, 2014)

The Ordinary Shareholders' Meeting, having reviewed the Board of Directors' reports and the Statutory Auditors' reports, approves the parent company financial statements for the year ended December 31, 2014 as presented, with all the transactions underlying these financial statements or mentioned in these reports. These financial statements show an accounting net loss of €49,260,762.56.

Furthermore, it notes the transfer to the "Retained earnings" account of the 2013 dividends on the 273,287 treasury shares held by the Company as at May 21, 2014, the payout date, representing a total amount of €500,115.21, in accordance with the decision taken by the Ordinary Shareholders' Meeting of May 13, 2014.

SECOND RESOLUTION

(Approval of the consolidated financial statements for the year ended December 31, 2014)

The Ordinary Shareholders' Meeting, having reviewed the Board of Directors' report and the Statutory Auditors' reports, approves the consolidated financial statements for the year ended December 31, 2014 as presented. These consolidated financial statements show a consolidated net loss, Group share of €32,672,813.

THIRD RESOLUTION

(Allocation of income/loss for the year - dividend distribution)

The Shareholders' Meeting, on the recommendation of the Board of Directors, resolves to allocate the €49,260,762.56 net loss for the year to "Retained earnings", which will be reduced from €136,129,093.30 to €86,868,331.34.

On the recommendation of the Board of Directors and having noted the existence of distributable earnings totaling €147,253,350.48, including "Retained earnings" of €86,868,331.34 and "Other reserves" of €60,385,019.14, the latter consisting of the existing tax reserve for long-term capital gains distributable in full.

The Shareholders' Meeting resolves to pay a dividend representing a total amount of €89,233,453.50 to the shareholders by deducting €86,868,331.34 from "Retained earnings" and €2,365,122.16 from "Other reserves".

The proposed dividend corresponds to a dividend payment of €1.83 net per share which will be paid as of May 29, 2015.

For individuals who are tax residents in France, this dividend is eligible for the reduction of 40% provided for in Article 158-3-2° of the French Tax Code.

The dividend paid in respect of the last three years was €1.83 for each year.

Dividends on treasury shares held by the Company on the day the dividend is paid will be transferred to "Retained earnings".

FOURTH RESOLUTION

(Regulated agreement : Approval of the amendment to the strategic advisory services agreement signed with Euris)

The Shareholders' Meeting, having reviewed the Statutory Auditors' special report on conventions referred to in Article L. 225-38 of the French Commercial Code, approves the amendment of December 5, 2014 to the to the strategic advisory services agreement signed with Euris in October 15, 2003.

FIFTH RESOLUTION

(Appointment of a female Director)

The Shareholders' Meeting decides to appoint Sophie GUIEYSSE as Board member for a period of one (1) year, expiring at the conclusion of the General Meeting called to approve the financial statements for the year ended December 31, 2015.

SIXTH RESOLUTION

(Ratification of the appointment of a Director)

The Shareholders' Meeting ratifies the appointment of SARIS, made on an interim basis by the Board of Directors on July 29, 2014, for the remaining term of office of its predecessor, i.e. until the end of this General Meeting.

SEVENTH RESOLUTION

(Renewal of a Director's mandate)

The Shareholders' Meeting renews the term of office of Philippe CHARRIER as Board member for a period of one (1) year, expiring at the conclusion of the General Meeting called to approve the financial statements for the year ended December 31, 2015.

EIGHTH RESOLUTION

(Renewal of a Director's mandate)

The Shareholders' Meeting renews the term of office of Jean CHODRON de COURCEL as Board member for a period of one (1) year, expiring at the conclusion of the General Meeting called to approve the financial statements for the year ended December 31, 2015.

NINTH RESOLUTION

(Renewal of a Director's mandate)

The Shareholders' Meeting renews the term of office of Jacques DUMAS as Board member for a period of one (1) year, expiring at the conclusion of the General Meeting called to approve the financial statements for the year ended December 31, 2015.

TENTH RESOLUTION

(Renewal of a female Director's mandate)

The Shareholders' Meeting renews the term of office of Catherine FULCONIS as Board member for a period of one (1) year, expiring at the conclusion of the General Meeting called to approve the financial statements for the year ended December 31, 2015.

ELEVENTH RESOLUTION

(Renewal of a Director's mandate)

The Shareholders' Meeting renews the term of office of Jean-Charles NAOURI as Board member for a period of one (1) year, expiring at the conclusion of the General Meeting called to approve the financial statements for the year ended December 31, 2015.

TWELFTH RESOLUTION

(Renewal of a Director's mandate)

The Shareholders' Meeting renews the term of office of Christian PAILLOT as Board member for a period of one (1) year, expiring at the conclusion of the General Meeting called to approve the financial statements for the year ended December 31, 2015.

THIRTEENTH RESOLUTION

(Renewal of a Director's mandate)

The Shareholders' Meeting renews the term of office of the company FINATIS as Board member, for which the permanent representative on the Board of Directors is Jean-Marie GRISARD, for a period of one (1) year, expiring at the conclusion of the General Meeting called to approve the financial statements for the year ended December 31, 2015.

FOURTEENTH RESOLUTION

(Renewal of a Director's mandate)

The Shareholders' Meeting renews the term of office of the company FONCIÈRE EURIS, for which the permanent representative on the Board of Directors is Didier LEVEQUE, for a period of one (1) year, expiring at the conclusion of the General Meeting called to approve the financial statements for the year ended December 31, 2015.

FIFTEENTH RESOLUTION

(Renewal of a Director's mandate)

The Shareholders' Meeting renews the term of office of the company EURIS, for which the permanent representative on the Board of Directors is Gabriel NAOURI, for a period of one (1) year, expiring at the conclusion of the General Meeting called to approve the financial statements for the year ended December 31, 2015.

SIXTEENTH RESOLUTION

(Renewal of a Director's mandate)

The Shareholders' Meeting renews the term of office of the company SARIS, for which the permanent representative on the Board of Directors is Odile MURACCIOLE, for a period of one (1) year, expiring at the conclusion of the General Meeting called to approve the financial statements for the year ended December 31, 2015.

SEVENTEENTH RESOLUTION

(Renewal of a non-voting observer)

The Shareholders' Meeting renews the term of office of André CRESTEY as non-voting observer for a period of one (1) year, expiring at the conclusion of the General Meeting called to approve the financial statements for the year ended December 31, 2015.

EIGHTEENTH RESOLUTION

(Advisory opinion on the components of the compensation due or allocated to Jean-Charles NAOURI, Chairman of the Board of Directors, for the fiscal year ending December 31, 2014)

The Shareholders' Meeting, in accordance with the the AFEP/MEDEF Corporate Governance Code and having noted the information presented on page 190 of the French Registration Document, issued a favorable opinion on the components of the compensation due or allocated to Jean-Charles NAOURI, Chairman of the Board of Directors, for the fiscal year ending December 31, 2014.

NINETEENTH RESOLUTION

(Advisory opinion on the components of the compensation due or allocated to Didier CARLIER, Chief Executive Officer, for the fiscal year ending December 31, 2014)

The Shareholders' Meeting, in accordance with the the AFEP/MEDEF Corporate Governance Code and having noted the information presented on page 191 of the French Registration Document, issued a favorable opinion on the components of the compensation due or allocated to Didier CARLIER, Chief Executive Officer, for the fiscal year ending December 31, 2014.

TWENTIETH RESOLUTION

(Advisory opinion on the components of the compensation due or allocated to Frank HATTAB, Deputy Chief Executive Officer, for the fiscal year ending December 31, 2014)

The Shareholders' Meeting, in accordance with the the AFEP/MEDEF Corporate Governance Code and having noted the information presented on page 192 of the French Registration Document, issued a favorable opinion on the components of the compensation due or allocated to Frank HATTAB, Deputy Chief Executive Officer, for the fiscal year ending December 31, 2014.

TWENTY-FIRST RESOLUTION

(Authorization for the Company to purchase its own shares)

The Shareholders' Meeting, having noted the Board of Directors' report and pursuant to Articles L. 225-209 *et seq.* of the French Commercial Code, authorizes the Board of Directors to purchase Company shares in order to:

- cover stock options plans granted to employees of the Company and of its affiliated entities pursuant to Articles L. 225-177 *et seq.* of the French Commercial Code, as well as any company savings plan or any shareholding plan;
- award bonus shares to employees of the Company and of its affiliated entities pursuant to Articles L. 225-197-1 *et seq.* of the French Commercial Code;
- ensure active trading of the Company's shares under the liquidity agreement signed with an investment services firm, in accordance with the Code of Ethics issued by the French Association of Financial and Investment Firms (AMAFI) and approved by the French Financial Markets Authority (AMF);
- hold shares for delivery to holders of Company securities who exercise their right to receive shares through redemption, conversion, exchange, presentation of a warrant or any other instrument entitling them to receive existing shares;
- hold shares for subsequent use as exchange or payment in a merger or acquisition transaction, in compliance with market practice as permitted by the AMF;
- cancel shares, up to a maximum of 10% of the Company's share capital over a period of 24 months, as part of a capital reduction plan.

The maximum unit purchase price is set at €75 per share.

The Board of Directors, however, may adjust the aforesaid maximum price if there is a change in the par value per share, a capital increase through the capitalization of retained earnings and a bonus share allocation, a share split or consolidation, a capital amortization or reduction, a distribution of reserves or other assets, and any other operation affecting equity, in order to reflect the impact of such transactions on the share value.

Exercise of this authorization shall not result in the Company holding more than 10% of the total number of shares representing the Company's capital as at December 31, 2014, i.e., 4,872,194 shares with a maximum value of €365,414,550 based on a maximum purchase price of €75 per share. When Company shares are purchased under a liquidity contract, the number of these shares taken into account for calculation of the 10% threshold referred to above shall correspond to the number of these shares purchased, with a deduction made for the number of shares resold under the liquidity contract during the period of authorization.

The aforementioned shares may be acquired, sold, transferred or exchanged by any means and at any time, on the stock market or off-market, between trading parties or over the counter, including as blocks of shares or through the use of derivatives such as call options. The maximum share of capital that may be transferred in the form of blocks of shares may be as high as the entire amount of the repurchase program.

The shares may also be loaned, in accordance with the provisions of Articles L. 211-22 *et seq.* of the French Monetary and Financial Code.

The authorization of the share repurchase program shall expire at the next Shareholders' Meeting called to approve the 2015 financial statements and management report, and no later than November 19, 2016.

The Company may not use this resolution to continue implementing its repurchase program, in the event of a public offer relating to shares, bonds or other securities issued by the Company or at the Company's initiative.

In view of guaranteeing the implementation of this resolution, full powers are given to the Board of Directors, with the option to delegate these powers in order to:

- carry out the actual transactions and set their conditions and terms;
- complete all declarations and formalities with the French Financial Markets Authority (AMF);
- execute all trading orders, enter into any agreements, in particular with a view to keeping registers of the purchase and sale of shares;
- make adjustments in the purchase price of the shares to take into account the effect of the above-mentioned transactions on the share value;
- carry out all formalities and, more generally, take all necessary measures.

The Board of Directors shall inform the Annual Ordinary Shareholders' Meeting of the transactions carried out pursuant to the present authorization.

RESOLUTIONS WITHIN THE COMPETENCE OF THE EXTRAORDINARY SHAREHOLDERS' MEETING

TWENTY-SECOND RESOLUTION

(Delegation of authority granted to the Board of Directors to issue shares or securities giving the right to the allotment of new or existing shares, or of existing shares of any company in which the Company directly or indirectly holds an interest, with maintenance of the preemptive subscription right)

The Extraordinary Shareholders' Meeting, having reviewed the Board of Directors' report and the Statutory Auditors' special report and after having noted that the share capital has been fully paid-up, in accordance with Articles L. 225-127, L. 225-129, L. 225-129-2, L. 228-91, L. 228-92, L. 228-93 and L. 228-94 *et seq.* of the French Commercial Code :

- delegates its authority to the Board of Directors, which may further delegate it to the Chief Executive Officer or, with the approval of the latter, to one or more Deputy Chief Executive Officers, to issue shares or securities giving an immediate or deferred access by any means to capital, on one or more occasions and at its sole discretion, in the amounts and at the times it deems appropriate, in France and elsewhere, through the allotment at the Company's discretion of new or existing shares, or of a combination thereof, or of existing shares of any company in which the Company directly or indirectly holds an interest, with maintenance of the preemptive subscription right. The subscription may be made either in cash or through an offset against receivables;
- resolves that the securities thus issued which give the right to the allotment of new shares may consist of debt securities, or be associated with the issue of such securities, or allow for the issue of such securities as intermediate securities. They may take the form of subordinated or unsubordinated securities, with a fixed or indefinite term, and may be denominated in euros or the equivalent in foreign currencies or composite monetary units.

The issues of equity warrants may be made by subscription offer or by a free allotment to the owners of existing shares. The Board of Directors may decide that any rights to fractional shares shall be non-transferable and that the corresponding shares shall be sold.

The aggregate par value of securities that may be issued under this authorization may not exceed sixty-six (66) million euros for equity securities and one (1) billion euros or the equivalent in foreign currencies or composite monetary units for debt securities.

In order for existing security holders to exercise their right to the allotment of new shares, the Shareholders' Meeting further authorizes the Board of Directors to increase the share capital by a maximum par value of sixty-six (66) million euros plus the par value of any additional shares to be issued in order to preserve the rights of existing security holders to shares, in accordance with the law.

The Board of Directors may, in accordance with the law, in the case of equity or any other security issues, if it deems appropriate, grant revocable subscription rights by virtue of which the shares not subscribed on an irrevocable basis shall be allotted to those shareholders who would have subscribed to a number of shares greater than that to which they were allowed to subscribe on an irrevocable basis, in proportion to their existing subscription rights and, in any event, within the limits of their orders.

If an issue is not taken up in full by the aggregate amount of irrevocable and, where applicable, revocable subscriptions, the Board may limit the amount of the issue to the subscriptions received, provided that at least three-quarters of the issue concerned is taken up.

In addition, the Shareholders' Meeting authorizes the Board of Directors, in the event that an equity or any other security issue is not taken up in full by the aggregate amount of irrevocable and, where applicable, revocable subscriptions, to freely allot all or some of the unsubscribed shares or any other securities among the investors of its choice and/or offer all or some of the shares or any other securities for subscription by the general public.

This delegation of authority entails the waiver by existing shareholders of their preemptive subscription rights to the new shares to which the securities to be issued under this delegation may give rights, for the benefit of the holders of these securities.

This delegation of authority, granted for a period of twenty-six months from the date of this Shareholders' Meeting, shall terminate all authorizations with the same purpose granted by the previous Shareholders' Meetings.

Within the limits set by the Shareholders' Meeting and in accordance with the law, the Board of Directors has full powers to approve and set the terms, type and characteristics of the issue(s), particularly the price with or without premium of the shares and any other securities to be issued and the date, even retroactively, from which the new shares carry dividend rights, determine the payment method for shares or securities giving immediate or deferred rights to shares to be issued, duly place the capital increases resulting therefrom on record, deducting issuance costs from the share premium, make any necessary amendments to the by-laws and, if applicable, apply for the admission of the shares and other securities thus issued to trading on a regulated market.

In particular, the Board of Directors may:

- determine for immediate or future debt security issues: their amount, maturity, currency, whether they are subordinated, their interest rate (fixed, variable, zero coupon, indexed or other) and their payment date, interest capitalization terms, redemption terms and type (fixed or variable, with or without premium), amortization terms based on market conditions, the terms under which they will give rights to shares, and any other terms (including the granting of guarantees or sureties);
- amend, for the duration of the concerned shares, the terms of the securities issued or to be issued in compliance with applicable regulations;
- take all necessary measures in respect of any adjustments to be made in accordance with applicable laws, regulations and any contractual provisions to preserve the rights of the holders of shares and securities giving future rights to new shares;
- potentially suspend the exercise of the rights attached to these securities for a fixed period of time in accordance with applicable laws and regulations;
- enter into any and all agreements, particularly with credit institutions, take all measures and carry out any formalities to ensure the implementation and successful completion of any issue decided under this authorization;
- deduct the costs of capital increases from the amount of the corresponding share premium and, if it deems appropriate, deduct from the share premium the amount required to raise the legal reserve to one-tenth of the new capital after each capital increase;

TWENTY-THIRD RESOLUTION

(Delegation of authority granted to the Board of Directors to issue shares or securities giving the right to the allotment of new or existing shares, or of existing shares of any company in which the Company directly or indirectly holds an interest, with cancellation of the preemptive subscription right in the event of a public offering)

The Extraordinary Shareholders' Meeting, having reviewed the Board of Directors' report and the Statutory Auditors' special report and after having noted that the share capital has been fully paid-up, in accordance with Articles L. 225-127, L. 225-129, L. 225-129-2, L. 225-135, L. 225-136, L. 228-91, L. 228-92, L. 228-93 and L. 228-94 *et seq.* of the French Commercial Code :

- delegates its authority to the Board of Directors, which may further delegate it to the Chief Executive Officer or, with the approval of the latter, to one or more Deputy Chief Executive Officers, to issue shares or securities giving an immediate or deferred access by any means to capital, on one or more occasions and at its sole discretion, in the amounts and at the times it deems appropriate, in France and elsewhere, through the allotment at the Company's discretion of new or existing shares, or of a combination thereof, or of existing shares of any company in which the Company directly or indirectly holds an interest, by means of a public offering. The subscription may be made either in cash or through an offset against receivables;
- resolves that the securities thus issued which give the right to the allotment of new shares may consist of debt securities, or be associated with the issue of such securities, or allow for the issue of such securities as intermediate securities. They may take the form of subordinated or unsubordinated securities, with fixed or indefinite term, and may be denominated in euros or the equivalent in foreign currencies or composite monetary units.

The aggregate par value of securities that may be issued under this authorization may not exceed fifteen (15) million euros for equity securities and one (1) billion euros or the equivalent in foreign currencies or composite monetary units for debt securities.

In order for the existing security holders to exercise their right to the allotment of new shares, the Shareholders' Meeting further authorizes the Board of Directors to increase the share capital by a maximum par value of fifteen (15) million euros.

The Ordinary Shareholders' Meeting resolves to cancel the existing shareholders' preemptive rights to subscribe for shares or securities giving rights to new shares. However, the Shareholders' Meeting delegates to the Board of Directors the power to establish, as it deems appropriate, a priority period for the irrevocable and/or revocable subscription by the shareholders for all or part of an issue, and to set its terms and conditions in accordance with applicable laws and regulations. Securities that are not subscribed pursuant to this right may be offered for subscription to the public in France or elsewhere and/or on the international market.

The Shareholders' Meeting further delegates to the Board of Directors the power to exchange the securities referred to in Article L. 228-91 of the French Commercial Code issued under this authorization in connection with the issuance of a public exchange offer of its own shares, decided by the Company.

This delegation of authority entails the waiver by existing shareholders of their preemptive subscription rights to the new shares to which the securities to be issued under this delegation may give rights, to the benefit of the holders of these securities.

The issue price of the new shares to be determined by the Board of Directors shall be no less than the minimum required by the regulations applicable at the date of issue, which at the date of this Registration Document is equal to the weighted average price of the Company's shares on the Euronext Paris regulated market during the three trading days immediately preceding the issue pricing date, less a possible discount of up to 5%, after adjustment, if any, of this average in case of a difference in ex-coupon date.

The issue price of securities giving access to capital and the number of shares to which they give rights, shall be set by the Board of Directors such that the aggregate amount received by the Company at the time of issue and on exercise of the rights attached to these securities is no less than the minimum issue price defined above.

This delegation of authority, granted for a period of twenty-six months from the date of this Shareholders' Meeting, shall terminate all authorizations with the same purpose granted by the previous Shareholders' Meetings.

Within the limits set by the Shareholders' Meeting and in accordance with the law, the Board of Directors has full powers to approve and set the terms, type and characteristics of the issue(s), particularly the issue price (with or without premium) and the date, even retroactively, from which the new shares or any other securities carry rights, determine the payment method for shares or securities giving immediate or deferred rights to shares to be issued, duly place the capital increases resulting therefrom on record, deducting issuance costs from the share premium, make any necessary amendments to the by-laws and, if applicable, apply for the admission of the shares and any other securities thus issued to trading on a regulated market.

In particular, the Board of Directors may:

- determine for immediate or future debt security issues: their amount, maturity, currency, whether they are subordinated, their interest rate (fixed, variable, zero coupon, indexed or other) and their payment date, interest capitalization terms, redemption terms and type (fixed or variable, with or without premium), amortization terms based on market conditions, the terms under which they will give rights to shares, and any other terms (including the granting of guarantees or sureties);
- amend, for the duration of the concerned shares, the terms of the securities issued or to be issued in compliance with applicable regulations;
- take all necessary measures in respect of any adjustments to be made in accordance with applicable laws, regulations and any contractual provisions to preserve the rights of the holders of shares and securities giving future rights to new shares;
- potentially suspend the exercise of the rights attached to these securities for a fixed period of time in accordance with applicable laws and regulations;
- enter into any and all agreements, particularly with credit institutions, take all measures and carry out any formalities to ensure the implementation and successful completion of any issue decided under this authorization;
- deduct the costs of capital increases from the amount of the corresponding share premium and, if it deems appropriate, deduct from the share premium the amount required to raise the legal reserve to one-tenth of the new capital after each capital increase;

TWENTY-FOURTH RESOLUTION

(Delegation of authority granted to the Board of Directors to issue shares or securities giving the right to the allotment of new or existing shares of the Company or the existing shares of any other company in which the Company directly or indirectly holds an equity interest, with cancelation of the preemptive subscription right, via private placement, as defined in Article L. 411-2-II of the French Monetary and Financial Code

The Extraordinary Shareholders' Meeting, having reviewed the reports of the Board of Directors and of the Statutory Auditors and having noted the full payment of the share capital, as required by Articles L. 225-127, L. 225-129, L. 225-129-2, L. 225-135, L. 225-136, L. 228-91, L. 228-92, L. 228-93, L. 228-94 et seq. of the French Commercial Code:

228-91, L. 228-92, L. 228-93, L. 228-94 et seq. of the French Commercial Code:

- delegates to the Board of Directors, with the option to subdelegate to the Chief Executive Officer or in agreement with the latter, to one or several Deputy Chief Executive Officers, its authority for the purpose of deciding, in one or several transactions and at its sole discretion, in the proportions and at the times that it shall deem appropriate, both in France and abroad, the issuance via private placement as defined in Article L.411-2 of the French Monetary and Financial Code, of shares or any other securities giving access, through any immediate and/or future means, to the Company's share capital, through the allocation, at the Company's choice, of either new shares or existing shares of the Company, or a combination of both, or the existing shares of another company in which it directly or indirectly holds an equity interest. The subscription may be carried out in cash or by offsetting debts;
- resolves that the securities thus issued and giving entitlement to the allocation of the new or existing shares of the Company or the existing shares of another company in which the Company directly or indirectly holds an equity interest, may include debt securities or be linked to the issue of such securities or again allow the issue of interim securities. They may in particular take the form of subordinated securities or not, with a determined period or not, and be fully paid in euros or its equivalent value in foreign currency or in composite monetary units. The total nominal amount for the marketable securities likely to be issued under this delegation cannot exceed fifteen (15) million euros, with respect to securities representing a percentage of the capital, and one (1) billion euros or its equivalent value in a foreign currency or in composite monetary units, for debt securities.

The Shareholders' Meeting further authorizes the Board of Directors to increase the share capital by a maximum nominal amount of fifteen (15) million euros in order to allow holders of securities to exercise their entitlement to the allocation of the company's new shares.

The Shareholders' Meeting resolves to cancel the preemptive subscription right of shareholders to the shares and securities giving access to the share capital to be issued for the persons described in paragraph II of Article L. 411-2 of the French Monetary and Financial Code.

This delegation automatically includes the waiver by the shareholders of their preferential subscription rights to the new shares to which the securities that would be issued on the basis of this delegation could grant them entitlement, in favor of the holders of the Company's securities issued under this delegation.

The share issue price that will be fixed by the Board of Directors shall at least be equal to the minimum set out by the regulation in force on the issue date, which to date is equal to the weighted average of the share prices on the regulated market of Euronext Paris of the last three stock market days preceding its fixing, less a maximum discount of 5% where applicable, and after correction, as necessary, of this average in the case of a difference in the dividend-bearing date.

The issue price of the securities and the number of shares that these securities are entitled to, which will be fixed by the Board of Directors, will be such that the amount immediately collected by the Company, increased where appropriate by sum that might be later received by the company, which is for each share issued as a result of the issuance of these marketable securities, will be at least equal to the share price defined in the previous paragraph.

This delegation, given for a period of twenty-six months from this Meeting, terminates all authorizations with the same purpose given by previous Shareholders' Meetings.

Within the limits set by the Shareholders' Meeting and in accordance with the law, the Board of Directors has full powers to decide on the issue(s), and set the terms, nature and characteristics thereof, especially the share price with or without a premium for the shares or other securities to be issued, and the date, even retroactively, from which the new shares will carry dividend rights, determine the method for paying for the shares or securities to be issued immediately or in the future, to note the implementation of any resulting capital increases, to charge the issue costs against the premium, to proceed to the amendment of the by-laws and to request the admission, as appropriate, to trading on a regulated market of shares and other marketable securities thus issued.

The Board of Directors may in particular:

- determine the persons described in paragraph II of article L. 411-2 of the French Monetary and Financial Code for whom the issue or issues would be made;
- determine for immediate or future debt security issues: their amount, maturity, currency, whether they are subordinated, their interest rate (fixed, variable, zero coupon, indexed or other) and their payment date, interest capitalization terms, redemption terms and type (fixed or variable, with or without premium), amortization terms based on market or borrowing conditions, the terms under which they will give rights to shares, and any other terms (including the granting of guarantees or sureties);
- amend, for the duration of the concerned shares, the terms of the securities issued or to be issued in compliance with the applicable regulations;
- take any and all measures to protect the holders of rights and securities giving entitlement to the Company's new shares and to do so in accordance with the legal and regulatory provisions and as applicable, the contractual stipulations providing for other cases of adjustment;
- suspend, if necessary, the exercise of the rights attached to these securities during a period set in accordance with the legal and regulatory provisions;
- enter into any and all agreements, particularly with credit institutions, take all measures and carry out any formalities to ensure the implementation and successful completion of any issue decided by virtue of this delegation.
- charge, as appropriate, the costs of these capital increases to the amount of the premiums related to these increases and if appropriate, debit from this amount the sums required to bring the legal reserve to one tenth of the new capital after each issue.

TWENTY-FIFTH RESOLUTION

(Authorization granted to the Board of Directors, in the event of an issue through public offerings or private placements with the cancellation of the preemptive right, to set the issue price as determined by the Shareholders' Meeting)

The Extraordinary Shareholders' Meeting, having reviewed the Board of Directors' report and the Statutory Auditors' special report, in accordance with Article L. 225-136 of the French Commercial Code, delegates its authority to the Board of Directors, which may further delegate it to the Chief Executive Officer or, with the approval of the latter, to one or more Deputy Chief Executive Officers, in the event of an issue carried out under the twenty-fourth and twenty-fifth resolutions of this Shareholders' Meeting, by way of exception to Article L. 225-136-1° of the French Commercial Code, to set the issue price under the following conditions:

- the issue price of the new shares shall be equal to the weighted average price of the Company's shares during the ten trading days immediately preceding the issue pricing date, less a possible discount of up to 5%;
- the issue price of securities giving access to capital, taking into consideration the number of shares to which they give rights, shall be such that the aggregate amount received by the Company at the time of issue and on exercise of the rights attached to these securities is no less than the minimum issue price defined above.

This authorization, granted for a period of twenty-six months from the date of this Shareholders' Meeting, shall terminate all authorizations with the same purpose granted by the previous Shareholders' Meetings.

TWENTY-SIXTH RESOLUTION

(Authorization granted to the Board of Directors to increase the number of shares to be issued as part of capital increases with maintenance or cancellation of the preemptive subscription right in the event of oversubscription)

The Extraordinary Shareholders' Meeting, having reviewed the Board of Directors' report and the Statutory Auditors' special report, in accordance with Article L. 225-135-1 of the French Commercial Code, delegates its authority to the Board of Directors, which may further delegate it to the Chief Executive Officer or, with the approval of the latter, to one or more Deputy Chief Executive Officers, in the event of an issue carried out under the twenty-second, twenty-third and twenty-fourth resolutions of this Shareholders' Meeting, to issue a number of shares or securities higher than that initially decided upon, at its sole discretion, under the provisions of Article L. 225-135-1 of the French Commercial Code, at the same price as that used for the initial issue and up to the threshold set in the twenty-second, twenty-third and twenty-fourth resolutions and the overall threshold set in the thirty-second resolution.

This authorization, granted for a period of twenty-six months from the date of this Shareholders' Meeting, shall terminate all authorizations with the same purpose granted by the previous Shareholders' Meetings.

TWENTY-SEVENTH RESOLUTION

(Delegation of authority granted to the Board of Directors to increase the share capital through the transfer of reserves, profits, premiums or other sums which may be included in share capital)

The Extraordinary Shareholders' Meeting, having reviewed the Board of Directors' reports, acting in accordance with Articles L. 225-129 to L. 225-130 of the French Commercial Code, delegates its authority to the Board of Directors, which may further delegate it to the Chief Executive Officer or, with the approval of the latter, to one or more Deputy Chief Executive Officers, to increase the share capital on one or more occasions, in the amounts and at the times it deems appropriate, through the transfer of reserves, profits, premiums or other sums which may be included in share capital, through the issue of new shares and award of bonus shares or through the increase of the par value of existing shares, or a combination of both.

The aggregate par value of securities that may be issued under this resolution may not exceed sixty-six (66) million euros. This value does not include the value necessary to preserve the rights of holders of securities giving rights to shares, in accordance with the law.

The Shareholders' Meeting grants to the Board of Directors full powers to implement this resolution, and specifically to:

- set the terms and conditions of the authorized transactions, and specifically set the amount and type of the reserves and share premium to be included in share capital, set the number of new shares to be issued or the amount by which the nominal value of the existing shares comprising the share capital will be increased, set the date, even retroactively, from which the new shares will carry dividend rights or the date from which the increase of the nominal value will take effect;
- take all necessary measures to preserve the rights of holders of securities giving access to capital on the date of the capital increase;
- approve the terms of use of any rights to fractions of shares, in particular decide that these rights shall be non-transferable and non-tradable and the corresponding shares shall be sold, with the sale proceeds allocated among the rights holders, within 30 days of the date when the whole number of shares allotted to them is recorded in their securities account;
- formally record the increase in capital resulting from the issue of shares, make any necessary amendments to the by-laws, apply for the admission of the shares to trading on a regulated market and carry out all required publication formalities;
- and, more generally, take all appropriate steps and carry out all necessary formalities for the successful completion of each capital increase.

This delegation of authority, granted for a period of twenty-six months from the date of this Shareholders' Meeting, shall terminate all authorizations with the same purpose granted by the previous Shareholders' Meetings.

TWENTY-EIGHTH RESOLUTION

(Delegation of authority granted to the Board of Directors to issue shares or any other securities giving access to capital in the event of a tender offer initiated by Rallye for the shares of another listed company, with cancellation of the preemptive subscription right)

The Extraordinary Shareholders' Meeting, having reviewed the Board of Directors' report and the Statutory Auditors' special report, delegates its authority to the Board of Directors, which may further delegate it to the Chief Executive Officer or, with the approval of the latter, to one or more Deputy Chief Executive Officers, to issue shares or any other securities giving immediate or deferred access by any means to capital, at its sole discretion, as consideration for shares or securities tendered as part of a mixed or alternative public exchange offer launched by the Company with respect to the shares of another company listed on a regulated market in accordance with article L. 225-148 of the French Commercial Code.

The Shareholders' Meeting expressly resolves to cancel, if necessary, the preemptive subscription right attached to such shares or securities.

The aggregate par value of securities that may be issued under this authorization may not exceed 15 million euros for equity securities and 1 billion euros or the equivalent in foreign currencies or composite monetary units for debt securities.

In order for the existing security holders to exercise their right to the allotment of new shares, the Shareholders' Meeting further authorizes the Board of Directors to increase the share capital by a maximum par value of 15 million euros.

The Shareholders' Meeting duly notes that the issue of securities giving access to capital entails the cancellation of preemptive subscription rights to the shares to which such securities may give rights.

The Board of Directors shall have full powers to implement the public offerings referred to in this resolution, specifically to set the exchange ratio and, where applicable, the amount of cash to be paid, formally record the number of shares tendered on the due date, set the terms, type and characteristics of the shares or any other securities tendered, to record under liabilities the share premium from which any transactions costs and fees will be deducted, and carry out all formalities and filing requirements and request all necessary authorizations for the execution and successful completion of the transactions authorized by this delegation and, more generally, do all that is necessary.

This authorization is granted for a period of twenty-six months from the date of this Shareholders' Meeting and shall terminate all authorizations with the same purpose granted by the previous Shareholders' Meetings.

TWENTY-NINTH RESOLUTION

(Delegation of powers granted to the Board of Directors to issue shares or securities giving access to capital, up to a maximum of 10% of the Company's share capital, as consideration for contributions in kind made to the Company, consisting of shares or other securities)

The Extraordinary Shareholders' Meeting, having reviewed the Board of Directors' report and the Statutory Auditors' report, acting in accordance with Article L. 225-147 of the French Commercial Code, delegates full powers to the Board of Directors, which may further delegate them to the Chief Executive Officer or, with the approval of the latter, to one or more Deputy Chief Executive Officers, to issue shares or any other securities giving access to capital up to a maximum of 10% of the Company's share capital, as consideration for contributions in kind to the Company comprising shares or securities giving access to capital, based on the Statutory Auditors' report on the contributions mentioned in the 1st and 2nd paragraphs of the aforementioned Article L. 225-147 of the French Commercial Code, where the provisions of article L. 225-148 of the French Commercial Code do not apply, and resolves, if necessary, to waive the preemptive subscription rights to shares or securities to be issued, for the benefit of the holders of contributed securities.

The Shareholders' Meeting duly notes that this delegation of authority entails the waiver of preemptive subscription rights to which the new securities to be issued under this delegation may give rights, for the benefit of the holders of the new securities giving rights to capital to be issued under this delegation;

The Board of Directors shall have full powers to implement this resolution, in particular to assess, based on the Statutory Auditors' report on the contributions mentioned in the 1st and 2nd paragraphs of the aforementioned Article L. 225-147 of the French Commercial Code, the contributions and the granting of special benefits and their values (including the reduction, if the contributors agree, of the value of contributions or the consideration for special benefits), set the terms, type and characteristics of the shares and any other securities to be issued, formally record the completion of capital increases carried out under this authorization, make any necessary amendments to the by-laws, carry out all formalities and filing requirements and request all necessary authorizations for the execution of these contributions and, more generally, do all that is necessary.

This delegation of authority, granted for a period of twenty-six months from the date of this Shareholders' Meeting, shall terminate all authorizations with the same purpose granted by the previous Shareholders' Meetings.

THIRTIETH RESOLUTION

(Overall ceiling for financial authorizations granted to the Board of Directors)

The Extraordinary Shareholders' Meeting, having reviewed the Board of Directors' report, and subject to the adoption of the twenty-second through twenty-ninth resolutions above, resolves that:

- the aggregate par value of debt securities to be issued immediately or in the future may not exceed one (1) billion euros, or the equivalent in foreign currencies or composite monetary units, plus any redemption premium above par;
- the aggregate par value of capital increases that may be carried out under these resolutions immediately and/or in the future may not exceed sixty-six (66) million euros. The aggregate par value of capital increases that may be carried out without preemptive subscription rights for existing shareholders under these resolutions, immediately and/or in the future, may not exceed fifteen (15) million euros. This value does not include the par value of the additional shares to be issued in order to preserve the rights of existing security holders in accordance with the law.

The Shareholders' Meeting duly notes that aggregate par value of sixty six (66) million euros and that of fifteen (15) million euros do not include the par value of the following types of shares:

- shares to be issued on exercise of stock options reserved for employees and corporate officers;
- shares to be allotted to employees and corporate officers in the event of a grant of bonus shares to be issued through a capital increase;
- shares to be issued, if applicable, to employees participating in a Company savings plan, in accordance with the thirty-sixth resolution;
- shares to be allotted to shareholders for scrip dividends.

The Extraordinary Shareholders' Meeting resolves that the Board of Directors may not make use of the delegations and authorizations granted under the twenty-second through twenty-ninth resolutions without prior authorization by the Shareholders' Meeting, from the date of the submission by a third party of a draft public offering for the Company's shares and until the end of the offering period.

THIRTY-FIRST RESOLUTION

(Authorization to grant share purchase options to employees of the Company and employees and corporate officers of its affiliated entities)

The Extraordinary Shareholders' Meeting, having reviewed the Board of Directors' report and the Statutory Auditors' report, authorizes the Board of Directors to grant, on one or more occasions, options for the purchase of existing shares acquired as part of Company repurchase programs as provided by law, to employees of the Company and employees and corporate officers of companies and groups referred to in Article L. 225-180 of the French Commercial Code. The Company's executive corporate officers may not be granted such options.

The total number of share purchase options that may be granted under this authorization may not exceed 1% of the total number of shares representing the Company's capital as at the date of this Registration Document, including future grants under the thirty-second resolution, subject to its adoption by the Extraordinary Shareholders' Meeting, but excluding share purchase and share subscription options currently outstanding.

The purchase price of the shares by the beneficiaries may not be less than the average of the opening share prices quoted over the 20 trading days preceding the date of grant of the options or the average purchase price of the treasury shares held by the Company pursuant to Articles L. 225-208 and L. 225-209 of the French Commercial Code. The exercise period of the options may not exceed seven years.

In the event that the Company carries out any of the financial transactions provided for by law, the Board of Directors shall, subject to the conditions laid down by regulations, adjust the number and price of the shares to be purchased through the exercise of the options granted.

Full powers are granted to the Board of Directors to:

- designate beneficiaries of options;
- approve the number of options granted to each beneficiary;
- set, within the limits indicated above, the share purchase price and the exercise period;
- set the conditions and criteria for granting options, including but not limited to, seniority conditions, relating to the employment contract or term of office being in force during the vesting period, and any other financial conditions or individual or collective performance conditions;
- impose, if necessary, a vesting period and/or a lock-up period, provided that such a period does not exceed three years from the date of exercise of the options;
- take all necessary decisions within the framework of this authorization, grant all necessary delegations of authority and, more generally, do all that is necessary.

This authorization is granted for a period of twenty-six months from the date of this Shareholders' Meeting. It shall terminate all authorizations with the same purpose granted by the previous Shareholders' Meetings.

THIRTY-SECOND RESOLUTION

(Authorization to grant share subscription options to employees of the Company and employees and corporate officers of its affiliated entities)

The Extraordinary Shareholders' Meeting, having reviewed the Board of Directors' report and the Statutory Auditors' report, authorizes the Board of Directors to grant, on one or more occasions, options for the subscription of Company shares to employees of the Company and employees and corporate officers of companies and groups referred to in Article L. 225-180 of the French Commercial Code. The Company's executive corporate officers cannot be granted such options.

The total number of share subscription options that may be granted under this authorization may not give rights to subscribe to a number of shares exceeding 1% of the total number of shares representing the Company's capital as at the date of this Registration Document, including future grants under the thirty-first resolution, subject to its adoption by the Extraordinary Shareholders' Meeting, but excluding share purchase and share subscription options currently outstanding.

The share subscription price may not be less than the average of the opening share prices quoted over the 20 trading days preceding the date of grant of the options and the exercise period of the options may not exceed seven years.

Existing shareholders expressly waive their preemptive subscription rights to the shares to be issued as and when the options are exercised, in favor of the beneficiaries of options.

In the event that the Company carries out any of the financial transactions provided for by law, the Board of Directors shall, subject to the conditions laid down by regulations, adjust the number and price of the shares to be subscribed through the exercise of the options granted.

Full powers are granted to the Board of Directors to:

- designate beneficiaries of options;
- approve the number of options granted to each beneficiary;
- set, within the limits indicated above, the share subscription price and the exercise period;
- set the conditions and criteria for granting options, including but not limited to, seniority conditions, relating to the employment contract or term of office being in force during the vesting period, and any other financial conditions or individual or collective performance conditions;
- impose, if necessary, a vesting period and/or a lock-up period, provided that such a period does not exceed three years from the date of subscription of options;

Moreover, full powers are granted to the Board of Directors to:

- temporarily suspend the exercise of options when carrying out transactions involving new subscription rights;
- deduct the costs of capital increase(s) from the share premium;
- take all necessary decisions within the framework of this authorization and grant all necessary delegations of authority;
- duly record the capital increases resulting from the exercise of options, make any necessary amendments to the by-laws and, more generally, do all that is necessary.

This authorization is granted for a period of twenty-six months from the date of this Shareholders' Meeting. It shall terminate all authorizations with the same purpose granted by the previous Shareholders' Meetings.

THIRTY-THIRD RESOLUTION

(Authorization to grant bonus shares to employees of the Company and employees and corporate officers of its affiliated entities)

The Extraordinary Shareholders' Meeting, having reviewed the Board of Directors' report and the Statutory Auditors' report, in accordance with Articles L. 225-197-1 *et seq.* of the French Commercial Code:

- authorizes the Board of Directors, pursuant to and under the provisions of Articles L. 225-197-1 to L. 225-197-5 of the French Commercial Code, to grant, on one or more occasions, existing or new bonus shares to employees or certain categories of employees of the Company, and employees and corporate officers of its affiliated entities or economic interest groups under the provisions of Article L. 225-197-2 of the French Commercial Code. The Company's executive corporate officers may not be granted such bonus shares;
- resolves that the total number of shares that may be granted may not exceed 2% of the total number of shares representing the Company's capital as at the date of this Registration Document.

The Shareholders' Meeting authorizes the Board of Directors, within the aforementioned limit, alternatively or cumulatively, to do the following:

- grant existing shares acquired as part of repurchasing programs carried out by the Company under the provisions of Articles L. 225-208 and L. 225-209 of the French Commercial Code; and/or
- grant new shares to be issued as part of capital increases, in which case the Shareholders' Meeting authorizes the Board of Directors to carry out a capital increase for a total par value corresponding to the number of shares granted and duly notes that this authorization entails the waiver of the preemptive subscription rights of the new shares to be issued, for the benefit of the beneficiaries of bonus shares.

The Shareholders' Meeting:

- resolves that the shares shall be definitively allotted to their beneficiaries at the end of a vesting period and should be held by the latter for a minimum period. This period and duration are set by the Board of Directors and cannot be shorter than the period set by the legal provisions in force on the day of the Board of Directors' decision, on the understanding that the Board of Directors may reduce or even cancel this holding period, depending on the beneficiaries concerned;
- resolves that the Board of Directors may decide, if necessary, to make the vesting of all or part of the shares contingent on the achievement of performance conditions.

The Shareholders' Meeting grants full powers to the Board of Directors, within the aforementioned limits, to do the following:

- identify the beneficiaries or the category or categories of beneficiaries of bonus share grants. Employees and corporate officers whose holdings exceed 10% of the share capital may not be granted bonus shares. In addition, the bonus share grant may not result in any of these individuals crossing the ownership threshold of more than 10% of the share capital;
- distribute bonus share rights on one or more occasions and at the times it deems appropriate;
- set the conditions and criteria for granting shares, including but not limited to, seniority, conditions relating to the employment contract or term of office being in force during the vesting period, and any other financial conditions or individual or collective performance conditions;
- determine the definitive duration of the vesting period and lock-up period within the aforementioned limits set by the Shareholders' Meeting;
- register the granted shares in a securities account in the shareholder's name, including the lock-up requirement and duration thereof;
- free shares during the lock-up period in the event of dismissal, retirement, disability corresponding to classification in the second or third categories defined in the provisions of Article L. 341-4 of the French Code of Social Security, or death;
- create an unavailable reserve allocated to the rights of beneficiaries, in an amount equal to the total amount of the par value of shares that may be issued by way of a capital increase, through transfers from all of the reserves available to the Company;
- deduct from this unavailable reserve the amounts necessary to pay up the par value of the shares to be issued to beneficiaries;
- in the event of a capital increase, make necessary amendments to the by-laws and carry out all necessary formalities;
- in the event of financial transactions referred to in the provisions of the first paragraph of Article L. 228-99 of the French Commercial Code during the vesting period, implement all appropriate measures to preserve and adjust the rights of beneficiaries of share grants, in accordance with the terms and conditions set forth in Article L. 228-99 (3).

In accordance with the provisions of Articles L. 225-197-4 and L. 225-197-5 of the French Commercial Code, each year a special report shall inform the Ordinary Shareholders' Meeting of the transactions carried out pursuant to this authorization.

The Shareholders' Meeting sets the period during which the Board of Directors may use this authorization at twenty-six (26) months. It shall terminate all authorizations with the same purpose granted by the previous Shareholders' Meetings.

THIRTY-FOURTH RESOLUTION

(Authorization granted to the Board of Directors to increase the share capital through an issue reserved for employees or sell treasury shares to employees)

The Extraordinary Shareholders' Meeting, having reviewed the Board of Directors' report and the Statutory Auditors' special report, acting under the provisions of Articles L. 3332-18 *et seq.* of the French Labor Code and Article L. 225-138-1 of the French Commercial Code, authorizes the Board of Directors, as provided by law with the option to delegate such authority in accordance with Articles L. 225-129-2 and 225-129-6 of the French Commercial Code, to increase, at its sole discretion and if it deems appropriate, the share capital on one or more occasions, by issuing new shares:

- in connection with an issue of securities giving access to capital for cash consideration; or
- in the event that the Board of Directors' report required by Article L. 225-102 of the French Commercial Code shows that the shares held collectively by the employees of the Company or of its affiliated entities within the meaning of Article L. 225-180 of the French Commercial Code represent less than 3% of the share capital.

The subscription to this capital increase shall be reserved for employees participating in a savings plan of Rallye or of its affiliated entities within the meaning of Article L. 233-16 of the French Commercial Code and under the provisions of Article L. 3332-18 *et seq.* of the French Labor Code.

The Shareholders' Meeting expressly resolves to cancel the preemptive subscription right to shares to be issued, in favor of the beneficiaries of capital increases approved under this authorization.

The total number of shares that may be issued under this authorization may not exceed 1% of the total number of shares representing the Company's capital as at the date of this Registration Document. This threshold is independent of the threshold referred to in the twenty-fourth resolution and the overall threshold mentioned in the thirty-first resolution.

The share subscription price shall be determined in accordance with the provisions of Article L. 3332-19 of the French Labor Code.

The Shareholders' Meeting also resolves that the Board of Directors may decide to grant shares or any other securities giving access to capital for free, provided that the total benefit resulting from this grant and, if appropriate, from any employer's contribution and discount on the subscription price, may not exceed the legal or regulatory thresholds.

The Shareholders' Meeting authorizes the Board of Directors to sell the shares acquired by the Company pursuant to Article L. 225-206 *et seq.* of the French Commercial Code, on one or more occasions and at its sole discretion, up to 1% of the shares issued by the Company to employees participating in a savings plan of the Company and of its affiliated entities under the conditions referred to in Article L. 233-16 of the French Commercial Code and under the provisions of Articles 3332-18 *et seq.* of the French Labor Code.

This authorization, granted for a period of twenty-six months from the date of this Shareholders' Meeting, shall terminate all authorizations with the same purpose granted by the previous Shareholders' Meetings.

Any capital increase(s) may be carried out only up to the number of shares subscribed by employees individually or through an employee shareholding fund.

The Shareholders' Meeting authorizes the Board of Directors, pursuant to and in accordance with the provisions of Article L. 225-135-1 of the French Commercial Code, to issue a number of shares higher than that initially decided upon, at the same price as that used for the initial issue and up to the aforementioned threshold.

The Shareholders' Meeting grants full powers to the Board of Directors, which may further delegate it as provided by law, to implement this authorization and carry out share issue(s) within the aforementioned limits, on the dates, within the deadlines and on the terms that it shall set in accordance with statutory and legal requirements, including, in particular:

- approve the terms of the reserved issue(s) and specifically determine whether the shares could be issued directly to beneficiaries or through collective funds;
- set the amounts and dates of capital increases, the duration of their subscription periods, terms and any time period for subscribers to pay for their shares and seniority conditions to be met by the subscribers of new shares;
- deduct, at its sole discretion and if it deems appropriate, issuance costs from the corresponding share premium, and further deduct therefrom any necessary amounts in order to increase the legal reserve to one-tenth of the new capital following each capital increase;
- formally record the amount of the corresponding capital increases and make any necessary amendments to the by-laws as a result of direct or deferred capital increases;
- and, more generally, take all necessary measures and carry out any formalities necessary for the issuing, listing and servicing of securities to be issued under this resolution.

THIRTY-FIFTH RESOLUTION

(Authorization to reduce the share capital through the cancellation of treasury shares)

The Extraordinary Shareholders' Meeting, having reviewed the Board of Directors' report and the Statutory Auditors' report, authorizes the Board of Directors to reduce share capital in accordance with the provisions of Article L. 225-209 of the French Commercial Code, at any time and on one or more occasions, by cancelling shares repurchased by the Company under an authorization granted by the Ordinary Shareholders' Meeting, up to a limit of 10% of the share capital as at the date of cancellation (i.e. adjusted for any capital transactions that would have been carried out after this resolution becomes effective) per 24-month period.

The Shareholders' Meeting grants full powers to the Board of Directors to carry out this (these) capital reduction transaction(s) within the aforementioned limits, and specifically to formally record its (their) completion, deduct any difference between the purchase price and the par value of the shares from a reserve or share premium account of its own choice, make any necessary amendments to the by-laws and carry out any formalities.

This authorization is granted to the Board of Directors for a period of twenty-six months from the date of this Shareholders' Meeting. It terminates and supersedes the previous authorization granted by the Extraordinary Shareholders' Meeting of May 20, 2012.

Accordingly, the Board of Directors shall take all necessary measures and carry out all legal and statutory formalities necessary for the successful completion of these transactions, and in particular make any necessary amendments to the by-laws.

THIRTY-SIXTH RESOLUTION

(Amendment to Article 19-IV of the by-laws relating to regulated agreements)

The Extraordinary Shareholders' Meeting, having reviewed the Board of Directors' report, resolves to amend Article 19-IV of the by-laws to read as follows:

"Article 19 - Powers of the Board of Directors - Committees - Regulated agreements

IV - The Board of Directors authorizes the agreements referred to in Article L. 225-38 of the French Commercial Code, under the conditions provided for by that Article. The agreements referred to in Article L. 225-39 of the French Commercial Code do not require authorization. Pursuant to Article. L. 225-43 the Company may not grant loans, overdrafts, sureties or endorsements to the persons referred to in said article."

THIRTY-SEVENTH RESOLUTION

(Amendment of Article 25-III of the by-laws concerning the composition of the Shareholders' Meeting)

The Extraordinary Shareholders' Meeting, having reviewed the Board of Directors' report, resolves to amend Article 25-III of the by-laws to read as follows:

"Article 25 - Composition of the Shareholders' Meeting:

III – Regardless of the number of shares they hold, all shareholders have the right, upon providing proof of their identity and capacity, to participate in Shareholders' Meetings, under the terms provided by Article R. 225-85 of the French Commercial Code.

The required registration of shares in an account shall be made either in the registered share accounts held by the company or by the agent appointed by the company, or in the bearer share accounts held by the authorized intermediary.

Registration of shares in the bearer share accounts held by the authorized intermediary is confirmed by a participation certificate issued by the latter, by e-mail if appropriate, as an appendix to the correspondence voting or proxy form or in response to a request

for an admission card drawn up in the name of the shareholder or on behalf of the shareholder represented by the registered intermediary. A certificate is also issued for shareholders who wish to physically attend a meeting and have not received their admission card within the time frame set out in Article R. 225-85 of the French Commercial Code."

THIRTY-EIGHTH RESOLUTION

(Powers to carry out formalities)

The Shareholders' Meeting grants full powers to the bearer of an original or a copy or excerpt of the minutes of this Meeting to carry out all filing, publication and any other necessary formalities required by law.

ADDITIONAL INFORMATION

Information about the Company

–

GENERAL INFORMATION

Corporate name: Rallye

Registered office: 83, rue du Faubourg St Honoré - 75008 Paris

Administrative headquarters: 32, rue de Ponthieu - 75008 Paris

LEGAL FORM

RALLYE is a "Société Anonyme" (joint stock corporation) governed by Book II of the French Commercial Code.

Governing law: French law

FORMATION - LIFE

Date of formation: January 20, 1925

Expiration date: December 31, 2064

Life: 90 years, beginning as from December 31, 1974, the date of its first extension.

CORPORATE PURPOSE

Article 3 of the by-laws

"The Company's purpose is to:

- take equity interests in any French or foreign business, whatever its legal form or purpose, and to manage these interests;
- provide administrative, accounting, legal, financial, IT, commercial or other services to further the interests of any company, as well as public relations services;
- acquire and manage all types of real estate;
- undertake any form of business, commission, or brokerage in its own name, or on behalf of others;
- and, in general, undertake any commercial, industrial, real estate, personal property or financial transactions either directly or indirectly related to, or likely to be of use to the Company's purpose or to help in its attainment.

It may, in France or abroad, create, acquire, operate or cause to operate any brand of manufacture, trade, or service, any model or design, any patent or manufacturing process related to the above purpose.

It may act in any country, be it directly or indirectly, on its own account or on behalf of others, alone or in association, participation, grouping or company, in conjunction with any other person or company, and it may carry out the transactions necessary to its purpose, under any form."

TRADE AND COMPANIES REGISTER

Registered with the Paris (France) Trade and Companies Register (R.C.S.), under number 054 500 574.

CONSULTATION OF THE DOCUMENTS AND INFORMATION RELATING TO THE COMPANY

Company documents relating to the last three fiscal years (annual financial statements, minutes of Shareholders' Meetings, Directors, Statutory Auditors' reports, by-laws, etc.) can be consulted at the Company headquarters, 32, rue de Ponthieu - 75008 Paris, France.

Accounting year - Article 32 of the by-laws.

The accounting year starts on January 1st and ends on December 31.

BY-LAWS RELATING TO THE MANAGEMENT AND GOVERNANCE BODIES - BOARD OF DIRECTORS' INTERNAL RULES OF PROCEDURE

BOARD OF DIRECTORS

> COMPOSITION OF THE BOARD OF DIRECTORS (EXTRACT FROM ARTICLE 14 OF THE BY-LAWS)

The Company is administered by a Board with between three and eighteen members.

> DIRECTORS' SHARES (EXTRACT FROM ARTICLE 15 OF THE BY-LAWS)

Each Director must own at least 1 (one) share.

If a Director does not own the requisite shares on the day of their appointment, or ceases to own them during the term of their office, they shall automatically retire from office unless they remedy the position within six months.

> TERM OF OFFICE – AGE LIMIT – REPLACEMENT (EXTRACT FROM ARTICLE 16 OF THE BY-LAWS)

I - Members of the Board are appointed for a term of office of one year expiring at the end of the Ordinary Shareholders' Meeting called to approve the financial statements for the year ended and held during the year in which their term of office expires.

II - All Members of the Board who are natural persons and all Members that are permanent representatives of a legal entity are deemed to have automatically resigned from office at the end of the Ordinary Shareholders' Meeting held to approve the financial statements for the year during which they reach 75 years of age.

III - Members of the Board are appointed or re-reappointed by the Shareholders' Meeting.

In the event of a vacancy due to the death or resignation of one or several Members of the Board, the Board may, between two General Shareholders' Meetings, appoint a temporary Member or Members. These appointments shall be subject to ratification at the subsequent General Shareholders' Meeting.

Even if the appointment of a Member by the Board is not ratified by the Shareholders' Meeting, the actions performed by the Member and the proceedings undertaken by the Board during the temporary appointment period remain valid.

If the number of Members falls below three, the remaining Members (or the statutory auditors or a representative designated, at the request of any interested party, by the Presiding Judge of the Commercial Court) must immediately call an Ordinary Shareholders' Meeting to appoint one or several new Members in order to fill the vacancies and bring the number of Board Members up to the required legal minimum.

The Member appointed to replace another Member shall only fill the vacancy for the remainder of the unexpired term of his or her predecessor.

The appointment of a new Board Member in addition to serving Members may only be decided on by the Shareholders' Meeting, which establishes the term of office.

> BOARD OF DIRECTORS' ORGANIZATION, MEETINGS AND PROCEEDINGS

— *Chairman – Board Committee (extracts from Articles 17 and 20 of the by-laws)*

The Board of Directors appoints a Chairman from its Members, who are natural persons.

The Chairman of the Board of Directors organizes and directs the activities of the Board and reports thereon to the Shareholders' Meeting. The Chairman ensures that the Company's management bodies function properly and that Board Members are able to fulfil their duties.

The Chairman may be appointed for the entire term of his or her office as a Board Member, subject to the right of the Board of Directors to remove him or her from office and to the Chairman's right to resign before the expiry of his or her tenure. The Chairman is eligible for reappointment.

The Chairman is deemed to have automatically resigned from office after the Shareholders' Meeting called to approve the financial statements for the year during which he or she reaches 75 years of age.

The Board of Directors may remove him or her from office at any time.

In the event of the temporary incapacity or death of the Chairman, the Board of Directors may delegate the powers and duties of the Chairman to another Member. In the event of temporary incapacity, the delegation of the powers and duties shall be given for a limited period, which may be renewed. In the event of death, the delegation shall be valid until the appointment of a new Chairman.

> NON-VOTING OBSERVERS (*CENSEURS*) (EXTRACT FROM ARTICLE 23 OF THE BY-LAWS)

The Shareholders' Meeting may appoint one or more non-voting observers, which may be either legal entities or natural persons, from among the shareholders. The Board of Directors may appoint non-voting observers subject to the ratification of the appointment by the subsequent Shareholders' Meeting.

Non-voting observers are appointed for a term of office of one year. Their appointment expires at the end of the Ordinary Shareholders' Meeting called to approve the financial statements for the previous year and held in the year during which their term of office expires.

Any non-voting observer is deemed to have automatically resigned from office at the end of the Ordinary Shareholders' Meeting called to approve the financial statements for the year during which he or she reaches 80 years of age.

Non-voting observers shall be eligible for reappointment at any time, and may be removed from office at any time by decision of the Ordinary Shareholders' Meeting.

The non-voting observers participate in the Board of Directors' meetings. At such meetings, they give their opinion and comments and have an advisory role in the Board's proceedings.

They may receive compensation, the amount and distribution of which are established by the Board of Directors within the framework of the Directors' fees allocated by the Shareholders' Meeting.

> BOARD PROCEEDINGS (EXTRACT FROM ARTICLE 18 OF THE BY-LAWS)

I - The Board of Directors meets as often as required by the interests of the Company and whenever it sees fit, at a place indicated in the notice of meeting.

Notices of meetings are issued by the Chairman or on his or her behalf by a person designated by the latter. When a meeting has not been held for more than two months, one third of the serving Members may ask the Chairman to call a meeting with a specific agenda. The Chief Executive Officer may also ask the Chairman to call a Board meeting with a specific agenda.

II - The proceedings of the Board of Directors are valid if at least half the serving Members are effectively present. A register of attendance is maintained, signed by the Members attending the meetings.

Decisions are taken by a majority vote of the Members present or represented. In the event of a tied vote, the Chairman's vote is casting. However, if the Board consists of fewer than five Members, decisions may be made by two Members in attendance, who are in agreement.

The Members may participate in proceedings by means of a video conference or a similar communications system in accordance with the terms and conditions set forth in current regulations and the Board's internal rules of procedure.

> BOARD'S POWERS (EXTRACT FROM ARTICLE 19 OF THE BY-LAWS)

I - The Board of Directors determines the strategic orientations of the Company's business and ensures that they are implemented. Subject to the powers expressly assigned to Shareholders' Meetings, and within the limits of the Company's corporate purpose, the Board of Directors deals with all issues that concerns the Company's operations. Through its proceedings, it resolves the issues confronting the Company.

II - When the Chairman is appointed or re-appointed, the Board of Directors sets out the arrangements governing the executive management of the Company, which is performed either by the Chairman or by another natural person appointed for that purpose.

However, the Board of Directors may, at its sole discretion and at any time, modify the arrangements governing the executive management of the Company, without requiring any amendment to the Company's by-laws.

III - The Board may appoint committees and determine their composition and powers. The Members of these committees are responsible for examining issues referred to them by the Chairman or the Board.

IV - The Board authorizes, in compliance with legal provisions, the agreements other than those relating to ordinary business operations concluded on arm's length terms, pursuant to Article L. 225-38 of the French Commercial Code. However, the Company may not grant loans, overdrafts, sureties or guarantees to the persons mentioned in Article L. 225-43 of the French Commercial Code or for the purposes provided for in Article L. 225-219 of the French Commercial Code.

V - Except where prohibited by law, all powers, offices and duties limited to one or several operations or types of operations may be delegated to any persons, whether Board Members or not.

Furthermore, the Board of Directors of the Company has set up a number of mechanisms in its internal rules of procedure to ensure the oversight of the executive management of the Company (see the section on "Corporate Governance").

EXECUTIVE MANAGEMENT SYSTEM

Separation of the functions of the Chairman of the Board of Directors and the Chief Executive Officer (extract from Article 21 of the by-laws).

> EXECUTIVE MANAGEMENT

The executive management of the Company may be carried out either under the responsibility of the Chairman of the Board of Directors or by another natural person, whether a Director or not, appointed by the Board of Directors and with the title of Chief Executive Officer.

If the executive management of the Company is conducted by the Chairman, the provisions of this Article apply to him or to her. He or she then takes the title of Chairman and Chief Executive Officer.

The Chief Executive Officer has the broadest powers to act in all circumstances on behalf of the Company. He or she exercises these powers within the limits of the Company's corporate purpose and subject to the powers expressly attributed by law to Shareholders' Meetings and to the Board of Directors.

He or she represents the Company in its dealings with third parties.

The term of office of the Chief Executive Officer is freely set by the Board of Directors. It may not exceed the Members' term of office as set forth in Article 16 above.

The Chief Executive Officer is deemed to have automatically resigned from office after the Shareholders' Meeting called to approve the financial statements for the year during which he or she reaches 75 years of age.

The Chief Executive Officer may be removed from office at any time by the Board of Directors. If the Chief Executive Officer is removed without just cause, he or she may seek damages, unless he or she is also Chairman of the Board of Directors.

> DEPUTY MANAGING DIRECTORS

Upon a proposal by the Chief Executive Officer, the Board of Directors may appoint one or more natural persons to assist the Chief Executive Officer, with the title of Deputy Managing Director.

The maximum number of Deputy Managing Directors is five.

In agreement with the Chief Executive Officer, the Board of Directors determines the scope and duration of the powers granted to the Deputy Managing Directors. In dealings with third parties, the Deputy Managing Directors have the same powers as the Chief Executive Officer.

The Deputy Managing Directors may be removed from office at any time by the Board of Directors upon a proposal by the Chief Executive Officer. If they are removed without just cause, they may seek damages.

The Chairman, if he or she also acts as Chief Executive Officer, the Chief Executive Officer or any of the Deputy Managing Directors are authorized to delegate or substitute powers to carry out one or several operations or types of operation.

BOARD OF DIRECTORS' INTERNAL RULES OF PROCEDURE

The Board of Directors of the Company has adopted internal rules of procedure for its operations, in addition to the laws, regulations and by-laws governing the Company.

These internal rules of procedure specify how the Board is organized and operates and set out the powers and duties of the Board of Directors and of the Board Committees that it has established. They also set out the arrangements for monitoring and assessing its performance (see the section on "Corporate governance", which describes the various Board committees, the limits placed on executive management and the system for control and evaluation of the Board of Directors).

APPROPRIATION OF INCOME

Article 33 of the by-laws

"I - The income statement shows income or loss for the period, after the deduction of amortization and provisions.

From this income, less losses carried forward from previous periods, if any, the following must be allocated in priority:

- at least five per cent to constitute the legal reserve fund. This ceases to be mandatory once said fund has reached one-tenth of the capital, but becomes mandatory again if, for whatever reason, this requirement is no longer met;
- and any amounts to be set aside as reserves in compliance with the law.

The balance, together with any income carried over, constitutes the earnings available for distribution. It is at the disposal of the shareholders at the General Meeting to be, if proposed by the Board of Directors, either totally or in part, distributed to the shares as a dividend, appropriated to any reserve or capital amortization accounts, or to retained earnings.

The Shareholders' Meeting voting on the accounts for the period may grant each shareholder, for all or part of the dividend to be distributed, the option to choose between receiving the dividend in cash or in shares.

II - The shareholders at the Shareholders' Meeting may choose to use the reserves at their disposal to pay a dividend on shares. Should this be decided, the decision must expressly indicate the line items from which the amounts are taken."

INFORMATION REGARDING SHAREHOLDERS' MEETINGS

SHAREHOLDERS' MEETINGS ARE CONVENED AS FOLLOWS

Article 27, paragraphs I, II and III of the by-laws

I - The Shareholders' Meeting is called by the Board of Directors, or, failing that, by the Statutory Auditors or by an agent appointed by the presiding judge of the Commercial Court ruling in summary proceedings at the request of one or more shareholders representing at least one fifth of the share capital, or of a shareholders' association under the conditions set out in Article L. 225-120 of the French Commercial Code.

The meeting is called at least fifteen days ahead of time on first calling and at least ten days earlier for subsequent callings, by means of a notice published in a publication authorized to receive legal notices in the geographic department of the Company's registered office and in the mandatory announcements bulletin (Bulletin des Annonces Légales Obligatoires).

Shareholders holding registered shares for at least a month as of the date of such notices are convened by regular mail or by any means of electronic telecommunication.

The invitation is preceded by a notice containing the disclaimers provided for by law and published in the Bulletin des Annonces Légales Obligatoires at least thirty five days prior to the meeting.

II - Meetings are held in the city or town where the Company has its registered office, or in any other town in France, depending on what has been decided by the person convening the meeting, and in the venue indicated.

III - The agenda for each Shareholders' Meeting is established by the person convening the meeting. If applicable, it contains proposals made by one or more shareholders, under the conditions provided by law.

CONDITIONS OF ADMISSION

Article 25, paragraphs I, II and III of the by-laws

I - Subject to forfeiture due to the failure to make full payment for shares within the prescribed deadlines, the Shareholders' Meeting consists of all shareholders regardless of the number of shares held.

The Shareholders' Meeting, duly convened and constituted, represents all the shareholders; its decisions are binding on all, even for dissenters, those lacking capacity or absent.

II - Any shareholder may have himself or herself represented in accordance with the law.

Minors and those lacking capacity are represented by their guardians and administrators, who need not personally be shareholders. Legal entities are validly represented by any legal representative having that capacity or by a person specifically authorized for that purpose.

Shareholders not domiciled in France may be represented through an agent duly registered as a holder of such shares for the account of the former.

Any shareholder may also vote by mail in the manner and in accordance with the time periods prescribed by law.

A postal ballot and ballot by proxy may be cast using one and the same document as defined by the author of the notice.

III - The right to participate in the Shareholders' Meeting is subordinated to the registration of the shares in account in the name of the shareholder or of the intermediary registered for its account if the shareholder lives abroad, for the deadline planned in the article R. 225-85 of the Commercial law. This registration of the shares in account is made either in the accounts of registered securities held by the Company or by the representative appointed by her, or in the accounts of bearer bonds held by the authorized intermediary.

The registration of the shares in the accounts of bearer bonds held by the authorized intermediary is noticed by a certificate of participation issued by the latter, if necessary by electronic way, in appendix in the form of remote vote or mandate or at the request of card of admission established in the name of the shareholder or for the shareholder represented by the registered intermediary. A certificate is also issued to the shareholder wishing to participate physically in the assembly and which did not receive its card of admission for the planned deadline in the article R. 225-85 of the Commercial law.

Article 12 of the by-laws

Beneficial owners, bare owners and joint owners of shares may attend meetings under the conditions provided by law.

COMPOSITION OF THE SHAREHOLDERS' MEETING

Article 25, paragraph IV of the by-laws

IV - Shareholders may, if the Board so decides, attend Shareholders' Meetings and vote remotely by videoconference or by any means of telecommunication and teletransmission, including the Internet, that allows for their identification under the conditions prescribed by applicable regulations and those decided on by the Board.

On a decision of the Board of Directors, the shareholders may define the forms for remote voting or voting by proxy using an electronic medium, under the conditions set by the regulations then in effect. These forms may be filled out and signed directly on the Internet site created by the centralized institution in charge of the Shareholders' Meetings. The electronic signature of the form may be done by any means corresponding to the provisions of the first phrase of paragraph two of Article 1316-4 of the French Civil Code or any other subsequent legal provision that may replace it, such as the use of an identifier code and password.

Votes cast by electronic means, as well as any acknowledgement of receipt that is provided for it, shall be deemed an irrevocable writing and enforceable against all, except for a disposal of shares of which notice is given under the conditions stipulated in the second paragraph of article R. 225-85 IV of the French Commercial Code or by any other subsequent legal or regulatory provision that may replace it.

A proxy cast by electronic means, as well as an acknowledgement of receipt provided thereto, shall be deemed an irrevocable writing enforceable against all under the conditions defined by law.

CONDITIONS FOR THE EXERCISE OF VOTING RIGHTS

Article 28, paragraph III and IV of the by-laws

III - Shareholders have as many votes as the shares they own or represent, with no limits, except as provided by law or these by-laws.

Votes are cast by a show of hands, electronically or by any means of telecommunication that enables identification of the shareholders under regulatory conditions in effect. The Shareholders' Meeting may also decide to vote by secret ballot on a proposal of the Meeting Committee.

CONDITIONS FOR ACQUIRING DOUBLE VOTING RIGHTS

Article 28, paragraph III of the by-laws

However, under the circumstances provided by law, fully paid-up shares which have demonstrably been registered for at least two years in the name of the same shareholder are granted double voting rights, as are registered bonus shares that were granted to a shareholder on the basis of existing shares entitled to such right, upon a capital increase through capitalization of reserves, profits, or share premiums.

The list of registered shares entitling their holders to double voting rights is decided on by the Board of Directors.

The double voting rights thus granted to registered shares fully paid up ceases as a matter of law for any shares that are converted into bearer shares or transferred to a different owner, except in the event of a registered-to-registered transfer, in application of the provisions of Article L. 225-124 of the French Commercial Code.

For any proxy by a shareholder which does not indicate the agent, the person presiding over the Shareholders' Meeting casts a vote for the adoption of draft resolutions presented or approved on by the Board of Directors and a vote against the adoption of any other draft resolutions. To cast any other vote, the shareholder must select an agent who agrees to vote as indicated by the principal.

Votes are cast by a show of hands, electronically or by any means of telecommunication that enables identification of the shareholders under regulatory conditions in effect. The Shareholders' Meeting may also decide to vote by secret ballot on a proposal of the Meeting Committee.

Shareholders may also vote by absentee ballot under the conditions prescribed by law.

A vote cast or power issued by an agent who either did not declare being an agent registered as the holder of shares on behalf of third parties not domiciled in France, or did not reveal the identity of the owners of the shares on whose behalf he or she is registered, in accordance with regulations in effect, will not be taken into account.

SHARE OWNERSHIP THRESHOLDS REQUIRED TO BE DECLARED TO THE COMPANY

Article 10, paragraph II of the by-laws

Apart from being required to fulfil the legal obligation of informing the Company of the ownership of certain percentages of Company capital and the attached voting rights, any individual or legal entity – including any intermediary registered as the holder of shares of persons not domiciled in France or in French territory - who, alone or acting in concert with other natural or legal persons, should come to hold, or should cease to hold, in whatever manner, a percentage equal to 1% of the voting rights or any multiple thereof, must inform the Company of the total number of shares and voting rights held, by means of registered letter with proof of receipt, to the Company's registered office within five trading days from the date one of these thresholds is crossed.

Should this obligation to inform not be respected, and upon the request, as recorded in the minutes of the general meeting, of one or several shareholders holding at least 5% of Company capital, the voting rights exceeding the fraction which should have been declared may not be exercised at any meeting held, for a period of two years following the date of compliance with the notification requirement.

IDENTIFICATION OF SHAREHOLDERS

Article 10, paragraph III of the by-laws

In order to identify the holders of bearer securities, and in accordance with Article L. 228-2 of the French Commercial Code, the Company has the right, at any time and at its expense, to obtain certain information from the securities clearing agency. The information it may request is the names (or company name, in the case of a legal entity), nationality and address of the holders of securities conferring either present or future rights to vote at its Shareholders' Meetings, as well as the number of shares held by each holder, and any restrictions which may apply to the shares in question.

The Company may also, under the terms of Articles L. 228-2 *et seq.* of the French Commercial Code, ask holders of the Company's shares whether they hold the shares on their own behalf, or on behalf of a third party. Should the latter be the case, it may ask them to provide information serving to identify such a third party or parties.

Should the identity of the owners of the shares not be revealed, the vote or proxy authorization issued by the intermediary will be discarded.

In addition, by virtue of Article L. 228-3-1-II of the French Commercial Code, any legal entity owning shares in excess of 2.5% of the capital or of the voting rights must, when so requested by the Company, reveal the identity of the individuals and/or legal entities which own, either directly or indirectly, more than one third of its own capital or voting rights.

In application of Article L. 228-3-3 of the French Commercial Code, failure to provide the information requested under Articles L. 228-2-II or L. 228-3 or L. 228-3-1 of the French Commercial Code, or the provision of incomplete or erroneous information, will be punishable by the loss of voting and dividend rights attached to the shares held by the person who received the request for information, until such date as the correct information is supplied.

ADDITIONAL INFORMATION

Stock market information

–

SECURITIES LISTED ON THE EURONEXT PARIS STOCK EXCHANGE (COMPARTMENT A)

- Rallye share (ISIN: FR0000060618) (1)

SECURITIES LISTED ON THE LUXEMBOURG STOCK EXCHANGE

- Rallye 7,625% November 2016 bond (ISIN: FR0010815472) issued November 4, 2009 (1)
- Rallye 4.25% March 2019 bond (ISIN: FR0011441831) issued March 11, 2013 (1)
- Rallye 5% October 2018 bond (ISIN: FR0011337872) issued April 26, 2013 (1)
- Rallye 4% April 2021 bond (ISIN: FR0011801596) issued April 2, 2014 (1)

SECURITIES LISTED ON THE FRANKFURT STOCK EXCHANGE

- Rallye 1% October 2020 bonds exchangeable for Casino, Guichard-Perrachon shares (ISIN: FR0011567908) issued October 2, 2013 (1).

Institutions responsible for servicing the securities :

(1) BNP Paribas Securities Services – Grands Moulins de Pantin – 9, rue du Débarcadère – 93761 PANTIN Cedex

VOLUMES TRADED, CHANGE IN RALLYE SHARE PRICE OVER 18 MONTHS [1]

		Highs and lows *(in €)*		Trading volume	Capital exchanged *(in € million)*
		High	Low		
2013	September	28.43	26.35	1,097,136	30.08
	October	31.44	27.00	1,303,405	38.71
	November	31.90	30.76	1,012,798	31.74
	December	31.29	29.20	1,027,820	31.05
2014	January	32.10	28.50	1,422,790	43.78
	February	31.15	27.58	948,587	28.20
	March	33.94	29.64	1,234,098	38.81
	April	37.10	32.59	1,462,055	51.00
	May	38.50	35.58	1,321,556	49.40
	June	40.75	37.51	1,055,671	41.26
	July	41.18	37.43	851,892	33.38
	August	37.59	35.10	602,557	21.94
	September	37.50	34.51	708,859	25.66
	October	34.69	28.43	1,537,453	48.07
	November	31.44	27.00	1,250,162	38.71
	December	31.52	25.94	1,680,843	48.29
2015	January	33.74	27.10	1,339,545	40.25

(1) Source: NYSE-Euronext.

As at January 31, 2015, the Rallye share price stood at €33.30 and its market capitalization was €1.6 billion.

ADDITIONAL INFORMATION

Person responsible for preparing the registration document and the annual financial report

PERSON RESPONSIBLE FOR PREPARING THE REGISTRATION DOCUMENT AND THE ANNUAL FINANCIAL REPORT

Didier CARLIER, Chief Executive Officer

Professional address: 83, rue du Faubourg Saint-Honoré - 75008 Paris

The information contained in this Registration Document is the sole responsibility of the Company's managers.

DECLARATION BY THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT AND THE ANNUAL FINANCIAL REPORT

"I declare that, having taken all reasonable care to ensure that such is the case, the information contained in the Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

To the best of my knowledge, the financial statements have been prepared in accordance with the accounting standards applicable and give a true and fair view of the assets, financial position and profitability of the Company and all subsidiaries within the scope of consolidation. I further declare that the Management Report on pages 6 et seq. gives a true and fair view of the progress of the business, the results of operations and the financial position of the Company and all subsidiaries within the scope of consolidation and also describes the main risks and uncertainties that they face.

I have received from the Statutory Auditors a completion-of-audit letter, in which they state that they have verified the information bearing on the financial position and the financial statements in this Registration Document and have read the document as a whole.

The Statutory Auditors' report on the historical financial information contained in this document appear on pages 164 and 184 for the year ended December 31, 2014 and below incorporated by reference, for the years ended December 31, 2013 and December 31, 2012.

The auditors' report on the consolidated financial statements on the year ended December 31, 2014, appearing in page 164, contains the following observation: "Without qualifying the opinion expressed above, we draw your attention to the matter set out in Note 1.3 to the consolidated financial statements, which describes the changes to accounting methods as a result of the application of IFRS 11 on joint arrangements and the interpretation of IFRIC 21 on the recognition of levies."

The Chief Executive Officer – Didier CARLIER

INFORMATION INCORPORATED BY REFERENCE IN THE REGISTRATION DOCUMENT

In accordance with Article 28 of European Commission rule 809-2004 of April 29, 2004, the following information has been incorporated by reference in this Registration Document:

- the consolidated financial statements prepared in accordance with IFRS and the Company financial statements for the year ended December 31, 2013, the corresponding Statutory Auditors' reports and the Group's Management Report on pages 80 to 171, 174 to 193, 172, 194 and 6 to 47 of the Registration Document filed with the AMF on April 16, 2014 under number D.14-0369;
- the consolidated financial statements prepared in accordance with IFRS and the Company financial statements for the year ended December 31, 2012, the corresponding Statutory Auditors' reports and the Group's Management Report on pages 57 to 142, 145 to 166, 143, 167 and 6 to 48 of the Registration Document filed with the AMF on April 16, 2013 under number D.13-0362.

The chapters of Registration Documents numbers D.14-0369 and D.13-0362 that are not referred to above are either of no interest to investors or covered elsewhere in this Registration Document.

PERSON RESPONSIBLE FOR AUDITING THE FINANCIAL STATEMENTS

REGULAR STATUTORY AUDITORS

> KPMG AUDIT DEPARTMENT OF KPMG SA

1 Cours Valmy – 92923 Paris-La Défense Cedex, represented by Catherine CHASSAING, appointed at the Ordinary Shareholders' Meeting of June 29, 1993 and successively reappointed at the Ordinary Shareholders' Meetings of June 6, 2001, June 6, 2007 and May 14, 2013 for terms of six years, i.e. until the Ordinary Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2018.

> ERNST & YOUNG ET AUTRES

1/2, place des Saisons – 92400 Courbevoie – Paris-La Défense 1, represented by Pierre BOURGEOIS, appointed at the Ordinary Shareholders' Meeting of June 1, 1999 and successively reappointed at the Ordinary Shareholders' Meetings of June 8, 2005 and May 4, 2011 for terms of six years, i.e. until the Ordinary Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2016.

ALTERNATE STATUTORY AUDITORS

> KPMG AUDIT ID

Alternate for KPMG, with registered offices at 3, cours du Triangle, Immeuble "Le Palatin" – Puteaux – 92939 Paris-La Défense Cedex, appointed by the Ordinary Shareholders' Meeting of May 19, 2010 for the remaining term of office of its predecessor and reappointed at the Ordinary Shareholders' Meeting of May 14, 2013 for a term of six years, i.e. until the Ordinary Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2018.

> AUDITEX

Alternate for Ernst & Young et Autres, 1/2, place des Saisons – 92400 Courbevoie – Paris-La Défense 1, appointed by the Ordinary Shareholders' Meeting of May 4, 2011 for a term of six years, i.e. until the Ordinary Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2016.

PERSON RESPONSIBLE FOR FINANCIAL COMMUNICATIONS

Franck HATTAB - Deputy Managing Director

Phone: +33 01 44 71 13 73

Fax: +33 01 44 71 13 70

E-mail: info@rallye.fr

PUBLIC DOCUMENTS - SHAREHOLDER INFORMATION

Rallye is committed to the continual improvement of its financial information and exchanges with its shareholders and French and foreign investors.

The Rallye Financial Communication department provides the financial community with access to the following information:

- the Registration Document;
- the financial statements;
- company documents relating to the past three fiscal years;
- reports, mailings, valuations and special reports prepared by expert assessors at the Company's request;
- historical financial information regarding the Company and its subsidiaries;
- the dedicated website www.rallye.fr.

In line with its communication policy, Rallye provides all shareholders and investors with unlimited access to this information. Each individual may access, download or request that this information is sent to them.

The Financial Communication department organizes an annual financial information meeting for analysts and institutional investors, to which journalists are also invited. The presentation of the Group's financial results is available on the same day on the Company's website.

ADDITIONAL INFORMATION

Cross-reference table for the Registration Document

To facilitate the reading of the Registration Document, the thematic table below can be used to identify the main information required by Annex I to European Regulation No. 809/2004/EC.

Information not applicable to Rallye is marked "n/a".

ADDITIONAL INFORMATION

Cross-reference table for the Annual Financial Report

–

To facilitate the reading of this document, the cross-reference table below may be used to identify in this Registration Document the information that constitutes the Annual Financial Report which must be published by listed companies in accordance with Articles L. 451-1-2 of the French Monetary and Financial Code and 222-3 of the General Regulations of the French Financial Markets Authority.

ADDITIONAL INFORMATION

Cross-reference table for social, environmental and corporate data

–

Design and layout: agence aristophane

Photos credit: François Daburon, Caetano Barreira, Andres Mayr, Anne van der Stegen, Christian Berg,
David Pell, Bertrand Leroy, Damien Lemaire

Printed on Satimat Green, half recycled FSC certified paper, and on Olin Regular, 100% recycled FSC certified paper.

RALLYE

ANNUAL REPORT 2014