

**At the occasion of the launch by Mercialys of a new strategy, Casino significantly strengthens its financial flexibility:**

- **Casino will retain a stake in Mercialys between 30% and 40% by end 2012, while renewing its partnership and confirming the group's vision of a dual development model**
- **Mercialys announces a capital reimbursement to its shareholders and a new financial structure**

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The Board of Directors of Mercialys, a 50.1% subsidiary of Casino group, has adopted today a new step of its development strategy.

Through its new vision of « Foncière Commercante », Mercialys aims at extending its range of services and hence reinforcing the attractiveness of its shopping malls, a strategy supported by an acceleration of the "Alcudia" program (renovation and extension of the existing sites), and a more than doubled asset rotation plan, which should reach €500m by the end of 2012.

In the context of this new step of its REIT (Real Estate Investment Trust) life, Mercialys plans to:

- submit to the approvals of its shareholders two consecutive distributions totaling c.€1.25Bn in 2012 (€1.15Bn through a contribution premium distribution). It is planned to distribute €1Bn in the first semester. A second distribution, of up to €250m, should take place during the second semester, following a second general meeting, subject to the completion of the disposal program, requiring the approval of its new Board of Directors.
- amend as a consequence its financial structure through the issuance of €1Bn of debt, enabling the company to target a conservative and sustainable Loan-to-Value below 40%.

The full completion of these distributions would enable Casino to fully recover its historical investments in the company.

Casino will reduce its stake to reach a level between 30% to 40% of the share capital of Mercialys (compared with a majority stake today), and remain a key partner of Mercialys. The composition of Mercialys' Board of Directors will be modified accordingly.

The two companies intend to renew their partnership and Mercialys will thus continue to contribute to the development of the value-creating retail & real-estate dual model of Casino.

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## **Casino pursues the implementation of its value-creating dual model and will renew its partnership with Mercialys**

Casino group pursues and strengthens its dual model of active and coordinated management of its retail & real estate activities, which remains a key pillar of the group's strategy in France and abroad.

The key principle of the partnership, according to which Casino develops and manages a pipeline of projects that Mercialys purchases to feed its growth, should be maintained with the same financial conditions. Its practical dispositions will be adapted in a new agreement extended until end 2015 and submitted to the approval of the Board of Directors of Casino and of Mercialys in its new composition.

Mercialys will remain a key partner for Casino's projects. Its new differentiating vision of « Foncière Commerçante » will enable the continuation and acceleration of value creation at the historical retail sites of Casino, including the area optimisation between hypermarkets and shopping malls, strengthening the offer surrounding the Géant stores.

For example, it is planned that Mercialys could support, through the Alcudia program, the development of most of the 37 extension projects planned by Casino over the next three years (2012-2014), particularly in some of the group's flagship centres.

## **Casino significantly strengthens its financial flexibility**

As a result of the transaction, including the reduction of the group's stake in Mercialys, Casino should receive a gross cash inflow of €800-900m, significantly strengthening its financial flexibility with a neutral impact of the whole transaction on its underlying net profit 2012<sup>1</sup>. As of today it has not been planned that this operation should lead the Group to modify its dividend policy.

Mercialys will be accounted for by Casino under the equity method at the date of the change of control.

The extraordinary return to Mercialys' shareholders would enable Casino to fully recover its investments in Mercialys, generating an excellent return on investment.

Jean-Charles Naouri, Chairman and Chief Executive Officer of Casino Group said:

*« This new strategic step of Mercialys' development relies upon new value-creating drivers while rewarding its committed shareholders; it will enable the company to pursue its path of strong growth and profitability engaged since its IPO.*

*Casino will remain a key shareholder and partner of Mercialys. The group will benefit on its sites from Mercialys' expertise, reinforced by the new Concept of "Foncière Commerçante". »*

<sup>1</sup> Underlying net profit corresponds to the net profit from continuing operations, adjusted for the net impact of other operating income and expense, non-recurring financial items and non-recurring income tax expense/benefits (see 2010 Registration Document: §2.1.4 of the Management Report).



## Conference call on the transaction

Antoine Giscard d'Estaing, the group's CFO, will hold a conference call at 18.30 (CET) in English. Details and content will be sent by email.

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### About Casino

*The Casino Group is one of the leading food retailers in the world. In addition to its 9,500 outlets in France, the group has another 2,200 stores, mainly in Latin America (Brazil and Colombia) and South East Asia (Thailand and Vietnam), which account for 45% of its sales. In 2011, Casino had consolidated sales of €34.4 billion. It employs 230,000 people around the world.*

### About Mercialys

*Mercialys, one of France's leading real estate companies, is solely active in commercial property. Rental revenue in 2011 came to Euro 161 million and net income, Group share, to Euro 147 million. It owns 120 properties with an estimated value of Euro 2.6 billion (including transfer taxes) at December 31, 2011. Mercialys has benefited from "SIIC" tax status (REIT) since November 1, 2005.*

### DISCLAIMER

*This press release contains forward-looking statements about future events, trends, projects or targets.*

*These forward-looking statements are subject to identified and unidentified risks and uncertainties that could cause actual results to differ materially from the results anticipated in the forward-looking statements. Please refer to the Casino "document de référence" for the year to December 31, 2010 available on its website ([www.groupe-casino.com](http://www.groupe-casino.com)) for more details regarding material risk factors and uncertainties that could affect Casino business.*

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